

**MINUTES OF THE 306TH MEETING OF THE MEMBERS OF THE
HOUSING TRUST FUND CORPORATION
HELD ON JUNE 26, 2014 AT 9:00 A.M.**

Locations: 641 Lexington Avenue, New York, NY 10022 and
38-40 State Street, Hampton Plaza, Albany, NY 12207
*locations connected by video-conference

MEMBERS PRESENT:

Darryl C. Towns, Chairman
Marian Zucker for William Mulrow, Member

OFFICERS PRESENT:

Mark Colon	Deputy Counsel
Sharon Devine	President, Office of Professional Services
Sean Fitzgerald	Vice President, Office of Finance and Development
Bret Garwood	Senior Vice President, Office of Finance and Development
Karen Hunter	Treasurer
Chris Leo	Vice President, Office of Community Renewal
Dan Murphy	Vice President, Office of Housing Preservation
Matthew Nelson	President, Office of Community Renewal
Heather Spitzberg	SEQRA Officer
Eu Ting-Zambuto	Secretary

OTHERS PRESENT:

Bonnie Bauer	Principal Accountant, Corporate Finance, HCR
Daniel Buyer	Deputy Commissioner, Administration, HCR
Robert Damico	Director, Housing Management, HCR
Mike DeBonis	Acting Assistant Director, Architecture and Engineering Bureau, HCR
Michael DeMarco	Director of Internal Audit, HCR
Maralyne Fleischman	Director, Asset Management, HCR
Selica Grant	Attorney, Office of Fair Housing, HCR
Kevin Kelly	Chief Operating Officer, HCR
Lisa Pagnozzi	Procurement Officer, HCR
Ann Delucco	Senior Associate, SaxBST
Brendan Kennedy	Senior Manager (by telephone), SaxBST

There was a quorum with two Members present. Chairman Towns made a motion to call to order the 306th Meeting of the Members of the Housing Trust Fund Corporation (“HTFC”). The motion was seconded by Ms. Zucker.

The first item on the HTFC agenda was the approval of the minutes of the 305th meeting held on May 8, 2014. The minutes of the meeting were deemed approved.

The second item on the HTFC agenda was a resolution approving the annual independent audit. Ms. Hunter introduced Brendan Kennedy of HTFC's independent auditor, SaxBST. Mr. Kennedy provided an overview of the audit report presentation. He reported that the audit work was completed on June 24, 2014 and that SaxBST provided various deliverables including the independent auditor's report on basic financial statements, yellow book report on internal controls and compliance, required communications, and management letter. During his overview, he noted that SaxBST found no significant deficiencies or material weaknesses in internal control over financial reporting; one instance of noncompliance identified during the audit in connection with the collateralization of cash deposits; and a few uncorrected differences which are immaterial to the financial statements. He also reported that SaxBST issued an unmodified opinion on the basic financial statements, which is the highest level of assurance that SaxBST can provide to the Board that the financial statements are free from material error.

Mr. Kennedy discussed the Independent Auditor's Report and stated that this report is the only document that SaxBST owns. Among other things, he noted that effective as of January 1, 2014, Bollam, Sheedy, Torani, and Co. merged with Sax Macy Fromm and Co. and they began operating as SaxBST. He continued to discuss various sections of the report, including the Management's Discussion and Analysis, Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows. He stated that the statements reflect some increases in assets and liabilities and decreases in revenues and expenses, in great part due to the disaster recovery programs that HTFC is now administering. As a result of the disaster recovery programs, HTFC has more assets and liabilities on hand, but the existing programs are relatively consistent with prior periods. He highlighted Footnote 1 of the Notes to the Financial Statements, indicating that this footnote provides an organizational overview of the programs as well as the significant accounting policies, including the new accounting standards adopted.

Mr. Kennedy discussed the Schedule of Funding Progress and stated that the schedule shows HTFC's funded progress as relates to the other post employment benefits plan. Further, he discussed the Report on Internal Control over Financial Reporting and on Compliance. He restated that there was one instance of noncompliance regarding the collateralization of bank deposits. As of the end of the fiscal year, some bank deposits were not secured by collateral and were exposed to deposit risk, which is not permitted under the existing state laws. He also indicated that management has responded and plans to mitigate this in the future.

Ms. Zucker asked Mr. Kennedy to discuss the funding for the post employment health insurance benefits. Mr. Kennedy stated that within the State of New York, post employee retirement benefits for authorities are unfunded, so the entire obligation is reported as a liability in the financial statements. There is debate in the public authority community as to whether it is permissible for an authority to establish an irrevocable trust to fund these benefits. The corporation has internally reserved some money to pay for this obligation going forward, but the money is not reported as a restricted asset because it is not an external restriction.

