

**MINUTES OF THE 308<sup>TH</sup> MEETING OF THE MEMBERS OF THE  
HOUSING TRUST FUND CORPORATION  
HELD ON SEPTEMBER 11, 2014 AT 8:30 A.M.**

Locations: 641 Lexington Avenue, New York, NY 10022 and  
State Capitol Building, Room 131, Albany, NY 12207  
\*locations connected by video-conference

**MEMBERS PRESENT:**

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

**OFFICERS PRESENT:**

Gary Connor, Counsel  
Sharon Devine, President, Office of Professional Services  
Bret Garwood, Senior Vice President, Office of Finance and Development  
Heather Spitzberg, SEQRA Officer  
Eu Ting-Zambuto, Secretary  
Stacey Mickle, Assistant Treasurer

**OTHERS PRESENT:**

Michael DeMarco, Director of Internal Audit, HCR  
Jonnel Doris, Governor's Office of Storm Recovery, HCR  
Maralyne Fleischman, Assistant Director of Asset Management, HCR  
Julie Harris, Governor's Office of Storm Recovery, HCR  
Ted Houghton, Executive Deputy Commissioner, HCR  
Lisa Pagnozzi, Procurement Officer, HCR  
Alan Smith, Assistant Commissioner-Section Eight Program, HCR

There was a quorum with two Members present. Chairman Towns made a motion to call to order the 308th 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 306th meeting held on June 26, 2014.** The minutes were deemed approved.

**The second item on the HTFC agenda was the approval of the minutes of the 307th meeting held on July 9, 2014.** The minutes were deemed approved.

**The third item on the HTFC agenda was a resolution approving the annual appointment of officers.** Mr. Connor combined the presentation of this item with the

presentation for item number 12 for the appointment of an additional SEQRA Officer for Community Development Block Grant disaster recovery projects. He requested the appointment of officers listed.

Chairman Towns asked if there will be an opportunity to amend the appointments to account for Mr. Houghton's role within the corporation.

Mr. Connor responded that Mr. Houghton's officer role within the corporation may need to be created.

Chairman Towns indicated that this would be discussed and his appointment would come back to the Board.

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

Section 1. The persons listed below are hereby appointed to hold the offices listed after their names for a term consistent with Article 5 of the By-Laws of HTFC:

Office of Finance and Development

Marian Zucker, President  
Brett Garwood, Senior Vice President  
Sean Fitzgerald, Vice President

Office of Community Renewal

Christian Leo, Vice President  
Dominic A. Martello, Vice President

Office of Housing Preservation

Richmond McCurnin, President  
Daniel E. Murphy, Vice President

Office of Professional Services

Sharon Devine, President

Gary R. Connor, Counsel  
Mark Colon, Deputy Counsel

Karen Hunter, Treasurer  
Stacey Mickle, Assistant Treasurer

Eu Ting-Zambuto, Secretary

Heather Spitzberg, SEQRA Officer  
Len Sedney, SEQRA Officer

Thomas King, SEQRA Officer-Disaster Recovery Projects

Section 2. This resolution shall take effect immediately.

**The next item on the HTFC agenda was a resolution confirming the SEQRA documentation and classification of the environmental impact of projects.** Ms. Ting-Zambuto presented that pursuant to the HTFC's By-Laws, resolutions may be approved by written approval by all Members. By written approval on July 18, 2014, the Members passed a resolution approving the SEQRA documentation for ArtsBridge Senior Housing and 188 Warburton Avenue Apartments and adopting the recommendation that the projects be classified as unlisted with a negative declaration. This resolution is to confirm the resolution passed in writing to maintain its effectiveness.

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

Section 1. The Members hereby confirm the resolution passed in writing on July 18, 2014, accepting the SEQRA documentation for ArtsBridge Senior Housing and 188 Warburton Avenue Apartments and adopting the recommendations that the projects be classified as Unlisted with a Negative Declaration under SEQRA.

Section 2. The Members hereby confirm the resolution passed in writing authorizing 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 3. This resolution shall take effect immediately.

