MINUTES OF THE
67th MEMBERS MEETING OF THE
TOBACCO SETTLEMENT FINANCING CORPORATION
HELD ON JANUARY 29, 2015 AT 9:57 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022

MEMBERS AND DESIGNEES

PRESENT:

Andrew A. SanFilippo	Member
Linda M. Baldwin	Department of State, representing Cesar A. Perales, Secretary of State, Member (video conference)
Elaine McCann	New York State Division of the Budget, representing Robert Megna, Director(via video conference)

ABSENT:

William J. Mulrow	Chairman
Kenneth M. Bialo	Vice Chairman

Commissioner Darryl C. Towns presided over the meeting in the absence of Chairman Mulrow and welcomed everyone.

Mr. C. Jason Kim, Senior Vice President and Counsel to the Agencies, acted as Secretary. He noted that Ms. Elaine McCann from the New York State Division of the Budget, representing Budget Director, Mary Beth Labate, Commissioner Thomas Mattox from the New York State Department of Taxation & Finance and Linda Baldwin representing Secretary of State, Cesar A. Perales, from the Department of State participated in the meetings via video conference from the New York State Division of Budget conference center at the Capitol Building, Room 131, in Albany; Mr. Andrew SanFilippo was attending the meetings from the Agencies' Buffalo Regional Office at Electric Tower, 535 Washington Street, Suite 105 and Ms. Marge Rogatz was attending via video conference from ACT Conferencing at 102 3rd Street, Mineola, NY 11501. A public notice was given of the time and locations of the venues in accordance with the New York State Open Meetings Law.

Ms. Marge Rogatz, and Mr. Anthony Bergamo Directors of the SONYMA Board; Commissioner Darryl C. Towns Director/Member SONYMA/HFA/AHC; Mr. Nestor M. Davidson, Steven J. Weiss, Joyce L. Miller, Commissioner Thomas H. Mattox, all HFA/AHC Members and Mr. Christopher Curtis, Deputy State Treasurer, in his role as designee for

Commissioner Mattox, New York State Department of Taxation and Finance attended this meeting as guests.

Mr. Kim asked for motions and seconds to call to order the January 29, 2015 Members and Directors meetings of the New York State Housing Finance Agency ("HFA"), the New York State Affordable Housing Corporation ("AHC"), the State of New York Mortgage Agency ("SONYMA"), the Municipal Bond Bank Agency ("MBBA") and the Tobacco Settlement Financing Corporation ("TSFC").

Mr. Weiss moved to call the HFA and AHC meetings to order; Ms. McCann seconded the motion; Mr. Bergamo moved to call the SONYMA meeting to order, Ms. McCann seconded the motion; Mr. SanFilippo moved to call the MBBA/TSFC meeting to order; Ms. Baldwin seconded the motion.

Mr. Kim 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 Members of the Tobacco Settlement Financing Corporation. A record of items considered by the other Agencies is contained in the minutes of each of the Agencies.

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The first item on the agenda was the President's Report. Commissioner Towns noted that at last week's combined State of the State/Budget address, Governor Andrew M. Cuomo outlined his continued commitment to affordable housing. He stated that nearly $3 million households in New York are paying over 30% of their income in housing costs and as a result, the Governor announced that New York State will invest more than $486 million in funding to provide housing for the State's most vulnerable residents. He said this funding includes:

- $229 million in capital resources for 2015-16 (continuing the five-year House NY program), representing an increase of $32 million of available resources in 2014-15;
- $256 million from the J.P. Morgan Chase settlement funds to support the construction and rehabilitation of affordable housing, which will revitalize neighborhoods, encourage community renewal activities, and provide for improvements to public, seniors and veterans housing;
- low-cost financing and access to capital through Community Development Financial Institutions.

Commissioner Towns reported that the Governor also proposed an additional investment of $220-million for Homeless Services including funding for New York City rental assistance and other programs that address the City's growing homeless population. He reported that the State will also use $183 million of J.P. Morgan Chase settlement funds to support a new NY/NY IV program

to create 5,000 new supportive housing units for populations requiring additional support; to support NYC's Living In Communities ("LINC") 1 rental assistance program, and to institute a cap on the rent contribution for public assistance recipients diagnosed with HIV/AIDS in NYC so they can afford to stay in their homes.

Commissioner Towns stated that at the Agencies, "2014 was a banner year" with regard to housing production. He shared some of the highlights for the year which include:

- A record in bond issuance (HFA and SONYMA combined) totaling over $2 billion in housing bonds last year making the Agencies the top housing bond issuer in the nation, and;
- HFA by itself, issued approximately $1.6 billion in bonds to fund thirty-five (35) new and seven (7) existing projects with a total of nearly 10,500 units, of which over 6,100 are affordable. This included four (4) Mitchell Lamas with 1,605 units.

He then referred to the one-page handout that was presented at the Audit Committee meetings held earlier in the day, which detailed all of the agencies accomplishments for 2014. He stated that "it shows the tremendous leadership within the Agency.

Commissioner Towns reported that earlier this morning, the Mortgage Insurance Committee ("MIC") approved insurance for three (3) projects representing 231 units of affordable housing across NYS. He reported that the Audit and Governance and Finance and Program Committees also met and took up a number of important administrative items, highlighted by three (3) items which will be presented shortly -- the Board Self Evaluation, a review of the Agencies Financial Statements, and a review of the Mission Statements for the Agencies.

