MINUTES OF THE
45TH MEETING OF THE
STATE OF NEW YORK MORTGAGE AGENCY
GOVERNANCE COMMITTEE
HELD ON THURSDAY, DECEMBER 10, 2015, AT 8:38 A.M.
AT ITS OFFICES AT
641 LEXINGTON AVENUE
NEW YORK, NY 10022

DIRECTORS AND DESIGNEES

PRESENT:

James S. Rubin	Committee Chairman
Marge Rogatz	Director
Elaine McCann	New York State Division of the Budget representing Mary Beth Labate, Member (via video conference)

Commissioner James S. Rubin presided over the meeting.

Mr. Adam H. Schuman, Senior Vice President and Counsel to the Agencies, acted as Secretary. He noted that Ms. Elaine McCann, representing Budget Director, Ms. Mary Beth Labate, and Ms. Linda Baldwin, representing Cesar Perales, Secretary of State participated in the meeting via video conference from the New York State Division of Budget conference center at the Capitol Building Room 131 in Albany. A public notice was given of the time and location of the venues in accordance with the New York State Open Meetings Law.

Mr. Eric Mostert, Chief Fiscal Officer, representing Commissioner Jerry Boone from the New York State Commissioner of Taxation and Finance attended this meeting, as a guest, via video conference from the New York State Division of the Budget conference Center at the Capital building, Room 131 in Albany, NY.

Mr. Schuman asked for motions and seconds to call the Governance Committee meetings to order of the New York State Housing Finance Agency (HFA); the New York State Affordable Housing Corporation (AHC); the State of New York Municipal Bond Bank Agency (MBBA) and the Tobacco Settlement Financing Corporation (TSFC). Ms. Elaine McCann moved to call the HFA and AHC meetings to order; Committee Chairman Steven Weiss seconded the motion. Ms. Elaine McCann moved to call the SONYMA meeting to order; Ms. Marge Rogatz second the motion. Ms. Elaine McCann moved to call the MBBA and TSFC meetings to order; Ms. Linda Baldwin seconded the motion.

Mr. Schuman stated that as items are presented to each Committee throughout the meetings, these motions and seconds, will be used unless specific items call for a different vote, or unless any Committee member wishes to record his or her vote differently.

Mr. Schuman reported that Mr. Steven J. Weiss is the Committee Chairman for the HFA and AHC Governance Committees and Mr. Bialo is the Committee Chairman for MBBA and TSFC Governance Committees; President Rubin is the Committee Chairman for SONYMA Governance Committee.

The meetings of the Governance Committees of the affiliated agencies were opened in joint session for the consideration of various matters of shared importance. These minutes reflect only those items being considered by the State of New York Mortgage Agency (SONYMA). A record of items considered by the Governance Committee of the other affiliated agencies is contained in the minutes of each Committee respectively.

Mr. Schuman stated that for purposes of convenience and to make sure the meetings of the respective agencies go smoothly, items shared by one or more of the Agencies will be presented by MBBA/TSFC Committee Chairman Kenneth Bialo.

****

The first item on the agenda was the adoption of the minutes of the 44th SONYMA Governance Committee Directors' meeting held on September 8, 2015. Absent any comments/or corrections from the Members, the minutes were deemed approved.

****

The next item on the agenda was a resolution recommending the approval of the Agencies' Master Goal Plan. Ms. Wanda Graham of the Office of Economic Opportunity provided the annual update for the 2016-2017 Master Goal Plan of the Agencies' for fiscal year beginning April 1, 2016 and ending March 31, 2017 for the five (5) Public Authorities. She reported that the Goal Plan was due to be filed with the Empire State Development on January 15, 2016. She said that her Office's task is to analyze the Agencies expenditures, identify areas for Minority and Women's Business Enterprise ("MWBE") opportunity, work with the various departments on procurement strategies and identify obstacles in meeting the overall goal of 30%. She noted that her Office also monitors and reports its activities on a quarterly basis.