**The next item on the HTFC agenda was a resolution confirming revised authority of the Director of Storm Recovery for the Community Development Block Grant Disaster Recovery ("CDBG-DR") Program.** Ms. Ting-Zambuto stated that by written approval on July 18, 2014, the Members passed a resolution revoking Seth Diamond's authority to act as an agent of HTFC with signature authority and authorizing James Rubin to designate a total of two people as his designees for the limited purpose of signing and executing warrants to authorize the Treasurer to disburse funds. This resolution is to confirm the resolution passed in writing to maintain its effectiveness.

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

Section 1. The Members hereby confirm the resolution passed in writing on July 18, 2014, revoking the resolution adopted on September 20, 2013 designating Seth Diamond as an agent and

authorized signatory of HTFC effective at the close of business on July 18, 2014.

Section 2. The Members hereby confirm the resolution passed in writing authorizing Jamie Rubin as the Director of Storm Recovery for CDBG-DR Programs to designate a total of two people as his designees for the limited purpose of signing and executing warrants to authorize the Treasurer to disburse funds. All other all other provisions and requirements of the resolution adopted on October 25, 2013 and amended on June 26, 2014 will be preserved including a requirement that all executed contracts and/or instruments are within the amount permitted by HUD or other federal agencies; 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; 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 for each such contract, the Director 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 Counsel to the Governor's Office of Storm Recovery.

Section 3. The Members hereby confirm the resolution passed in writing authorizing James Rubin as the Director of Storm Recovery or any authorized officer of HTFC to execute any documents which may be necessary and appropriate to effectuate the purposes of this resolution, except where limited to specific officers or agents.

Section 4. The Chair of HTFC may revoke and rescind this resolution upon notice to the Members and the Director of Storm Recovery.

Section 5. This resolution shall take effect immediately.

**The next item on the HTFC agenda was a resolution confirming the authorization of an award increase under the Low-Income Housing Trust Program for the Muldoon Gardens Project.** Ms. Ting-Zambuto stated that by written approval on August 25, 2014, the Members approved a resolution authorizing an award increase of up to \$219,088 to Home Leasing, LLC under the Low-Income Housing Trust Fund Program for the Muldoon Gardens project. This resolution is to confirm the resolution passed in writing to maintain its effectiveness.

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

Section 1. The Members hereby confirm the resolution passed in writing on August 25, 2014 authorizing an award increase of up to \$219,088 to Home Leasing, LLC under the Low-Income Housing Trust Fund Program for the Muldoon Gardens project.

Section 2. The Members hereby confirm the resolution passed in writing approving the entering into of regulatory agreements with the applicants, upon their satisfactory compliance with any pre-contract conditions as required by statute or regulation, and upon such terms and conditions as set forth by Low-Income Housing Trust Fund Program guidelines.

Section 3. The Members hereby confirm the resolution passed in writing authorizing 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 4. This resolution shall take effect immediately.

**The next item on the HTFC agenda was a resolution authorizing a contract with New York State Industries for the Disabled (“NYSID”) for document imaging services.** Mr. Smith presented that this contract would move the Section 8 program office to the electronic world. He stated that 78 file cabinets will be scanned to start off the initial document imaging of over 3 million documents. He stated that research and preparations were made to ensure the success of this massive undertaking with NYSID. The project is modeled after similar projects by the State Retirement System and the State Insurance Fund. He stated that his project will result in replacement of file cabinets with usable desk space for staff, and it will be a much more manageable way to access files for the 6,500 to 7,000 cases that HTFC manages. Lastly, Mr. Smith stated that NYSID, which also employs people with disabilities, is a proven vendor in document imaging services. He commented that NYSID provides excellent services and indicated that he was impressed with NYSID’s work.

Ms. Zucker and Chairman Towns thanked Mr. Smith for his work and for proposing a great contract.

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

Section 1. The Members hereby authorize HTFC to enter into an agreement with NYSID, as the prime contractor for imaging services with an initial term of one year from date of the award for an amount not to exceed \$369,777.50.

Section 2. The Members hereby authorize the President of the Office of Professional Services or another Officer of HTFC, 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 3. This resolution shall take effect immediately.

**The next item was a resolution approving the SEQRA documentation and classification of the environmental impact of projects.** Ms. Spitzberg presented that six projects are being recommended to be classified as unlisted with a negative declaration. There were no questions on the projects and the Members moved straight to a vote on this item.

