

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON JULY 11, 2013 AT 8:30 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
Anthony Bergamo	Director
Don Lebowitz	Director
Elaine McCann	New York State Division of the Budget, representing Robert Megna, Director (via video conference)
Marge Rogatz	Director (via video conference)
Darryl C. Towns	Director

ABSENT:

Naomi Bayer	Vice Chairperson
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Chairman William J. Mulrow presided over the meeting.

Chairman Mulrow announced two (2) new Board Members for the Housing Finance Agency, Nestor Davidson and Joyce Miller. He extended a warm welcome to these "talented and experienced housing specialists" who will lend their expertise to the agency.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary. He noted that Elaine McCann, from the New York State Division of the Budget, representing Robert Megna, Budget Director and Aida Brewer from the New York State Department of Taxation and Finance were participating in the meetings by video conference from the New York State Division of Budget conference center at the Capitol Building, Room 131, in Albany; and that Marge Rogatz, SONYMA Director was participating in the meetings by video conference from the Office of Expedia at 325 Duffy Avenue in Hicksville, New York. A public notice was given of the time and location of both venues in accordance with the New York State Open Meetings Law.

Mr. Nestor M. Davidson, Thomas H. Mattox, Ms. Joyce L. Miller HFA Members attended this meeting as guests.

Mr. Valella asked for a motion to call to order the Members and Directors meetings of the New York State Housing Finance Agency ("HFA") and the State of New York Mortgage Agency ("SONYMA"), respectively. Ms. McCann moved to call the HFA meeting to order; Ms. Miller seconded the motion. Mr. Bergamo moved to call the SONYMA meeting to order, Ms. McCann seconded the motion.

Mr. Valella stated that as items were presented to each Board throughout the meetings, these motions and seconds would be used, unless specific items called for a different vote, or unless any Board member wished to record his or her vote differently.

The meetings of the affiliated Agencies were opened in joint session for the President's report, the recital of the Committee reports, the adoption of the minutes of previous meetings and consideration of various matters of shared importance. These minutes reflect only those items being considered by the Directors of the State of New York Mortgage Agency. A record of items considered by the other Agencies is contained in the minutes of each Agency.

The first item on the agenda was the President's Report. Chairman Mulrow requested that Darryl C. Towns, President/CEO of the Agencies, present his report. Commissioner Towns joined Chairman Mulrow in welcoming the new members of the Board noting the agency staff can be utilized as a resource. Commissioner Towns reported that the Board will be asked to consider, for approval, four (4) projects which consist of 311 total units and 285 units specifically set aside for low-income housing. He reported that the agency continues to work on matters related to Superstorm Sandy ("Sandy") and is working to secure work sites in both Nassau and Suffolk counties. Additionally, Commissioner Towns said that he is working in conjunction with Washington, DC staff on a tax bill related to Sandy that would allow for additional credit of tax exempt bonds and tax credits. He reported that staff continues to support the important goal of bringing economic revitalization to New York State and collectively, "we will continue to work hard to help build affordable housing in all regions throughout the State of New York."

The next agenda item was the report of the Mortgage Insurance Committee. Mr. Valella reported that the Mortgage Insurance Committee held a meeting earlier that day and adopted the minutes of the June 13, 2013 meeting. He next reported that the Mortgage Insurance Committee adopted the following resolutions:

- (a) Approval of Mortgage Insurance (100%) and a Commitment (\$12,000,000 HFA permanent mortgage loan) for The Gardens at Town Center Apartments, 100 Greene Center Drive, Town of Greece, Monroe County.

- (b) Approval of Mortgage Insurance (100%) and a Commitment (\$2,620,000 HFA permanent first mortgage loan) for Amsterdam Senior Housing, 35 Wall Street, Amsterdam, Montgomery County.
- (c) Approval of Mortgage Insurance (100%) and a Commitment (\$2,500,000 HFA permanent mortgage loan) for The Enclave Apartments, 15 South 5th Avenue, Mount Vernon, Westchester County.
- (d) Approval of Mortgage Insurance (100%) and a Commitment (\$3,000,000 CPC permanent first mortgage loan) for the provision thereof for 244-248 South Broadway, Yonkers, Westchester County.