He continued in discussing the audit results including HTFC's cash and investments, mortgage loan receivables, accounts payable and accrued expenses, valuation of other postemployment benefits, program revenues and expenses, disaster recovery program expenses, and financial reporting process and journal entries. He reported on the required communications including the results of an audit of accounting policies and practices and stated that the significant accounting policies are disclosed in Note 1 to the financial statements and that the corporation adopted Governmental Accounting Standards Board statements 65 and 66 but stated that these standards did not significantly impact the financial statements. He reported that there were no unusual transactions, no disagreements with management, no significant issues discussed with management, no difficulties encountered during the audit, no significant deficiencies or material weaknesses in internal control, and no material uncorrected audit differences. He discussed significant accounting estimates and reported its finding that the assumptions are adequately supported and reasonable and free from potential management bias. Further, he reported that there were no significant written communications with management of the corporation except for the management letter and required communications.

Mr. Kennedy discussed the management letter which identifies the current year observations and prior year comments. Among other things, he highlighted observations and recommendations on holding funds in advance of certain expenditures in connection with the disaster recovery programs and on generating and voiding checks in connection with the disaster recovery programs. Further, he highlighted observations and recommendations with respect to land acquisition as part of the disaster recovery programs. Lastly, he referenced some additional prior year comments but indicated that none are significant from its perspective.

Chairman Towns and Ms. Zucker thanked the SaxBST team and Ms. Hunter and her staff for their work.

Mr. Kennedy complimented and thanked Ms. Hunter and her staff along with the staff of the Governor's Office of Storm Recovery for their professionalism and cooperation.

Chairman Towns moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby approve the annual independent audit report submitted by SaxBST.

Section 2. The Members hereby authorize the Treasurer or another officer to submit and publish the annual independent audit report in accordance with the Public Authorities Law, the Public Authorities Reform Act of 2009, and in accordance with any other governing regulations.

Section 3. This resolution shall take effect immediately.

Ms. Hunter thanked the SaxBST team for their work and indicated that the process was very smooth.

The third item on the HTFC agenda was a resolution approving the annual procurement report and amended procurement and contract guidelines. Ms. Hunter stated that HTFC's policy was made more consistent with the policies of the other New York State Homes and Community Renewal ("HCR") entities in December 2013, and that HTFC is continuing to conform its policy by designating Lisa Pagnozzi, the procurement officer for the other HCR entities, as its Procurement Officer, which makes HTFC more aligned with the other policies. She presented the report on procurement contracts over five thousand dollars and indicated that the procurement contracts from the Governor's Office of Storm Recovery are reported separately in the report.

Chairman Towns moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby approve the Annual Report on Procurements and the amended Procurement and Contract Guidelines.

Section 2. The Members hereby authorize the Treasurer or another officer of HTFC to submit and publish the Procurement and Contract Guidelines and the Annual Report on Procurements to the Division of the Budget, the Department of Audit and Control, the Department of Economic Development, the Senate Finance Committee and the Assembly Ways and Means Committee in accordance with the Public Authorities Law, the Public Authorities Reform Act of 2009, and in accordance with any other governing regulations.

Section 3. This resolution shall take effect immediately.

Ms. Ting-Zambuto notified the Members that in the next few weeks, another amendment to the procurement policy will be proposed to account for federal procurement requirements for the use of the Community Development Block Grant Disaster Recovery funds.

The fourth item on the HTFC agenda was a resolution approving the annual property disposal report and property disposal guidelines. Ms. Hunter presented the annual property disposal report and property disposal guidelines and stated that there are no changes in the report or guidelines. She reported that HTFC holds real property as of the end of the fiscal year as a result of HTFC's administration of the Buyout Program.

Ms. Zucker asked about the title of the properties. Ms. Hunter responded that the properties are owned by HTFC.

Ms. Zucker asked if the properties are insured. Ms. Hunter responded that HTFC is in discussions with the insurance providers including an insurance provider who was procured by HFA to ensure that HTFC has sufficient coverage.

Chairman Towns asked about maintenance of the properties. Ms. Hunter deferred to storm recovery program staff to answer program questions.

Chairman Towns, Ms. Zucker, and Ms. Ting-Zambuto discussed scheduling the Governor's Office of Storm Recovery to report to the Board to answer their remaining inquiries about the acquired properties.

Chairman Towns moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby approve the Property Disposal Report and the Property Disposal Guidelines.

Section 2. The Members hereby approve the designation of Treasurer Karen Hunter as the contracting officer and authorize her or another officer of HTFC to execute any documents which may be necessary and appropriate to effectuate the purpose of this resolution and to file copies of the Property Disposal Guidelines and Property Disposal Report with the Office of the State Comptroller, the Governor's Office, Chairman and Ranking Minority Member of the Senate Finance Committee, Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, each Chair and Ranking Member of the Senate and Assembly Committees on Corporations, Authorities and Commissions, the State Comptroller and the Authorities Budget Office, and to publish the Property Disposal Guidelines and Property Disposal Report.

Section 3. This resolution shall take effect immediately.

The fifth item on the HTFC agenda was a resolution approving the annual report on investments and the investment policy. Ms. Hunter presented the annual report on investments and the investment policy and reported that there are no changes to the investment policy.

Chairman Towns moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby approve the Annual Report on Investments and the Investment Policy.

Section 2. The Members hereby authorize the Treasurer or another authorized officer to submit and publish the Investment Policy and Annual Investment Report in accordance with the Public Authorities Law, the Public Authorities Reform Act of 2009, and any other governing regulations.

