

**MINUTES OF THE 316TH MEETING OF THE MEMBERS OF THE
HOUSING TRUST FUND CORPORATION (“HTFC”)
HELD ON JUNE 25, 2015 AT 1:30 P.M.**

Locations: 641 Lexington Avenue, New York, NY 10022 and
Hampton Plaza Office, Salo Conference Room, Albany, NY 12207
*locations connected by video-conference

MEMBERS PRESENT:

James S. Rubin, Chairman
Marian Zucker for William C. Thompson, Member

HTFC OFFICERS PRESENT:

Mark Colón	Deputy Counsel
Sean Fitzgerald	Vice President, Office of Finance and Development
Ted Houghton	Chief Executive Officer
Karen Hunter	Treasurer
Chris Leo	Vice President, Office of Community Renewal
Stacey C. Mickle	Assistant Treasurer
Dawn Ivy Schindelman	Assistant Secretary

OTHERS PRESENT:

Shareema Abel	Special Counsel for Ethics, Risk and Compliance
Lisa Bova-Hiatt	Interim Executive Director, General Counsel, Governor’s Office of Storm Recovery (“GOSR”)
Lorraine Y. Collins	Director, FEHO, HTFC
Sara-Melissa Conklin	Environmental Unit
Mike DeBonis	Acting Assistant Director, Architecture and Engineering
Michael DeMarco	Director Internal Audit DHCR/HTFC
Jonnell Doris	Interim Director, Monitoring and Compliance, GOSR
Anne Fenton	Intergovernmental/External Affairs, GOSR
Mark Flescher	V.P. Special Projects
Peter Harckham	Assistant Director, OCR
Wanda Graham	V.P. Economic Opportunity and Partnership Development, HCR
Shin Kim	Director of Procurement, GOSR
Erica Levendosky	Division of the Budget
Meredith Levine	Chief of Staff, HCR
Betsy Mallow	Deputy Executive Director, GOSR
Matthew Monahan	Press Officer, HCR
Lisa Pagnozzi	Contract Officer, HCR
Gwen Pope	FEHO
Colette Rodgers	Chief Operating Officer, GOSR
Ann D. DeLucco	Senior Associate, SaxBST
Paul L. Goetz	Partner, SaxBST
Brendan K. Kennedy	Senior Manager, SaxBST

There was a quorum with two Members present. Ms. Zucker made a motion to call to order the 316th Meeting of the Members of the HTFC. The Motion was seconded by Chairman Rubin.

The first item on the HTFC agenda was the approval of the minutes of the 315th meeting held on May 14, 2015. The minutes were deemed approved.

The next item on the HTFC agenda was a resolution approving the annual independent audit. Ms. Hunter introduced Brendan Kennedy of SaxBST, HTFC's independent auditor. Mr. Kennedy provided an overview of the audit report presentation. He reported that the audit work was completed on June 23, 2015 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 a management letter. During his overview, he noted that SaxBST found one control deficiency that they considered a material weakness in internal control over financial reporting. He explained that HTFC implemented a new accounting system this year and that there was insufficient time for training HTFC staff on this new system prior to the audit. Therefore, SaxBST found some more errors in the financial statements that were needed to be recorded, in order to finalize the financial statements. As a result, SaxBST noted one material weakness regarding internal control. Mr. Kennedy opined that when the Members review the Management's Response, although SaxBST cannot formally say that it agrees or disagrees, as management goes forward and gets the proper training and obtains a little more experience with this new accounting system, that this deficiency will likely go away in the future. 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. Rubin asked if HTFC received an unmodified opinion last year.

Mr. Kennedy responded in the affirmative and noted that this was his third year conducting the audit and that he believed that it was the fifth or sixth year that SaxBST conducted the audit and that since SaxBST began doing the audit for HTFC they have always issued unmodified opinions.

Mr. Kennedy continued with his presentation and noted that SaxBST did not identify any instances of non-compliance that would have a material effect on the financial statements. Mr. Kennedy added that SaxBST had three uncorrected differences in the financial statements as a result of their audit and stated that these items were fairly consistent with the items that they had in prior years; therefore, the overall impact was quite negligible.