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

Section 1. The Members hereby accept the SEQRA documentation for 695 Grand Street, the Fifth Avenue Project, Watkins Glen School Apartments, Walnut Avenue Homes, Salina Crossing I, and 333 Lenox Road Apartments and hereby adopt the recommendations that the projects be classified as unlisted actions with negative declarations under SEQRA.

Section 2. 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 3. This resolution shall take effect immediately.

**The next item was a resolution authorizing an award under the Preservation Initiative Program for the Petoff Garden Apartments.** Ms. Fleischman presented the recommendation for an award of \$144,878 for an emergency repair of a failing sewage and septic system at Petoff Garden Apartments, an affordable housing complex with 40 affordable housing units serving elderly households, originally funded by HTFC in 1991. She stated that this is an emergency project requiring immediate repair. She indicated that an engineer was engaged; plans and specifications were publicly bid for the replacement of the pumping station and two subsurface sand filter systems; and the project has been reviewed and approved by the agency's Architectural and Engineering Unit. An award is being recommended to the lowest bidder in the amount of \$137,979, plus 5% for contingencies; the funds will be rolled into a new mortgage and regulatory compliance period under the Preservation Initiative Program. Lastly, she stated that a full application for a more comprehensive work scope is pending submission.

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

Section 1. The Members hereby approve an award of up to \$144,878 from HTF Program funds committed for PIP projects for Petoff Garden Apartments 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 next two items were resolutions authorizing awards under the Homes for Working Families (“HWF”) Program for Mills and Michelsen Project and the La Porte Apartments.** Mr. Garwood presented the HWF award recommendations for the two projects. As the Members were familiar with the projects, he highlighted some aspects of the projects which led to the HWF award recommendations. He stated that the Mills and Michelsen project in Rochester scored and ranked well as its priorities were consistent with Regional Economic Development Council priorities, and it is a mixed-use, mixed income revitalization project. He recommended an award of \$3,545,000. He stated that the La Porte Apartments in Mount Vernon, Westchester County, also scored and ranked well, as its priorities were also consistent with the priorities of the Regional Economic Development Council priorities, and it is a transit-oriented development and a substantial mixed-use, mixed income redevelopment project. He recommended an award of \$2,000,000.

Ms. Zucker moved to adopt the resolution authorizing an award for the Mills and Michelsen Project; Chairman Towns seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby authorize an award of up to \$3,545,000 under the Homes for Working Families Program for the Michelsen and Mills III Apartments and the entering into of regulatory agreements for the project, upon such other terms and conditions as set forth under program guidelines.

Section 2. The Members hereby provide that this authorization will lapse 180 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 President of the Office of Finance and Development or another officer or authorized agent,

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 moved to adopt the resolution authorizing an award for the La Porte Apartments; Chairman Towns seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby authorize an award of up to \$2,000,000 under the Homes for Working Families Program for the La Porte Apartments and the entering into of regulatory agreements for the project, upon such other terms and conditions as set forth under program guidelines.

Section 2. The Members hereby provide that this authorization will lapse 180 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 President of the Office of Finance and Development or another officer or authorized agent, 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 appointing a SEQRA Officer for Disaster Recovery Projects.** This item was presented with item 3 for the appointment of officers.

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

Section 1. The Members hereby appoint Daniel Greene as a SEQRA officer for CDBG-DR Projects and designate him as an agent of HTFC with signature authority for the specific purpose of executing any documents in accordance with the applicable provisions of law to effectuate HTFC's compliance under SEQRA for the CDBG-DR Projects consistent with the State's CDBG-DR Action Plan, without further action by the Members, provided that (i) a summary of all executed documents, including recommended classifications, must be reported to the Members at the next scheduled meeting of the Members following such signing and (ii) that the SEQRA officer of

CDBG-DR Projects shall certify compliance with SEQRA and applicable regulations and guidelines.

Section 2. Except where limited to specific officers or agents, the Members hereby authorize either Director of the Governor's Office of Storm Recovery or any authorized officer of HTFC to execute any documents which may be necessary and appropriate to effectuate the purposes of this resolution.

Section 3. The Chair of HTFC may revoke and rescind this resolution upon notice to the Members.

Section 4. This resolution shall take effect immediately.

**The new business item for the resolution approving the revised audit report was tabled.** Ms. Ting-Zambuto indicated that this item may need to go before the board for written approval so the information can be timely forwarded to the Authorities Budget Office.