Ms. Graham reported that the Agencies' expenditures are divided into three categories: Procurement, Development Activity and Bond Transactions. She noted that the Agencies achieved a 17% utilization toward a 20% overall goal. She noted that although procurement is 1.1% of the Agency's total expenditures, legal expenditures consist of 58% of the total, with the largest portion consisting of bond counsel work.

Ms. Graham stated that working with the Agencies' General Counsel, MWBE counsel and majority firms has afforded her Office the opportunity to strategize and establish meaningful increases in these areas. She referred to a graph which illustrates where the Agency has had success in terms of Agency

participation. She noted that the Agencies' bond transactions, although only $2.4% of the Agencies' total expenditures, have also had great success in this area.

Ms. Graham acknowledged one obstacle, particularly, for firms that may "max out" of the MWBE program due to the fact that they may exceed the goal.

Ms. Graham reported that approximately 97% of the Agencies' total expenditures are divided into two (2) programs (for HFA and AHC). She said that when Article 15A was first introduced, it did not consider nonprofit funding (AHC program) in analyzing the affordable housing program (apply the goal to a portion of the grant not on the whole grant, but the portion where there are activities). She noted, as an example, the case of acquisition and rehabilitation grants, where there's typically no opportunity for land purchase costs.

Ms. Graham reported that HFA development is divided into the all-affordable projects and 80/20s, noting a correction on Page 5 (all-affordable projects should be 17% instead of 83% and the 80/20s is 83%). She stated that the Agency is revising its liquidated damage clause to address contract noncompliance. She also stated that her staff is working with individual departments to identify MWBEs and as a result they've been able to remove items such as bond counsel, insurance consulting, and financial printing, etc. from the exclusions list. She said the Agencies' exemptions also list areas that do not have MWBE opportunities, such as rent, building maintenance and contracts that are under $25,000 and not subject to Article 15A.

Ms. Graham noted that Pages 10 and 11 of the report outlined the outreach efforts and the categories undertaken. She noted that her staff participates in industry-related conferences and panels. She also noted that her Office has created an MWBE forum corner with useful links to ESD and to the database of MWBEs in construction trades as well as professional services. She said staff members also serve on all Request for Proposal and Request for Qualification Committees to advocate for MWBE participation either directly or via subcontracting. Mr. Schuman asked for clarification regarding MBBA and TSFC since they had no activity in 2015. Ms. Graham explained that in 2010, independent goal plans were set for each Agency and in 2012, her office was able to negotiate with ESD and the Executive Chamber to create one goal plan. MBBA/TSFC Committee Chairman Mr. Kenneth Bialo acknowledged that TSFC and MBBA do not conduct housing-related projects.

HFA/AHC Governance Committee Chairman, Mr. Weiss complimented Ms. Graham and her team. He noted that this area has shown great improvement over the years, noting in particular that the report doesn't reflect the countless phone calls to Ms. Graham and her team from those seeking opportunities and those seeking guidance which have resulted in a great benefit to the State overall, particularly areas in upstate New York (difficulties finding qualified vendors).

MBBA/TSFC designee, Linda Ms. Baldwin asked when specific results regarding procurement strategy would be provided in connection with legal expenses. Ms. Graham stated that together, with the General Counsel, her Office has been conducting meetings with the "majority" bond firms as well as MWBE firms to increase MWBE participation. Ms. Veronica Flanders stated that, overall, the Agencies are looking at a 30% goal ($600,000); she noted that the legal expenditure is in excess of approximately $2 million.

Commissioner Rubin noted that both he and the Chairman along with the Fair Housing Team have spent a lot of time focusing on this area. He noted that Chairman Thompson served as Chairman on the Governor's MWBE Task Force and there are numerous "opportunities to do better within the developer

community." He said consequently, Management is looking for ways to encourage developers to meet their obligations.

Chairman Thompson noted that regarding the net worth cap, ESD has the opportunity to waive the requirement under the new legislature and make exceptions; he directed Fair Housing staff to reach out to ESD officials.