Mr. Kennedy discussed various sections of the Independent Auditor's Report, including an unmodified opinion on HTFC's financial statements, the Management's Discussion and Analysis and HTFC's Schedule of Funding Progress.

Mr. Kennedy continued his presentation by discussing the following three documents: Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position

(akin to HTFC's income statement) and Statements of Cash Flows. He noted that they have comparative statements, consisting of the 2015 and 2014 results. He pointed out that a lot of the fluctuations are due to activities associated with the GOSR program. Mr. Kennedy stated that one of the large items that he would like to highlight was "property held for sale", which are those properties acquired under the buyout program, that HTFC intends to resell as part of the auction process. He noted that this item was new this year, compared to last year. He further noted that this was one of the factors driving up assets, when compared to the prior year.

Ms. Zucker thanked Mr. Kennedy for his explanation of the properties for sale and asked him to discuss the information listed on the Statements of Net Position, specifically the liabilities, because she stated that she noticed some big changes, such as the fact that awards payable went down from \$32,000,000 to \$8,000,000 and the tripling of unearned revenue.

Ms. Hunter responded to Ms. Zucker's inquiry and indicated that a lot of the activity and fluctuations are due to activity with the GOSR program. She explained that the homeowner program is done through the issuance of checks and that the checks are held at intake centers for distribution to the final recipient until their paperwork has been completed. She further explained that these amounts are booked under revenue and that HTFC cannot book these amounts as revenue until those checks have actually been disbursed and that this is how HTFC recognized the expenditure in its books this year. Ms. Hunter noted that the awards payable was just a tiny mechanism and indicated that last year HTFC knew about certain awards prior to the end of the fiscal year that needed to go out and that this year HTFC just did not have as much in that category.

Mr. Kennedy continued his presentation with an overview of the Notes to the Financial Statements, which provide explanatory information regarding the numbers listed in the financial statements. He highlighted the most significant accounting policies and significant footnotes. He also highlighted a few new accounting standards that HTFC adopted. He noted that neither of these new accounting standards had any significant impact to HTFC, but thought that it was worthy to mention in reference to the fact that HTFC is up to date with all the accounting standards that are required to be adopted to comply with the U.S. Governmental Accounting Standards Board ("GASB").

Ms. Zucker asked if HTFC holds the properties for sale at a lower of cost or appraisal, if the properties consisted of only the properties that were going to be resold to homeowners or if it also included the properties that were going into parks.

Mr. Kennedy responded that the properties that HTFC acquired under the acquisition program are the properties that HTFC cannot sell or develop in the future. He added that those properties were expensed and therefore had no value.

Mr. Kennedy continued his presentation by discussing the Mortgage Notes and Accrued Interest, Footnote 6, and indicated that HTFC had a significant number of receivables and loans made there and also had a significant reserve. He indicated that the information in this note illustrates HTFC's gross receivables balance, an estimate for the allowance and what HTFC anticipates will be collected. He noted that a lot of HTFC's loan programs are very contingent on

the profitability or the nature of the particular loan program, therefore, SaxBST did not recognize these programs as a significant receivable.

Mr. Kennedy highlighted Footnote 9, Commitments and Contingencies, which he noted illustrates what is going to happen in future and what the potential risks are.

Ms. Zucker asked to go back to Footnote 6, Mortgage Notes and Accrued Interest Receivable, and asked if there was a specific percentage being reserved.

Mr. Kennedy responded that it was not a specific percentage.

Mr. Kennedy continued his presentation with Footnote 11, Project Based Contract Administration, and pointed out that HTFC's contract with HUD was expiring in June 2016 and that this contract was the primary source of HTFC's resources. Mr. Kennedy highlighted Footnote 12, for accounting pronouncements issued, but not yet implemented. He stated that although he was unsure of the estimated impact to HTFC, this was a relatively significant accounting standard that HTFC should be aware of, GASB 68 (Accounting and Financial Reporting for Pensions) and 71 (Pension Transition for Contributions made Subsequent to the Measurement Date, an amendment of GASB 68), which would be adopted conjointly. He noted that the NYS Pension system is very well funded and that public authorities will be required to record the unfunded portion of pension obligations. He stated that allocation was being determined with the state comptroller, based on the census data that HTFC supplied, so that next year the Board would see a number on the books for that piece. He added that New York State is in far better position than a lot of other states, with a very well-funded pension system.