Section 3. This resolution shall take effect immediately.

The sixth item on the HTFC agenda was a resolution approving the mission statement performance report and the amended mission statement. Ms. Ting-Zambuto stated that HTFC is required to annually review its performance in accordance with its mission statement and re-examine its mission statement. She stated that the mission statement report highlights HTFC's performance as measured by criteria that HTFC has established. She presented the mission statement report and highlighted the total amount of awards distributed from a few of HTFC's programs, the extent that the funds were leveraged, that the awards were spread across all regions of the State, and the totals reflecting the number of jobs, housing units, businesses across the State, and public infrastructures/facilities projected to be created, preserved, or served. She stated that this report does not currently address the performance of disaster recovery programs and the programs of the Governor's Office of Storm Recovery.

Ms. Ting-Zambuto stated that staff has been working with the Members over the last few months to revise HTFC's mission statement primarily to account for HTFC's role in administering the Governor's initiative of storm recovery. The proposed amended mission statement expands HTFC's mission accordingly. Lastly, she reported a minor correction to the report for the total amount awarded for the programs identified on page 1 of the report and stated that the actual amount is \$136,073,268.

Chairman Towns moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby approve the Report on Performance Based on Mission Statement Measurement Criteria.

Section 2. The Members hereby adopt the amended mission statement.

Section 3. The Members hereby authorize the mission statement and the Report on Performance Based on Mission Statement Measurement Criteria to be published in accordance with the Public Authorities Law and any other reporting requirements.

Section 4. This resolution shall take effect immediately.

The seventh item on the HTFC agenda was a resolution approving the annual report on operations and accomplishments. Ms. Ting-Zambuto stated the report on operations, accomplishments, and goals is also a part of HTFC's annual reports. She stated that the data largely overlaps with the information in the mission statement report, but the scope of the report is broader than the mission statement performance report and includes HTFC's storm recovery accomplishments. She highlighted some additional accomplishments of the corporation including HTFC's accomplishments with respect to its Housing Choice Voucher and Section 8

Project based contract administration program. Further, she reported that HTFC achieved the governor's mandate of 20% of MWBE participation and HTFC, together with the New York State Division of Housing and Community Renewal, achieved a total of over 30% participation between procurement and construction contracts. She reported that HTFC played a critical role in disaster recovery and indicated that the Governor's Office of Storm Recovery submitted a report on its operations, accomplishments, and goals which are incorporated into the HTFC report.

Mr. Nelson acknowledged the work and staff involved in disaster recovery statewide for disasters other than those under the umbrella of the Governor's Office of Storm Recovery, including his staff's work in Mohawk Valley.

Ms. Ting-Zambuto asked if this work is reflected in the data that was submitted by the Office of Community Renewal. Mr. Nelson responded that these disaster recovery programs are multimillion dollar programs, but were not included in his office's prior submission.

Ms. Zucker asked to confirm whether these programs flow through HTFC. Mr. Nelson confirmed.

Ms. Ting-Zambuto presented to the Members the option of either amending the report with the new submission from the Office of Community Renewal before the report is adopted or adopting the report and supplementing the report as adopted. The Members stated their preference to amend the report first and then adopt it at a later time. Ms. Ting-Zambuto indicated that the report needed to be approved and filed by June 30th and indicated that it would be resubmitted to the board for written approval.

Mr. Nelson asked Ms. Hunter to confirm if these disaster recovery programs flow through HTFC. Ms. Hunter confirmed.

This item was tabled.

The eighth item on the agenda was moved to the end of the agenda.

The next item on the agenda was a resolution authorizing contracts for housing and technical services. Mr. DeBonis stated that HTFC issued a Request for Proposals for housing, technical and consulting services in January 2014. He stated that the terms of the new Request for Proposals are the same as those of the Request for Proposals it is replacing, and allows selected consultants to enter into an initial one year agreement with HTFC and have four annual renewals for a total of five years on a contract. He stated that a total of 63 proposals were received, and he discussed the evaluation criteria. Mr. DeBonis discussed the services to be performed and indicated that all services will be provided on an "as-needed" basis; payments to consultants under contracts will be for work performed only if the services are requested and performed. He stated that the requested budget for services is \$535,000, matching the budget for these services from the previous year, and reported that, last year, only approximately \$212,000

was billed to date for the services. He noted that services requested by the Governor's Office of Storm Recovery are approaching \$590,000, but are billed separately.

Ms. Zucker asked to confirm the length of time that the Request for Proposals proposes this panel be in place for. Mr. DeBonis responded that the Request for Proposals is for a five year term of one year contracts.

Ms. Zucker asked if HTFC would anticipate doing another procurement in the next five years. Mr. DeBonis responded that he was unsure if HTFC would do another Request for Proposals, as the Request for Proposals establishes that contracts can be extended for five years. Next year, HTFC will enter into contract renewals with the same list of consultants.

Ms. Zucker confirmed her understanding that the Request for Proposals is for one year contracts but the panel is established for five years.