The next item on the Agenda was the adoption of the minutes of the SONYMA Directors meeting held on June 13, 2013. Absent comments or corrections from the Directors, Mr. Valella reported that the minutes were deemed approved.

Next before the board was a resolution adopting the Discretionary Funds Policy. Ms. Robinson, Senior Vice President and Chief Financial Officer reported that the Authorities Budget Office (“ABO”) recommended that all public authorities adopt written policies that specifically delineate the proper use of an authority’s discretionary funds. She said that the ABO’s recommendations are included in the document entitled “ABO Recommendations Practice.” She said that as a result, a written policy that more directly corresponds with the mission and purpose of the agency has been developed. Ms. Robinson explained that this policy basically clarifies and formalizes many of the existing policies, i.e. travel expenses.

HFA Member, Ms. Miller referred to the two conditions as it relates to discretionary funds. First, that expenditures are in furtherance of the Agencies’ core purposes and objectives and secondly, that the use be reasonable and necessary. She asked for clarification whether the requirements are for both conditions to be present. Ms. Robinson responded affirmatively.

HFA Member Ms. Miller inquired about the exclusion of dues, etc. for membership organizations in light of the fact that there may be travel expenditures through affiliations with professional organizations. Ms. Robinson said she believes that professional membership dues to organizations that are beneficial to the agency will be taken into consideration, i.e. Certified Public Accountants (“CPAs”). Mr. Bergamo asked if this policy changes the agency’s existing policy. Ms. Robinson noted that the agency had allowed for CPA fees and New York State Bar Association fees in the past, but said that this policy formalizes the agency’s existing policy. Mr. Valella reiterated that this new policy is simply an overlay of policies which ties into the agency’s mission.

Mr. Bergamo referred to the 10% allotted for discretionary funds and asked how much that percentage amounted to. HFA Member Ms. Miller reported that it amounted to approximately \$35 Million Dollars which includes part of the appropriations and program funds that are targeted to certain projects. Mr. Bergamo asked for a breakdown of the \$35 Million

Dollars since it was established that the other 90% goes to programmatic costs; Ms. Robinson said that she will provide the details of the breakdown of costs.

Ms. Robinson then asked the directors to adopt the resolution approving the discretionary funds policy.

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

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY AND THE STATE OF NEW YORK MORTGAGE AGENCY
ADOPTING DISCRETIONARY FUNDS POLICY**

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$12,000,000 permanent mortgage loan for Gardens at Town Center Apartments, 100 Greece Center Drive, Monroe County.

Mr. Vallela noted that this item was discussed and voted on earlier at the Mortgage Insurance Committee meeting and is now up for vote by the SONYMA Board. Also, noting that there will be no discussion on this item unless the Directors so request.

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

**A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF
THE STATE OF NEW YORK MORTGAGE AGENCY
RECOMMENDING APPROVAL OF MORTGAGE INSURANCE AND A
COMMITMENT FOR THE PROVISION THEREOF FOR THE
GARDENS AT TOWN CENTER APARTMENTS, 100 GREENE CENTER
DRIVE, TOWN OF GREECE, MONROE COUNTY**

The next item on the Agenda was a resolution approving amendment of Hedge Guidelines. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion regarding this item.

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

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY
APPROVING AN AMENDMENT TO THE GUIDELINES FOR USES OF
CERTAIN FINANCIAL HEDGES**

There being no unfinished business, Chairman Mulrow asked for a motion to adjourn the SONYMA meeting. Mr. Bergamo moved to adjourn; Ms. McCann seconded the motion, and the meeting was adjourned at 8:40 a.m.

Mr. Valella noted that the next Board meeting was scheduled for Wednesday, August 14, 2013, at 8:52 a.m.



Alejandro J. Valella, Acting Secretary