Mr. Kennedy next presented the Required Supplementary Information, which is the Schedule of Funding Progress on HTFC's other post-employment benefits. This lays out HTFC's total obligation and the percentage of funds to allocate to that obligation. He noted that the State of New York currently did not currently have a funding mechanism for other post-employment benefits. He added that HTFC did not have any assets set aside for this particular obligation, but noted that no one else did either.

Mr. Kennedy continued his presentation of 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.

Chairman Rubin asked where Management's Response was.

Mr. Kennedy responded that Management's Response was a separate report on internal control over financial reporting and compliance and other matters and that this separate deliverable was included in the packet materials.

Chairman Rubin indicated that he located the report and stated that this highlights the issue with the timeliness of delivery of SaxBST's materials.

Ms. Zucker asked if the Members could be afforded more time next year to review the audit materials and suggested the possibility of holding a briefing meeting prior to the HTFC Board Meeting.

Mr. Kennedy responded that this could be done and noted that in past years that the timing of the delivery had not been an issue. He noted that he believed that the Board has always had sufficient time in the past to review the materials.

Ms. Hunter noted that HTFC had been planning for years to advance into a robust accounting system and that was implemented this year. She reported that the implementation took far longer than expected and that there were issues that caused her staff to have trouble reviewing and approving the data in the system, which in turn caused the auditors difficulty. She stated that there were some glitches in the system that prevented the retrieval of reports from the system and that these glitches were not corrected until after the end of the fiscal year. Ms. Hunter apologized to the Members for the delay in their receipt of the audit materials. She thanked SaxBST for their patience and suggested that the Board table this item and reconvene by phone or in person. She reminded the Members that HTFC was required to report to the ABO by the end of the month in order to be compliant and that they could reconvene any time from the current until then to maintain compliance.

Chairman Rubin stated that this was not a problem. He noted that he was sure that both he and Ms. Zucker understood the situation. Chairman Rubin asked Ms. Zucker what she thought about accelerating the audit part of the discussion.

Ms. Zucker asked if Chairman Rubin meant passing over this item.

Ms. Schindelman noted that this item could be tabled.

Mr. Colon reiterated that the Board could meet at any time up to and including the 30th and at that time, if the Members decided to accept the audit report and sign the resolution, the resolution could be sent to the ABO on the afternoon of the 30th and HTFC would still be compliant.

This item was tabled.

**The Members passed a resolution approving the annual independent audit on June 29, 2015. This resolution will be confirmed at the September 10, 2015 meeting.

The third item on the HTFC agenda was a resolution approving the annual procurement report and procurement and contract guidelines. Ms. Schindelman notified the Members that in order to assist them in their review of Governor's Minority and Women Owned Business Enterprise ("MWBE") initiative data in the report and to ensure that issues relating to WMBE participation were fully addressed, the relevant MWBE information was summarized in this report. Ms. Schindelman stated that future reports would include comparative annual data. Ms. Schindelman explained that the data excluded an analysis of GOSR's MWBE participation,

as federal funds are not subject to the requirements of NYS's Executive Law Article 15-a, however, GOSR makes every effort to meet the state's MWBE participation goal.

Ms. Pagnozzi stated that the annual procurement report of HTFC was before the Members for approval. She indicated that the report included a listing of pre-qualified panels established by GOSR; a summary of procurement activities; a copy of HTFC's procurement and contract guidelines, along with an explanation of these guidelines; a copy of the procurement and contract guidelines of GOSR, which were established on July 9, 2014, along with a copy of the revised guidelines which were amended on January 29, 2015 and an explanation of these guidelines. Ms. Pagnozzi reported that upon approval of the report by the Members, the report would be posted on HCR's website with copies submitted to the Division of Budget, the Department of Audit and Control, the Department of Economic Development, the State Senate Finance Committee and the Assembly Ways and Means Committee, in accordance with the Public Authorities Law. Ms. Pagnozzi explained that an analysis of MWBE participation for procurements and contracts and acceptable purchase orders was performed. Ms. Pagnozzi highlighted that HTFC's overall MWBE participation goal was set at 20% during the reporting period, 10% for MBE's and 10% for WBE's, excluding procurement related expenditures from GOSR. Ms. Pagnozzi further highlighted that overall MWBE participation for this report was 87.36%, 76.53% for MBE's and 10.83% for WBE's.