Chairman Towns moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby authorize contracts with the firms identified below for a one-year period, with up to four annual renewals with the aggregate amount of expenditures of contracts not to exceed \$535,000:

Construction Monitoring:

Aparri Engineering (New York)
Aubertine & Currier (Statewide)
Cashin Associates (New York)
GYMO (Buffalo, Capital District, Syracuse)
HAKS (New York)
Hugh E. Hallenbeck, Architect (Syracuse)
James Jordan Associates (Capital District, Syracuse)
Keystone Associates (Capital District, Syracuse)
LiRo (Buffalo, Capital District, New York)
LJ Gonzer Associates (Statewide)
Munoz Engineering (New York)
TAP, Inc. (Capital District)
Tectonic Engineering (Capital District, New York)
Works-in-Progress Associates (Capital District, New York)

Engineering/Architectural Services:

AFI Environmental (Buffalo)
Aparri Engineering (New York)
Aubertine & Currier (Statewide)
Bernier, Carr & Associates (Syracuse)
C&S Companies (Statewide)
Cashin Associates (New York)

Core Environmental Consultants (Buffalo)
DLB Associates (New York)
GYMO (Buffalo, Capital District, Syracuse)
James Jordan Associates (Capital District, Syracuse)
Janet Mellor, Architect (Capital District, New York)
KCB Architecture (Buffalo)
Keystone Associates (Capital District, Syracuse)
LiRo (New York)
MJ Engineering (Capital District, Syracuse)
Munoz Engineering (New York)
Nelson Associates (Buffalo, Capital District, Syracuse)
Olsen Associates (Capital District, Syracuse)
QPK Design (Syracuse)
Raman & Oundjian (New York)
RAM-Tech Engineers (Statewide)
Sloan Architects (Capital District, New York)
TAP, Inc. (Capital District)
Tectonic Engineering (Capital District, New York)
UNYSE Environmental Consultants (Buffalo)
URS (Buffalo, New York)

Environmental Review (all state wide):

AKRF
Aubertine & Currier
Cashin Associates
Core Environmental Consultants
CT Male Associates
D&B Engineers & Architects
Tectonic Engineering

Section 2. The Members hereby authorize the President of the Office of Housing Preservation or another authorized officer to execute any documents which may be necessary and appropriate to effectuate the purpose of this resolution.

Section 3. This resolution shall take effect immediately.

The tenth item was a resolution approving the expansion of the authority of the Director of Storm Recovery as an agent with signature authority for CDBG Disaster Recovery Programs. Mr. Colon stated the Members designated James Rubin, a co-director of the CDBG Disaster Recovery programs along with Seth Diamond. He stated that the Board previously designated both as agents of the corporation for the purposes of entering into CDBG Disaster Recovery contracts, but due to the nature of the program, how it was established, and how it was structured, Mr. Rubin's authority is limited to the area that he supervised. The Governor's Office of Storm Recovery is now requesting that Mr. Rubin have authority to sign

across all areas of CDBG Disaster Recovery programs. He stated that the same restrictions and safeguards that currently apply to all programs will apply to all future contracts under this authority.

Ms. Ting-Zambuto proposed a modification to the proposed resolution to modify the reference in Section 1 to Counsel in the Governor's Office of Storm Recovery.

Chairman Towns moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby expressly designate the Director of Community Reconstruction and Public Infrastructure/Facilities as an agent of HTFC and an authorized signatory of HTFC with the authority to enter into contracts and execute and deliver instruments for the administration of the entire CDBG Disaster Recovery program including the award of CDBG Disaster Recovery funds, the procurement of goods and services and other related contracts for the CDBG-DR program consistent with the State's CDBG Disaster Recovery Action Plan without further action by the Members; provided, that (i) all such contracts and/or instruments are within the amount permitted by HUD or other federal agencies; (ii) the signing of all such contracts and/or instruments be reported to the Members at the next scheduled meeting of the Members following such signing; (iii) no such contract or instrument shall be effective unless and until approved by Counsel to the Governor's Office of Storm Recovery as to form and by the Treasurer as to financial sufficiency; and (iv) for each such contract, the Director of Community Reconstruction and Public Infrastructure/Facilities shall certify to compliance with all applicable Federal, State and local laws, rules and regulations, HTFC policies and CDBG-DR policies and guidelines, and otherwise as required in a form of certification approved by HTFC Counsel.

Section 2. As set forth by the resolution approved on October 25, 2013, the Members authorize the Treasurer to establish segregated funding accounts for the New York Rising Community Reconstruction Program and public infrastructure/facilities programs, consistent with the State's CDBG Disaster Recovery Action Plan, and as applicable, authorize the Treasurer to disburse funds from such accounts, upon the presentation of a document executed certifying that such monies are due and owing under those contracts.

Section 3. As set forth by the resolution approved on October 25, 2013, the Members authorize the Director of Community Reconstruction and Public Infrastructure/Facilities to designate one person as his designee for the limited purpose of signing and executing

warrants to authorize the Treasurer to disburse funds in accordance with Section 2.

