

**MINUTES OF THE
72ND MEMBERS MEETING OF THE
TOBACCO SETTLEMENT FINANCING CORPORATION
HELD ON APRIL 14, 2016 AT 9:15 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

William C. Thompson	Chairman
Kenneth M. Bialo	Vice Chairman
Andrew A. SanFilippo	Member (via video conference)
Linda M. Baldwin	Department of State, representing Acting New York State Secretary of State, Rosanna Rosado, Member
Todd Scheuermann	New York State Division of the Budget, representing Robert Mujica, Budget Director, Member (via video conference)

Chairman William C. Thompson presided over the meeting and welcomed everyone.

Mr. Adam Schuman, Senior Vice President and Counsel to the Agencies, acted as Secretary. He noted that Mr. Todd Scheuermann representing Mr. Robert F. Mujica, the Director of the New York State Division of the Budget, and Eric Mostert, Chief Fiscal Officer, representing Commissioner Jerry Boone from the New York State Department of Taxation and Finance were both attending the meeting from the conference center at the Capitol Building, Room 131, in Albany. He also noted that Mr. Andrew SanFilippo was attending the meeting from the Agencies' Buffalo Regional Office at Electric Tower, 535 Washington Street, Suite 105; Ms. Marge Rogatz is participating from the Champion Office Suite, located at 1225 Franklin Avenue, Suite 325, Garden City, New York; and Ms. Bethaida Gonzalez is participating from the Syracuse Regional Office, 620 Erie Boulevard, Suite 312. MBBA/TSFC designee, Ms. Linda Baldwin noted that on February 3rd, 2016, Ms. Rosanna Rosado was named Acting New York State Secretary of State, replacing Cesar A. Perales. She said that as General Counsel to the New York State Department of State, she is the new Secretary of State's designee on the MBBA/TSFC Boards. A public notice was given of the time and location of the venues in accordance with the New York State Open Meetings Law.

Mr. Schuman asked for motions and seconds to call to order the 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 State of New York Municipal Bond Bank Agency ("MBBA"), and the Tobacco

Settlement Financing Corporation ("TSFC"), respectively. Mr. Steven J. Weiss moved to call the HFA and AHC meetings to order; Mr. Davidson seconded the motion. Mr. Scheuermann moved to call the SONYMA meeting to order; Ms. Rogatz seconded the motion. Mr. Kenneth Bialo moved to call the MBBA and TSFC meetings to order; Mr. Andrew A. SanFillippo seconded the motion.

Mr. Schuman 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.

The first item on the agenda was the President's Report. President Rubin reported that earlier that day, the Mortgage Insurance Committee ("MIC") approved five (5) items for permanent mortgage insurance for four (4) projects representing over 1,203 units of affordable housing located in New York City and Westchester County (includes insurance for Tracey Towers, a large, HDC financed, Mitchell Lama in the Bronx).

President Rubin reported on the multifamily side, HFA will be asked to approve five (5) items including three (3) multifamily projects totaling over \$60 million in bond financings and representing 500 units of affordable housing in New York City and Buffalo.

President Rubin noted that the Members and Directors will be asked to review several important administrative items. President Rubin noted that these items included the first quarter bond sale and procurement reports, the most recent SWAP report and a resolution seeking for the extension of the volume-cap recycling facility.

President Rubin noted that Governor Andrew M. Cuomo has once again brokered an on-time budget agreement and while there has been much discussion about such items as, an increase in the minimum wage, paid family leave and income tax breaks, at the New York State Division of Homes & Community Renewal, we are most excited about the unprecedented \$2 billion in new funding commitment to support the Governor's five-year, comprehensive statewide affordable housing plan. He thanked Agency staff and New York State Division of the Budget partners for their help in this regard. He also stated that while we continue to work with the Assembly and Senate on the details of this plan to be contained in a Memorandum of Understanding, he is confident that we will come to an agreement.

President Rubin reflected on his travels throughout the State over last month – meeting with Agency partners and elected officials to promote programs to discuss the housing plan. He noted attendance at the latest Faith-based, Housing conference in Binghamton. He stated that the event

was attended by over two hundred individuals and included a tour of a housing site in Johnson City.

President Rubin also noted that this week he traveled with senior staff to a Department of Housing & Urban Development-sponsored, affordable housing conference in Saratoga. He noted that, while there, he was able to meet with the Mayors of several upstate, cities (Troy, Amsterdam, and Plattsburgh) to discuss their housing needs. He also visited with Bronx Borough President Ruben Diaz, Jr. to discuss his housing vision for the Bronx and how the Agency plan can coincide with his plan.

Lastly, President Rubin discussed the most recent Town Hall Meeting (held on March 30, 2016) where he updated DHCR staff on Governor Cuomo's *House NY 2020* plan. He hopes to announce the latest round of Unified Funding awards within the next several days and expects the next couple of months to be even busier due to a packed pipeline.

The next item on the agenda was the Report of the Audit Committee. Mr. Schuman reported that the Audit Committee held a meeting earlier that day, and adopted the minutes of its January 28, 2016 meetings. He next reported that the Audit Committee adopted the following resolutions:

- All five Committees adopted a resolution approving internal audit's debt issuance audit report.
- All five Committees adopted a resolution approving internal audit's work plan for fiscal year 2017.
- All five Committees adopted a resolution recommending the acceptance of the 10th Audit Committees' Self-Evaluation.
- All five Committees adopted a resolution approving internal audit's follow-up audits of 2014 audit reports.
- All five Committees received a presentation on enterprise risk management.
- All five Committees reviewed the Financial Statement Update – 1st Quarter Fiscal 2016 (3rd Quarter Fiscal 2016 for AHC).

The next item on the agenda was the Report of the Governance Committee. Mr. Schuman reported that the Governance Committee held a meeting earlier that day, and adopted the minutes of its January 28, 2016 meetings. He next reported that the Governance Committee adopted the following resolutions:

- All five committees reviewed and approved various contracts monitored by Facilities and Administration departments.
- All five agencies reviewed the Agencies' OGS Goal Plan.

The first item on the agenda was the adoption of the minutes of the 71st TSFC Members meeting held on January 28, 2016. Absent other comments or corrections from the Members, Mr. Schuman reported that the minutes were deemed approved.

The next item on the agenda was a resolution accepting the 10th Audit Committee Self-Evaluation. It was noted that information regarding this item was contained in the materials provided in connection therewith, which materials 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 unanimously:

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 CONCERNING SELF-EVALUATION OF THE AUDIT COMMITTEES

The next item on the agenda was the Quarterly Investment Report. It was noted that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

That next item on the agenda was the Agencies' 1st Quarterly Procurement Report for the period commencing November 1, 2015 and ending January 31, 2016. It was noted that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

The next item on the agenda was the Financial Statement Update – 1st Quarter Fiscal 2016 (3rd Quarter Fiscal 2016 for AHC). It was noted that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

The next item on the agenda was the Administrative Budget Report as of January 31, 2016. It was noted that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

There being no unfinished business, Mr. Schuman asked for a motion to adjourn the meeting. Upon a motion by Vice Chairman, Mr. Bialo that was duly seconded by Mr. SanFilippo, the meeting was adjourned at 9:27 A.M.

Mr. Schuman informed the Directors that the next Board meeting is scheduled for Thursday, June 9, 2016, at 8:30 a.m.


Adam Schuman, Secretary