Mr. Doris reported that GOSR is committed to the utilization of minority and women owned businesses in the state rebuilding efforts from Super Storm Sandy, Hurricane Irene and Tropical Storm Lee. He noted that GOSR is 100% federally funded and is therefore required to follow the federal guidelines, but is also committed to the Governor's goal of 20% MBE and MWBE participation. Mr. Doris noted that over the past fiscal year GOSR's MWBE overall percentage was 12.63%, but that because of the federal stipulations, GOSR would like to include two particular contractors who are MWBE, but not state certified, but do qualify as MWBE's because of the federal guidelines. Mr. Doris stated that one contractor, IEM, is the largest women owned minority owned disaster recovery company, whom GOSR has a contract with for about \$84,000,000. Mr. Doris also stated that the second contractor, Moss Cape, which is a SBA-8(a) federally disadvantaged business, has a contract with GOSR for about \$24,000,000. He noted that he believed that HTFC should include these two contractors and if it did, their total MWBE percentage would be 37.328%.

Ms. Zucker asked if there was any effort to get Moss Cape and IEM state certified.

Mr. Doris responded that GOSR did reach out to IEM about the certification, but because of some of the stipulations pertaining to the amount of assets and what the company and the owner can have, IEM may not qualify. He added that GOSR participated in an expedited process with ESD for Moss Cape and were waiting for a response.

Chairman Rubin asked Mr. Doris what he was asking the Board to do.

Mr. Doris responded that GOSR was asking the Board to consider these companies because of the stipulation that GOSR is totally federally funded, and these companies qualify under the federal level.

Ms. Zucker commented that it does not change the reporting at the state level.

Mr. Doris stated that GOSR had many conversations with ESD over this distinction and that they wanted to look into it for GOSR, but that as the Members were aware, GOSR does not report to ESD on these numbers, because of that stipulation. Mr. Doris further stated that GOSR is not required to report to ESD, because these funds are not blended funds and he explained that when GOSR does have blended funds, they report to ESD through the partnering agencies, such as DASNY and other agencies that it partners with. Mr. Doris noted that DASNY has a contract of approximately \$127,000,000 and that their percentages are also included and that they are hovering about 17-18% and that although GOSR cannot count those, it certainly shows that GOSR is involved in the State's program.

Chairman Rubin commented that he has an advantage because he is familiar with these contractors. He noted that obviously this is a large contract. He asked if it was a 100% MWBE.

Mr. Doris responded in the affirmative and noted that the contractors were both MWBE and MBE owned.

Chairman Rubin noted that the MWBE initiatives have been very successful. He stated that he was unsure of the reasoning for taking some of the more successful businesses out of the calculations. He added that if HTFC was not obligated to do this in this particular procurement, he did not see why it would not be recognized.

Mr. Colon stated that Chairman Rubin's comment could be formally recognized as a matter of record for the minutes.

Ms. Zucker stated that the Members were approving the acceptance of the report.

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

Section 1. The Corporation's Members hereby approve the Annual Procurement Report for the period April 1, 2014 to March 31, 2015.

Section 2. This resolution shall take effect immediately.

The fourth item on the agenda was a resolution approving the annual property disposal report and property disposal guidelines. Ms. Hunter presented this item and noted that pursuant to Sections 28.95 and 28.97 of the Public Authorities Law and Section 601 of the Appropriations Contract Procurement Guidelines, HTFC must approve an annual report on property disposal guidelines. After approval, the report is submitted to the Office of the State Comptroller and various other agencies and uploaded into PARIS, as required. Ms. Hunter noted that as was discussed earlier in HTFC's financial statements, it also was the case last year, when HTFC reported the property that had been purchased under the GOSR program. Ms. Hunter indicated that this year the report consists simply of the properties owned. She informed the

Board that next year they would begin to see the compliance with the reporting of the disposal of property, because the property is being sold at this point. Ms. Hunter added that the guidelines and report were attached and that there were no changes to the guidelines proposed.