Considering the first and second motions previously entered, the motions were carried, and the following resolutions were adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE STATE OF NEW YORK MORTGAGE AGENCY, THE NEW YORK STATE HOUSING FINANCE AGENCY, THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE ANNUAL UPDATED AND CONSOLIDATED EQUAL OPPORTUNITY AND AFRIRMATIVE ACTION 2016-2017 MASTER GOAL PLAN

****

The next item on the Agenda was a resolution recommending approval of the Governance Committee Action Plan. Mr. Alejandro J. Valella, Vice President and Deputy Counsel HFA/SONYMA, summarized for the Committee the actions taken by the Committee in 2015 and summarized the proposed action plan for 2016. He noted that staff welcomes input from the Committee as to any item or task that they would like added to the Action Plan.

the Committee the actions taken by the Committee in 2015 and summarized the proposed action plan for 2016. He noted that staff welcomes input from the Committee as to any item or task that they would like added to the Action Plan.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE STATE OF NEW YORK MORTGAGE AGENCY, THE NEW YORK STATE HOUSING FINANCE AGENCY, THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING AN ACTION PLAN

****

The next item on the Agenda was a resolution approving Salary Ranges for Senior Officers. This was a consent item and it was noted that information regarding this item was contained in the

materials provided to the Directors in advance of the meeting, which materials are incorporated herein by reference.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE STATE OF NEW YORK MORTGAGE AGENCY, THE NEW YORK STATE HOUSING FINANCE AGENCY, THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION ADOPTING SALARY RANGES FOR SENIOR OFFICERS.

****

The next item on the Agenda was a resolution authorizing entering into a financial advisor services contract with firms on the Agencies' newly established prequalified panel. This was a consent item and it was noted that information regarding this item was contained in the materials provided to the Directors in advance of the meeting, which materials are incorporated herein by reference.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE STATE OF NEW YORK MORTGAGE AGENCY, THE NEW YORK STATE HOUSING FINANCE AGENCY, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE ENTERING INTO CONTRACTS WITH FIRMS ON THE AGENCIES' PREQUALIFIED PANEL FOR FINANCIAL ADIVSOR AND SWAP ADVISOR SERVICES

****

The next item on the Agenda was a resolution to approve the amendment of contracts with InfoPeople Corporations (InfoPeople) and Systems Application Information Network, Inc. (d/b/a) Computer Resources of America (CRA) for information technology consultant services. This was a consent item and it was noted that information regarding this item was contained in the materials provided to the Directors in advance of the meeting, which materials are incorporated herein by reference.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE STATE OF NEW YORK MORTGAGE AGENCY AND THE NEW YORK STATE HOUSING FINANCE AGENCY AMENDING AND EXTENDING CERTAIN CONTACTS

****

The next item on the Agenda was resolution approving the extension of a contract with Genworth Mortgage Insurance Corporation for administrative services. This was a consent item and it was noted that information regarding this item was contained in the materials provided to the Members in advance of the meeting, which materials are incorporated herein by reference.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEE OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING THE CONTINUED RETENTION OF THE CONTRACT WITH GENWORTH MORTGAGE INSURANCE CORPORATION FOR AMDIISTRTIVE SERVICES

****

The next item on the Agenda was a report on Salary Adjustment (Management Confidential). This was an information item and it was noted that information regarding this item was contained in the materials provided to the Directors in advance of the meeting, which materials are incorporated herein by reference.

****

The next item on the Agenda was the review of a Report on Agency Administration of Ethics Policy. This was an information item and it was noted that information regarding this item was contained in the materials provided to the Directors in advance of the meeting, which materials are incorporated herein by reference.

****

There being no unfinished business, Ms. Rogatz moved to adjourn, Ms. Elaine McCann seconded the motion and the meeting was adjourned at 8:58 a.m.

Mr. Schuman noted that the next Governance Committee meeting is scheduled to meet on Thursday, January 28, 2016 at 8:00 a.m.

Adam H. Schuman, Secretary