The following items were informational items and no action was required by the Members.

**The first informational item was the review of authorized contracts under the Community Development Block Grant Disaster Recovery Program.** The contracts included an amendment to a data sharing agreement with the NYS Department of Taxation and Finance; first and second amendments to the contract with Hunt Guillot & Associates, LLC; a subrecipient agreement with DASNY to provide project management services; a fifth amendment to the subrecipient agreement with DASNY for project management services for the Single Family Housing Program; an agreement with Alt Consulting Inc.; agreement with Capital Access Inc.; an agreement with Moss Cape LLC; an agreement with McKissack; an agreement with MPACT Strategic Consulting; and a first amendment to an agreement with MSA Investigations.

Five certificates of compliance were submitted under separate cover.

**The next item was a review of updated required controls, procedures and processes from Office of Storm Recovery.**

Ms. Ting-Zambuto stated that the Governor's Office of Storm Recovery will be attending the meeting next month to provide an update to the Members on storm recovery activities.

**The next item was a review of SEQRA Type II actions and concur summaries.**

**The next item was a review of SEQRA determinations for disaster recovery projects.**

**The next item was an update from the Office of Internal Audit.** Mr. DeMarco stated that the Office has been engaged in two internal audit projects that began last month. One is an audit of the agency's inventory, which will include an audit of HTFC, along with storm recovery activities and the New York State Division of Housing and Community Renewal. The Office is also assisting the Public Modernization Program staff with some process and reconciliation issues, some of which have arisen as a result of an audit by the Office of the State Comptroller ("OSC"). The Office is working with both program and finance staff to streamline various processes, which also includes the process of moving local paper to electronic documents. He stated that the ongoing OSC audit of the Public Modernization Program is heavily weighted on an omnibus agreement with NYCHA. OSC has met with NYCHA and has selected a group of projects to be reviewed. He stated that the Office is coordinating the review. Additionally, he presented that there is a single audit of the State by KPMG. Areas being covered in the audit include the Section 8 Program, Home Program, and Storm Recovery. Lastly, he stated that Office is engaged in integrating with new software.

Ms. Zucker thanked Mr. DeMarco for the update.

Mr. Smith briefly updated the Members on the Section 8 Program internal control changes. He stated that the Program has strengthened internal and financial controls. It has automated the payments process, and no one at HCR or the local administrators now receives any payments of any kind from landlord repayment agreements.

Mr. Demarco added that the Office of Internal Audit is reviewing all of the local administrators at the direction of the New York State Inspector General along with two CPA firms. The review has resulted in the identification of roughly 2,400 money orders for the period that are not currently accounted for. HTFC finance is taking a look at the list of money orders to see if it can identify any errors in the list to resolve some of the items identified. He stated that the Office is also selecting a sample of 100 of the identified money orders to reconcile and undergo quality review by reaching out to the money order companies to determine if the money orders were ever cashed or deposited or to receive an image of the money orders.

Ms. Zucker asked what the dollar amount is of the money orders.

Mr. DeMarco stated that the dollar amount is roughly \$600,000.

Ms. Zucker asked what the impact is of the disappearance of the money. She asked if this money is money that would have otherwise gone to projects.

Mr. DeMarco stated that the money is money that should have been returned to HTFC for an excess subsidy paid; it is not money that is for projects.

Mr. Connor updated the Members on the litigation settlement in the matter of the State of New York versus CitiBank. He stated that the settlement is for \$148,866.49, which is about fifty percent of the amount that HTFC sued for. He indicated that the Attorney General recommends that HTFC accept this settlement for various legal reasons, and he stated that, as Counsel, he also recommends acceptance of this settlement. Mr. Connor stated that the State of New York will collect the money, which will then be transferred to HTFC and put into a corporate account.

He proposed an oral resolution authorizing Counsel to authorize the Attorney General of the State of New York to enter into a settlement on this matter along with the terms of the written settlement agreement which have previously been provided to the Members.

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

Section 1. The Members hereby approve the settlement of State of New York versus CitiBank, N.A. with the terms of the written settlement agreement provided to the Members.

Section 2. The Members hereby authorize Counsel to authorize the Attorney General of the State of New York to enter into the settlement agreement or 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.

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

Dated: September 11, 2014

  
Eu Ting-Zambuto