Ms. Zucker moved to adopt the resolution; Chairman Rubin 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 agenda was a resolution approving the annual report on investments and investment policy. Ms. Hunter presented this item and noted that pursuant to Section 29.25 of the Public Authorities Law and Section 602 of HTFC's investment policy, HTFC must prepare and approve an annual report on investments. She explained that after approval the report would be sent to various offices listed in the memorandum, as well as entered into the PARIS system to report to the ABO and filed with the Office of the Budget, as required. Ms. Hunter indicated that a copy of the policy was attached with no changes proposed, and that a list of HTFC's investments as of March 31, 2015 was included.

Ms. Zucker moved to adopt the resolution; Chairman Rubin 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 agenda was a resolution approving the mission statement performance report and mission statement. Ms. Schindelman stated that HTFC is required to annually review its performance in accordance with its mission statement and to re-examine its mission statement. She stated that the mission statement report highlights HTFC's performance, as measured by criteria that HTFC has established, including the numbers and type of awards made, the areas of the State served, the number of businesses or jobs created or retained, the timeliness of decision making, the amount of leveraging of awards and HTFC's compliance with all applicable laws. Ms. Schindelman noted that this report included GOSR, as it is part of HTFC's current mission. She presented the Mission Statement report and read some of the highlights from HTFC's fiscal year. In conclusion, Ms. Schindelman stated that funds totaling over \$239,000,000 were awarded by HTFC for all programs, including CDBG Disaster Recovery funds and that the aggregate amount of funds leveraged overall by all HTFC programs was nearly four and a half times the amount of funds awarded and that all parts of the state were served by and benefitted from one or more awards made by HTFC.

Chairman Rubin 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 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 agenda was a resolution approving the annual report on operations and accomplishments. Ms. Schindelman stated that the report on operations, accomplishments and goals was also a part of HTFC's annual reports. She stated that the data largely overlaps with the information in the mission statement performance report, but that the scope of the report is broader than the data presented in the mission statement performance report and includes HTFC's GOSR program's accomplishments. She reported that HCR identified and carried out numerous projects to increase efficiency amongst its agencies. She highlighted HTFC's accomplishments with respect to its Housing Choice Voucher program and Section 8 Project Based Contract Administration program. Ms. Schindelman further reported

that HTFC achieved the Governor's mandate of 20% MWBE participation and that HTFC, along with DHCR together, achieved a total of 22.41% overall attainment, with 46.49% in procurement and 22.36% in development activity. She also reported that HTFC would continue to play a critical role in disaster recovery and noted that Mr. Doris highlighted GOSR's accomplishments in his presentation and added that GOSR submitted a report on their operations, accomplishments and goals, which was attached to the HTFC report found in the Board materials

Ms. Schindelman continued her presentation by highlighting the accomplishments of the multifamily unit, which included \$1,000,000,000 in affordable housing and community renewal investments throughout the State.

Chairman Rubin commented that the detail in Ms. Schindelman's report was indicative of HTFC's extraordinary record of achievement. He asked that it be noted for the record that all of the staff put a great year on the books, across the board. He stated he spoke with Ms. Hunter about the achievements of her team and also wanted to recognize the achievements of Ms. Zucker's team as well. Chairman Rubin reiterated that he would like to recognize on the record what a phenomenal year HTFC had and congratulated Commissioner Towns and his team, GOSR and all the staff of HTFC and across the whole agency. He stated that it would be his honor to adopt the resolution.

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

Section 1. The Members hereby approve the Operations and Accomplishments Report and authorize the same to be submitted and published in accordance with the Public Authorities Reform Act of 2009 and any reporting requirements.

Section 2. This resolution shall take effect immediately.