Section 4. Except where limited to specific officers or agents, the Members hereby authorize the President of the Office of Community Renewal, the Director of Storm Recovery, the Director of Community Reconstruction and Public Infrastructure/Facilities or any authorized officer of HTFC to execute any documents which may be necessary and appropriate to effectuate the purposes of this resolution.

Section 5. The Chair of HTFC may revoke and rescind this resolution upon notice to the Members and the Director of Community Reconstruction and Public Infrastructure/Facilities.

Section 6. This resolution shall take effect immediately.

The eleventh item on the HTFC agenda was a resolution approving the SEQRA documentation and classification of the environmental impact of 260 West 153rd Street Apartments and Locust Manor Family II. Ms. Spitzberg presented that there were two projects being submitted as unlisted actions with a negative declaration. She stated that the first project is 260 West 153rd Street Apartments, the new construction of 51 low-income residential units with a community facility at 260 West 153rd Street in New York County (“260 West 153rd Street Apartments”). She stated that the second project is Locust Manor Family II, the new construction of 54 residential units at 172nd Street in Queens County. She recommended a negative declaration for both projects.

Chairman Towns moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby accept the SEQRA documentation for 260 West 153rd Street Apartments and hereby adopt the recommendation that the project be classified as Unlisted with a Negative Declaration under SEQRA.

Section 2. The Members hereby accept the SEQRA documentation for Locust Manor Family II and hereby adopt the recommendation that the project be classified as Unlisted with a Negative Declaration under SEQRA.

Section 3. The Members hereby authorize the SEQRA Officer or any authorized officer to execute any documents in accordance with the applicable provisions of law to effectuate the purpose of this resolution.

Section 4. This resolution shall take effect immediately.

The twelfth item was a resolution authorizing awards under the Rural and Urban Community Investment Fund Program (“CIF Program”) for Cloisters at the Meadows, New York Rural Preservation (R2D2), and Wyandanch Rising. Mr. Fitzgerald stated that the first Urban Community Investment Fund award being recommended is for a project at Wyandanch Rising, a project for the construction an approximately 18,000 square feet commercial space as part of a larger Transit Oriented Development in Nassau County directly adjacent to the Wyandanch Station on the Long Island Railroad. He stated that the second award being recommended is for New York Rural Preservation, R2D2, a project for the rehabilitation and preservation of 218 units in seven scattered sites for low-income seniors and families in rural areas. He stated that HCR funding for this project will provide critical gap financing along with the use of tax credits, bond financing, and other sources of financing. Lastly, he presented the third award being recommended for Cloisters at the Meadows, a project for the substantial rehabilitation and preservation of 112 units for seniors and disabled persons. He stated that the HCR funding includes CIF Program funds federal and state housing tax credits, and this award is an increase in CIF Program funds.

He stated that all three recommendations were subject to review for design, underwriting, scoring, and threshold eligibility, and as a result thereof, were deemed by staff to be eligible for the awards. He stated that these awards are all under the appropriations for fiscal year 2013 to 2014. A new notice of funding availability for 2014 to 2015 appropriations will be posted shortly.

Ms. Zucker noted that there were four awards being set forth but only three being discussed. Ms. Ting-Zambuto stated that the fourth award for the Modern is being tabled and suggested that the proposed resolution be modified accordingly.

Chairman Towns asked why the Wedgepoint project was not recommended. Mr. Fitzgerald stated that it was found to be ineligible for funding under the CIF Program at this time.

Chairman Towns moved to adopt the resolution, as modified; Ms. Zucker seconded the motion, and the following resolution as amended was adopted:

Section 1. The Members hereby authorize awards under the CIF Program up to the amounts specified to the following eligible applicants:

SHARS ID	Project	County	Urban/Rural	CIF Amount
20136020	Cloisters at the Meadows	Erie	Rural	\$380,000
20140106	NY Rural Preservation (R2D2)	Multi-Co.	Rural	\$750,000
TBD	Wyandanch Rising - B	Suffolk	Urban	\$750,000

Section 2. The Members hereby provide that this authorization will lapse 360 days after the effective date of this resolution if a closing on

all sources of construction financing sufficient to complete the project has not occurred.

Section 3. The Members hereby authorize the entering into of regulatory agreements with the applicants, upon their satisfactory compliance with any pre-contract conditions as required by statute or regulations and upon such terms and conditions as set forth by CIF Program guidelines.

Section 4. The Members hereby authorize the President of the Office of Finance and Development or another authorized officer of HTFC to execute any documents which may be necessary and appropriate to effectuate the purposes of this resolution.

Section 5. This resolution shall take effect immediately.

The next item on the agenda was moved to follow the last action item on the agenda.