Finally, Commissioner Towns announced, that the Agencies' Chairman, William J. Mulrow, has been named as the new Secretary to the Governor. He also said that HFA/AHC Member and good friend, Commissioner Thomas Mattox, is moving on and he expressed his thanks to both of them for their services to the Boards. Commissioner Towns said that as is the tradition, both will be presented with plaques thanking them for their services throughout the years. Commissioner Towns said that the Governor has announced that he will nominate former NYC Comptroller, William Thompson as the new Chairman for the Agencies and noted that hopefully the nomination process will be completed in time for him to appear at the next Board meeting. Commissioner Towns said on the staff side, Ms. Sharon Devine, President of the Office of Professional Services (HCR) will be working as the Executive Deputy Commissioner of Office of Temporary and Disability Assistance.

Commissioner Towns commented that the Agencies have been able to find ways to penetrate areas in NYS to provide New Yorkers with affordable options. SONYMA Director, Mr. Bergamo also spoke favorably about the Agencies "great" mission and work. MBBA/TSFC Director/Member, Mr. SanFilippo thanked Commissioner Mattox for his service.

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The next item on the Agenda was the report of the Audit Committees. Mr. Kim reported that earlier today, the Committees met and took the following actions:

- All five Committees adopted minutes.
- HFA, SONYMA, MBBA, and TSFC recommended the approval of the Agencies' Financial Statements for Fiscal Year 2014.
- All five Committees adopted a resolution approving Internal Audit's follow-up Audit of 2013 Audit Reports.
- All five Committees adopted a resolution approving Internal Audit's Treasury Department Audit Report.
- All five committees adopted a resolution approving Internal Audit's Human Resources Audit Report. (except for Item 3 thereof the resolution of which was tabled for a later meeting).

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The next item on the Agenda was the report of the Governance Committees. Mr. Kim reported that earlier today, the Committees met and took the following actions:

- All five Committees adopted minutes.
- All five Committees adopted a resolution recommending the approval of Board Self-Evaluation.
- All five Committees adopted a resolution recommending the approval of Acquisition/Disposition and Inventory Guidelines and Reports.
- All five Committees commenced the process of the Ninth Annual Self-Evaluation by the Governance Committees.
- All five Agencies commenced the process of the Ninth Annual Self-Evaluation by the Governance Committees.
- All five Committees reviewed Legal Services contracts with firms on the Agencies' non-bond counsel panel.

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The next item on the agenda was the adoption of the minutes of the 66th TSFC Members' meeting held on December 11, 2014. Absent comments or corrections from the Members, Mr. Kim reported that the minutes were deemed approved.

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The next item on the agenda was a resolution approving the Board Self-Evaluation. Mr. Kim noted that this item was discussed at the Governance Committee meetings and is now before the Boards for approval.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MORTGAGE AGENCY, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION CONCERNING BOARD SELF-EVALUATIONS

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The next item on the agenda was a resolution approving the Agencies' Financial Statements for Fiscal Year 2014. Mr. Kim noted that earlier today, at the Audit Committee meetings, a detailed presentation was made in connection with this item and it is now before the Boards for approval.

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

A RESOLUTION OF THENEW YORK STATE HOUSING FINANCE AGENCY, THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MORTGAGE AGENCY, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2014

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The next item on the agenda was a resolution regarding the review and approval of Mission Statements of the Agencies. This item was also discussed earlier today at the Governance Committee meeting. Mr. Kim noted that the current mission statements had been reviewed and approved, adding that at the Governance Committee meetings a discussion had taken place, particularly between HFA/AHC Members Weiss and Davidson, about making some changes to the HFA mission statement for the upcoming year. It was agreed that language would be suggested, and prepared for discussion at an upcoming meeting.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was unanimously adopted subject to submission of further comments and discussion at the next Governance Committee meeting:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MORTGAGE AGENCY, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION REVIEWING AGENCY MISSION STATEMENTS

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The next item on the agenda was a resolution approving the Annual Investment Report and Quarterly Investment Report. It was noted that there would be no discussion on this item unless the Members so request.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING ANNUAL REPORTS ON INVESTMENTS AND QUARTERLY REPORT ON INVESTMENT

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The next item on the agenda was a resolution approving the Agencies' Annual Procurement Report for fiscal year 2013-2014 (11/1/13-10/31/14) and review of the Agencies' 4th Quarterly Procurement Report, (8/1/13-10/31/14). It was noted that there would be no further discussion on this consent item unless the Members so request.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE ANNUAL PROCUREMENT REPORT

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The next item on the agenda was a resolution approving the Agencies' Public Authorities Reporting Information Systems (PARIS) Filing Report (11/1/13-10/31/14). It was noted that there would be no further discussion on this consent item unless the Members so request.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, THE STATE OF NEW YORK MORTGAGE AGENCY, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND THE TOBACCO SETTLEMENT FINANCING CORPORATION ACCEPTING FILING UNDER THE PUBLIC AUTHORITIES REPORTING INFORMATION SYSTEM

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Commissioner Towns stated that the next item on the agenda was an information item concerning the Budget and Financial Plan Results for the Fiscal Year ending 2014.

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There being no unfinished business, Mr. Kim asked for a motion and a second to adjourn the meeting, Ms. Baldwin moved to adjourn the meeting; Mr. SanFilippo seconded the motion, and the meeting was adjourned at10:18 a.m. The the next Board meeting is scheduled for Thursday, April 9th, 2015, at 8:30 a.m.

C. Jason Kim, Secretary