The eighth item on the agenda was a resolution approving the results and submission of the board self-evaluation. A proposed standard evaluation form was submitted to the Members and the Members proposed a modification to one of the evaluation criteria regarding the review and approval of documents and reports prior to public release. Evaluations were received from Chairperson Daryl C. Towns and Member Designee Marian Zucker for William Mulrow for the 2014-2015 fiscal year. A summary analysis was prepared and provided to the Members.

Ms. Zucker moved to adopt the resolution; Chairman Rubin 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, Deputy Counsel, or another officer to timely effectuate the mandated filing of the aggregated evaluation results with the Authorities Budget Office.

Section 4. This resolution shall take effect immediately.

The ninth item on the agenda was a resolution authorizing the extension of contracts with select firms for housing and technical services. Mr. DeBonis presented this item and provided a brief overview of how these services worked in the past. He reported that the Architecture and Engineering Bureau had continually maintained consultant contracts in three service areas to assist agency staff to evaluate and oversee technical criteria of proposed, awarded and occupied projects. He explained that these services are requested when agency staff is not available to fulfill these obligations, or when specific expertise is needed to assist agency staff in their oversight responsibilities. He indicated that services are provided on an “as-needed” basis; therefore payments to consultants under contract will be for work performed, only if the services are requested and performed in a satisfactory manner. He noted that he was seeking Board approval to enter into contracts for up to four years with the firms presented in the Board Packet for an annual aggregate amount of \$535,000.

Chairman Rubin asked if the \$535,000 was a not to exceed amount.

Mr. DeBonis responded in the affirmative and noted that the \$535,000 amount was a budget of all contracts together and that his office generally does not spend the full amount.

Ms. Zucker noted that there was some conversation a while ago about making sure that HTFC reached out to firms that were otherwise doing construction monitoring. She asked Mr. DeBonis if his staff was able to do that. She noted that there was a request made that HTFC look at who is otherwise doing construction monitoring and tax credit investing to see if we could include in our RFP process those monitors who are already showing up at the site. She asked if this list included those firms.

Mr. DeBonis responded that his staff had been trying to economize, by relying on other State agencies for jointly funded projects. He stated that when the RFP was issued his staff was advised that they could not directly solicit the firms, so it was made available to any firm that could respond.

Ms. Pagnozzi responded that she anticipated offering a RFP that included the pre-qualified list, indicating that these would be the only firms that the agency could use.

Ms. Zucker commented that Ms. Pagnozzi's idea was perfect.

Chairman Rubin noted that Ms. Pagnozzi's plan made a lot of sense and commented that the plan was exactly the right way to go about doing this.

Ms. Zucker asked when Ms. Pagnozzi anticipated offering this RFP.

Ms. Pagnozzi responded that she anticipated doing so in the beginning of next year.

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

Section 1. The Members hereby authorize HTFC to extend the housing and technical consultant services contracts with the selected firms, as identified in the memorandum accompanying this resolution, for a four year period and up-to an aggregate annual amount of \$535,000, subject to annual review of the contracts by the Corporation's Members.

Section 2. The Members hereby authorize the Chief Executive Officer or another authorized signatory 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, in accordance with the memorandum accompanying this resolution.

Section 3. This resolution shall take effect immediately.

The tenth item on the agenda was a resolution authorizing a contract for the preparation of a Section 3 Compliance Plan. Ms. Collins presented this item and stated that on April 29, 2015 FEHO issued a RFP for the preparation of a Section 3 Compliance Training, Tracking Management System and Plan ("Compliance Plan"). She explained that Section 3 is a provision of the Housing and Urban Development ("HUD") Act of 1968 that helps foster local economic development, neighborhood economic improvement and individual self-sufficiency. She further explained that the Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent feasible, provide job training, employment and contracting opportunities for low- and very low- income residents in connection with projects and activities in their neighborhoods and also directs financial assistance to business concerns which provide economic opportunities to those residents. She noted that FEHO was seeking Board approval of this contract, for a one year term, in an amount not to exceed \$355,241, to ensure that FEHO meets their federal requirements and help New York State regain its position of leadership and placement at the forefront of activities related to the Fair Housing Act.