The next item on the agenda was a resolution authorizing awards under the Public Housing Modernization Program. Mr. Damico presented that the Public Housing Modernization program has been appropriated funding of \$6,000,000. He stated that awards are being recommended to Fulton Housing Authority for a comprehensive rehabilitation project. He stated that the applicant is not planning to apply for the 9% housing tax credits and is planning to go straight into bond financing, which will likely be the same course taken by North Hempstead. Next, he stated that a \$2 million award is being recommended to North Hempstead Housing Authority for a project for interior and exterior rehabilitation. Next, he reported that awards are being recommended to Nyack Housing Authority to fund two projects. Waldren Terrace requires funds for an emergency gas line replacement, which is estimated at over \$700,000. The proposed completion of this project is October. Depew Manor, a senior development, is undergoing a project for window replacement, asbestos work, and the improvement of parking lots, an internal court, and accessibility points. He reported that the Governor's Office of Storm Recovery is also involved in this project. Further, he stated that an award is being recommended to Utica Housing Authority for energy savings work in a Mitchell Lama project, the Chancellor Apartments. He stated that the energy savings work will be done through a partnership with NYSERDA and will leverage NYSERDA funding as well as leverage an existing federal relationship with an energy service corporation, Johnson Controls. Lastly, he stated that \$500,000 is being recommended to Wilna Housing Authority for a project to rehabilitate five apartments to be handicapped accessible units and to renovate the community room and public areas at Brady Acres.

Chairman Towns asked if this project is the Watertown Apartments. Mr. Damico affirmed that this is the Watertown Apartments.

Chairman Towns moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby approve awards under the Public Housing Modernization Program in the following amounts to the following eligible recipients: Fulton Housing Authority in the amount of \$1,000,000 for the Pathfinder Court (NYS-118) housing project and \$1,000,000 for the Pathfinder Court (NYS-148) housing project; North Hempstead Housing Authority in the amount of \$2,000,000 for the Pond View housing project; Nyack Housing Authority in the amount of \$720,000 for the Walden Terrace housing project; Nyack Housing Authority in the amount of \$180,000 for the Depew Manor housing project; Utica Housing Authority in the amount of \$600,000 for the Chancellor Apartments housing project, and Wilna Housing Authority in the amount of \$500,000 for the Brady Acres housing project.

Section 2. The Members hereby approve the entering into of regulatory agreements with the eligible recipients, upon their satisfactory compliance with any pre-contract conditions as required by statute or regulation, and upon such terms and conditions as set forth under Public Housing Modernization Program guidelines.

Section 3. The President of the Office of Housing Preservation or another authorized officer of HTFC is hereby authorized, subject to the provisions of this resolution, to execute any documents which may be necessary and appropriate to effectuate the purposes of this resolution.

Section 4. This resolution shall take effect immediately.

The next item was a resolution authorizing an award for economic development under the Community Development Block Grant (“CDBG”) Program. Mr. Nelson presented that the Town of Cortlandville has requested \$750,000 in CDBG economic development funds for the proposed job creation of 50 full-time jobs in support of Forkey Construction and Fabricating, Inc. (“Forkey”). He stated that Forkey is a 20 year old business which continues to expand and its current location can no longer support additional expansion. CDBG economic development funds will be used to offset the costs of property acquisition for the relocation of all operations to the 131,000 square-foot facility located in the Town of Cortlandville. He stated that the move will allow Forkey to pursue further growth opportunities. He stated that this project is a prime example of the type of projects that are recommended for economic development awards as the funding will enable the company to expand in New York State. The proposed \$2.4 million project will create 50 full-time jobs over two years, with 34 (68%) to benefit low- and moderate-income persons. The cost per job is \$15,000.

Chairman Towns moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby approve an award of CDBG Program funds for economic development to the Town of Cortlandville in the amount of up to \$750,000 to assist in the relocation and expansion of Forkey Construction & Fabricating, Inc., upon its satisfactory compliance with any pre-contract conditions as required by statute or regulations, and upon such other terms and conditions as agreed upon.

Section 2. The Members hereby approve the entering into of regulatory agreements with the applicant, upon its satisfactory compliance with any pre-contract conditions as required by statute or regulation, and upon such terms and conditions as set forth in the program guidelines.

Section 3. The Members hereby authorize the President of the Office of Community Renewal or another authorized officer, subject to the provisions of this resolution, to execute any documents which may be necessary and appropriate to effectuate the purposes of this resolution.

Section 4. This resolution shall take effect immediately.

There were two new items of business.

The first new item of business is a resolution authorizing the repayment of CDBG Program funds to HUD. Mr. Nelson presented that, in or about March 2005, the Members authorized an award to the Town of Kendall for \$562,000 for economic development under the CDBG Program to assist in the expansion of Eagle Creek Marina. Eagle Creek Marina proposed to create 38 full-time equivalent jobs, but it was hit by some hard times and went into bankruptcy. He stated that, in accordance with the HUD regulations, the project was identified as a failure to create the proposed low- and moderate-income jobs required for the use of federal funds, which necessitates the repayment of funds to HUD. He stated that HTFC has worked very closely with the Town of Kendall and with HUD to get consideration from HUD for the state of the project and the state of the community's finances before the determination was made, however, despite these efforts, HUD issued a final determination that repayment is required in accordance with CDBG regulations.

Ms. Zucker asked about the Town of Kendall's position. Mr. Nelson responded that the Town of Kendall is in a tough spot as this was structured as a loan and it received very little in the way of repayment before the business went into bankruptcy, so the Town of Kendall was unable to recapture its investment. Further, after bankruptcy proceedings, the Town's place in the paradigm was set to second position, so it did not get anything from the bankruptcy proceedings. Further, he stated that the Town of Kendall is a small town and does not have money on the books to repay HTFC. Lastly, Mr. Nelson acknowledged the cooperation of the new administration in the Town of Kendall.

Chairman Towns moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby authorize the use of \$562,000 in corporate funds to repay HUD for the funds awarded to the Town of Kendall for economic development under the CDBG Program.

Section 2. The Members hereby approve the entering into of regulatory agreements with the applicant, upon its satisfactory compliance with any pre-contract conditions as required by statute or regulation and upon such terms and conditions as set forth in the program guidelines.

Section 3. The Members hereby authorize the President of the Office of Community Renewal or another authorized officer, subject to the provisions of this resolution, to execute any documents which may be necessary and appropriate to effectuate the purposes of this resolution.

Section 4. This resolution shall take effect immediately.

Ms. Zucker asked about the funds used as repayment funds. Mr. Nelson deferred to Karen Hunter and Sharon Devine. Ms. Hunter responded that there are options being explored, including reviewing the possibility of using funds despite matching requirements, or, if not, using corporate resources. Ms. Devine added that HTFC is also trying to see if there is any possibility of repayment from the organization of any amount to offset the balance of the payment made.

Ms. Ting-Zambuto noted that the resolution specifically authorizes the money to come from corporate funds and asked, in light of Ms. Hunter's response, whether this specification should be struck.

Ms. Hunter clarified that the repayment will initially be from corporate funds. No changes to the proposed and adopted resolution were necessary.

The next item on the agenda was a resolution authorizing the repayment of HOME Program funds to HUD. Mr. Nelson presented that this item is also a repayment for a failed project. In or about October 2008, the Members authorized a HOME Program award in the amount of \$200,000 to GroWest, Inc., a not-for-profit agency located in the City of Utica, which was to use the funds to support an eighteen unit owner occupied rehabilitation project for properties located within the City of Utica. GroWest expended \$71,650.16 of the awarded HOME Program funds towards the rehabilitation of five units of housing, but subsequently and prior to the completion of the project, GroWest ceased further administration of the HOME contract, deeming the work ineligible for HOME Investment Partnership Program funding. He stated that HTFC worked closely with its counterparts on the local level, but unfortunately efforts were futile as the organization ceased its existence and did retain justification for the

expenditure of funds. In accordance with the governing regulations, funds invested in a project that is terminated before completion must be repaid to HUD. He indicated that the amount expended of \$71,650.16 has to be repaid to close the books.

Ms. Zucker asked what the City of Utica's stance is. Mr. Nelson responded that this award was not to the City of Utica, but rather, the not-for-profit that applied for the funds, so there is no liable party in this case.

Ms. Zucker asked if HTFC gets a lien position when it invests in projects such as this project. Mr. Nelson responded that in a normal scenario, HTFC secures a lien position with the project beneficiary, but the organization failed to file the necessary notes and mortgages to secure the investment in this property.

Chairman Towns moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby authorize the use of \$71,650.16 in corporate funds to repay HUD for the HOME Program funds awarded to the GroWest, Inc.

Section 2. The Members hereby approve the entering into of regulatory agreements with the applicant, upon its satisfactory compliance with any pre-contract conditions as required by statute or regulation and upon such terms and conditions as set forth in the program guidelines.

Section 3. The Members hereby authorize the President of the Office of Community Renewal or another authorized officer, subject to the provisions of this resolution, to execute any documents which may be necessary and appropriate to effectuate the purposes of this resolution.

Section 4. This resolution shall take effect immediately.

The next item was a resolution authorizing an award under the Preservation Initiative Program ("PIP") for St. Joseph's Preservation. Mr. Fitzgerald presented this item and stated that this recommendation is for funding under PIP for St. Joseph's Preservation, a 66 unit project in Elmira, Chemung County. He stated that PIP aims to identify and address the projects most in need of preservation and rehabilitation with HTFC investments. In October 2010, the Members approved a commitment of \$25,000,000 from the Low-Income Housing Trust Fund Program to PIP projects. St. Joseph's Preservation is one of the 53 projects identified as a PIP project. This award will leverage almost five million in other funds including tax credits and tax exempt bonds. He stated that this award will be made to Conifer Realty, LLC, a familiar partner.

Chairman Towns moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby approve an award of up to \$3,084,000 from HTF Program funds committed for PIP projects for St. Joseph's Preservation and approve the entering into of a regulatory agreement with the applicant, upon its satisfactory compliance with any pre-contract conditions as required by statute or regulation, and upon such terms and conditions as set forth by HTF Program guidelines.

Section 2. The Members hereby authorize the President of the Office of Finance and Development or another officer of HTFC to execute any documents which may be necessary and appropriate to effectuate the purposes of this resolution.

Section 3. This resolution shall take effect immediately.