Ms. Collins indicated that bids were received from four companies and that the HTFC Evaluation Team selected MPACT Strategic Consulting LLC. Ms. Collins reported that MPACT is a Houston, Texas-based consulting firm that has developed and demonstrated considerable expertise in assisting both public and private sector entities with grant administration and compliance, program design and management, financial management, quality

control and specific compliance administration in areas such as Section 3, Davis-Bacon and Fair Housing. She reported that MPACT Section 3 state-level engagements include those with Colorado, New Jersey and Texas as well as GOSR. She added that MPACT is a New York State-certified MBE, and that they had partnered with Elation Systems, Inc. to complete the scope of work outlined in the RFP. Ms. Collins further reported that Elation Systems is a Pleasanton, California-based information technology firm, and are also a New York State-certified MBE, focusing solely on providing cloud-based compliance management, evaluation plans, tracking and reporting systems for government agencies, private businesses and contractors to help them meet governmental compliance reporting and monitoring requirements. Ms. Collins indicated that MPACT would produce and deliver a Section 3 Compliance Training, Tracking Management System and Plan by November 30, 2015 and that deliverables in the RFP would include informing, assisting and monitoring and tracking.

Chairman Rubin commented that he knew the vendors and that they have done a good job elsewhere within the agency. He noted that the contract amount requested was not a small amount of money, for what was defined in the memorandum requesting Board approval as only a report and some other services. He asked if Ms. Collins was the contract manager for this.

Ms. Collins responded in the affirmative.

Chairman Rubin asked Ms. Collins if she had a schedule. He stated that he would urge her to have a schedule and that he would like to see a really tight timeline from MPACT and Elation Systems. He added that he wanted to see a schedule of when they were going to deliver things to FEHO, as well as when they were going to take action to train others internally and externally.

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

Section 1. The Members hereby authorize HTFC to enter into a contract with MPACT for the preparation of a Section 3 Compliance Plan for a one year period and in an amount not to exceed \$355,242 in total.

Section 2. The Members hereby authorize the Chief Executive Officer or another authorized signatory 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 and in accordance with the memorandum accompanying this resolution.

Section 3. This resolution shall take effect immediately

The eleventh item on the agenda was a resolution approving the creation of the Small Project Affordable Rental Construction (“SPARC”) program and authorizing loans

and disbursements of Community Development Block Grant – Disaster Recovery (“CDBG-DR”) funds for the program and authorizing a contract with the Community Preservation Corporation to serve as administrator for the program. Mr. Flescher presented this item and indicated that this was a hybrid item, wherein the Office of Finance and Development was seeking approval of the program, approval of a vendor to administer the program, and approval of senior staff at HTFC to approve each individual loan, without the need to bring this back to the Board. He offered some background by stating that Finance and Development staff, along with GOSR staff had been working to address perceived need to build relatively small projects of 8 to 20 units in areas affected by storm recovery, especially the areas that were part of the Rising Community Reconstruction Program. He stated that staff has determined that the best way to reach small projects is to reach out for an administrator to run the program, limiting that to certified federal community financial development institutions, given that they are vetted by the Treasury Department and have the experience. He reported that his office issued an RFP on January 16, 2015. He noted that only one bid was received and that it was from The Community Preservation Corporation (“CPC”). He further noted that they reached out to others and found out largely that they either did not bid because of lack of interest or because they could not find another Community Development Financial Institution (“CDFI”) to partner with them. He stated that CPC is by far the most experienced CDFI in the state, having made thousands of small loans over the years. He added that CPC was a presence throughout the state and that they have existing business relationships with HCR and with HTFC and other corporations and have worked with HTFC for many years. He stated that his staff had interviewed them and believes that they are qualified and that their cost structure is appropriate.

Mr. Flescher continued with his presentation and indicated that the way they are structuring the program is as a \$20,000,000 program, with the Affordable Housing Fund, Rising NY (in GOSR terminology). He added that this has been an experience of an alternate viewpoint in the agency, from his perspective. He noted that a maximum of \$1,000,000 would be reserved for administration. He further noted that the Office of Finance and Development was asking CPC to staff the program and that under the supervision of Finance and Development, that they would design the program. He reported that CPC was given the RFP and that as mentioned in the Board memorandums, the specific parameters were noted that they want them to use. He stated that they have to qualify for Davis-Bacon, MWBE and all the things that GOSR and Finance and Development staff normally evaluate. He indicated that his office wanted to take advantage of the fact that CPC has a process in place for small projects and that they have staff experienced in underwriting them and will in essence serve to find the problem projects and provide guidance in marketing.