The first informational item on the HTFC agenda was a review of strategy for internal audit coverage. Mr. DeMarco presented this strategy. He discussed the background of the office and indicated that the office provides internal audit coverage for DHCR, HTFC, and coordinates external audits. He noted the limited staffing resources and vacancies. He discussed the implementation of continuous auditing, which utilizes technology and automation to support real-time or near real-time audit assurance by enabling testing of transactions as they occur and stated that this process will be a multi-year effort, with the financial systems as the first priority. He stated that in order to begin audit coverage of HTFC while the continuous audit effort was in planning stages, his office started an audit of HTFC bank account reconciliations and related controls in early 2013, which was suspended in the summer of 2013 for succession preparation for the retirement of the former HTFC Treasurer, Superstorm Sandy activities, and re-assignment of staff for an OIG directed review of Section 8 Local Administrators. He indicated that the review began in the summer of 2013, and is nearing completion at this time.

He reported that financial controls have been strengthened at HTFC in the past year. HTFC is utilizing more bank lock box services to reduce the risk of internal theft. These efforts are continuing and will be monitored by the Internal Control Officer. Further, he stated that the audit plan is being finalized and, moving forward, will be presented to the Board prior to the end of the State's fiscal year. He is also preparing an audit charter, detailing the Audit office's responsibilities and review authority. He also plans to report completed audit reports to the Board.

Ms. Zucker requested for the audit plan to be completed and presented at the next meeting.

The next informational item on the HTFC agenda was a review of the report on prompt payments and the prompt payment policy. Ms. Hunter stated that this is an annual report and that there are no changes as of the end of the fiscal year.

The next informational item on the HTFC agenda was a review of SEQRA Type II Actions and Concur Summaries.

The next informational item on the HTFC agenda was a review of expenditures to preserve Lake Country Housing.

The next informational item on the HTFC agenda was a review of authorized contracts under the CDBG Disaster Recovery Program for housing and business assistance and public infrastructure and facilities. The contracts executed by the Governor's Office of Storm Recovery and reported on included a subrecipient agreement with the Town of Southampton; amendments to subrecipient agreements with the municipalities of the Village of Amityville, Village of Babylon, Village of Bayville, Village of Freeport, Village of Island Park, Village of Lindenhurst, Town of North Hempstead, and the Town of Southampton; an agreement with Hunt, Guillot and Associates, LLC, an agreement with NWI Investigations, an agreement with PricewaterhouseCoopers, LLP, a memorandum of understanding with the New York State Department of State, an amendment to the statement of work for the CDBG disaster recovery processing tool with Agate Software, Inc., the fourth amendment to the suprecipient agreement with the Dormitory Authority of the State of New York, an amendment to the agreement with Innovative Emergency Management, Inc., a subrecipient agreement with the Nelson A. Rockefeller Institute of Government; an amendment to the agreement with AKRF, Inc.; an amendment to the agreement with Ecology and Environment, Inc.; an amendment to the agreement with HR&A Advisors, Inc.; an amendment to the agreement with Jacobs Civil Consultants, Inc.; an amendment to the agreement with Parsons Transportation Group of New York, Inc.; an amendment to the agreement with Perkins Eastman Architects, P.C.; an amendment to the agreement with Tetra Tech, Inc.; and an amendment to the agreement with URS Corporation.

Ms. Ting-Zambuto conveyed the Governor's Office Storm Recovery's note that there is only one substantive amendment to the contract with URS, as reported in the memo. The first non-substantive amendment was only to add language to the contract's standard clauses as advised by counsel. On behalf of the Governor's Office Storm Recovery, she asked for the contract reported with the Department of Taxation and Finance to be struck from the report to the Board.

The next informational item on the HTFC agenda was a review of the status of the development of multi-family projects. Mr. Fitzgerald reported that this is the second quarterly report by the Office of Finance and Development.

Ms. Zucker asked if Mr. Fitzgerald had an update on Matinicock. Mr. Fitzgerald responded that Matinicock applied for funding but was not awarded funding. Subsequently, it commenced an Article 78 against the State and the parties settled. As part of the settlement, HTFC agreed to fund the project after the requisite documents are submitted. He stated that a submission is pending and the project continues to be held as open.

On behalf of the Board and the entire Corporation, Chairman Towns thanked Mr. Nelson for his service. He expressed that Mr. Nelson has been a tremendous asset to the Corporation in his leadership role, and he wished him all the best in his future endeavors.

The last item was a resolution approving the results and submission of board self-evaluation. The confidential board self-evaluations results were discussed in an executive session.

Ms. Zucker moved to adopt the resolution; Chairman Towns seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby adopt the modified board evaluation form.

Section 2. The Members hereby determine that after analyzing and discussing the aggregate results of the evaluation, there is no need for the board to improve its performance, amend its practices or procedures, or clarify its expectations of board members.

Section 3. The Members hereby direct Counsel to timely effectuate the mandated filing of the aggregated evaluation results with the Authorities Budget Office.

Section 4. This resolution shall take effect immediately.

There being no unfinished business, Ms. Zucker moved to adjourn the meeting; Chairman Towns seconded the motion, and the meeting was adjourned.

Dated: June 26, 2014


Eu Ting-Zambuto