Ms. Zucker asked how the administration fee would be set up, specifically how we would get that money issued to CPC.

Mr. Flescher responded that his staff would be holding the time schedules, as far as getting marketing plans and other documents out. He stated that CPC would bill quarterly for time, but noted that if they are not doing transactions, they are not going to be able to attempt to back that up with actual incentives. He also stated that they are structuring the project, which was partially one reason why CPC was a particularly good partner for us. He explained that CPC

would actually make the construction loan for both the first mortgage that would be leveraged by a second mortgage.

Ms. Zucker asked if the contract is also set up so that we could recapture the unspent loan proceeds with enough time to redeploy them elsewhere.

Mr. Flescher responded that under the GOSR program they were giving CPC until September 30, 2017 to commit the money and noted that it must be expended by September 30, 2019. He stated that the original plan was to try and restrict CPC to a March 31, 2016 schedule. He added that given the time frame and given the difficulty of doing these loans, that such a deadline did not seem possible. However, he noted that they did expect to extend their ability to commit to projects until September 2017. He added that if CPC was not making progress, or performing on the contract, that appropriate action would be taken to recapture the money and use it. He reiterated that the program is purely a maximum of the \$20,000,000 total. He stated that if CPC was not performing, or there are any other issues, that there was nothing in the contract that he was aware of that would prohibit them from carving that out and putting it into another program, where it could get spent in an appropriate way.

Ms. Zucker asked if the GOSR team was okay with having just that one month window to recommit.

Mr. Flescher responded that he did not think that it was just a one month window and noted that he believed that the money had to be committed by September 30, 2017. He added that they would have a fairly good idea regarding the progress before that date and would be in a position to decide whether it was warranted to re-allocate the money.

Chairman Rubin asked if we could terminate the contract at any time.

Mr. Flescher responded that he believed that we could and that there were standard contract termination terms.

After an expensive discussion about the administrator, the approval process, and the reporting process, Mr. Flescher noted a correction to the memo and stated that the March 31, 2016 date originally listed as the cutoff should be September 30, 2017. In addition, he noted that the memo states that all loans will be done on a permanent basis and that while they still expect that, it is possible that in order to get the loan extended before the expense deadline of 2019, that it might be conceivable that staff would recommend that a loan be funded before construction and added that he wanted to make sure the Members were aware of that.

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

Section 1. The Members hereby authorize HTFC to create the SPARC program.

Section 2. The Members hereby authorize the Chief Executive Officer or another designated Officer of HTFC to make loans and disburse CDBG-DR funds appropriated by the Disaster Relief Appropriations Act, ("Pub.L.113-2") for small projects under the newly established SPARC program.

Section 3. The Members hereby authorize HTFC to enter into a contract with CPC to serve as administrator under the SPARC program for a three year period and in an amount not to exceed \$1,000,000 in total.

Section 4. The Members hereby authorize the Chief Executive Officer or another authorized signatory 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 and in accordance with the memorandum accompanying this resolution.

Section 5. This resolution shall take effect immediately.

The next item was a resolution confirming the approval of awards under the Homes for Working Families Program. Resolutions approved in writing must be confirmed by members at the next meeting in order to retain their effectiveness.

By written approval on June 3, 2015, the Members passed resolutions authorizing awards under the Homes for Working Families Program for the East 138th Street Apartments, in an amount of up to \$3,000,000, Compass 2B, in an amount of up to \$1,000,000 and CAMBA Van Dyke, in an amount of up to \$2,000,000.

Ms. Zucker moved to adopt the following resolutions; Chairman Rubin seconded the motion, and the following resolutions were adopted:

Section 1. The Members hereby confirm the resolution passed in writing on June 3, 2015 approving an award of up to \$3,000,000 of HWF Program funds to the East 138th Street Apartments Project and the entering into of regulatory agreements with the applicant, upon such terms and conditions as set forth under the HWF Program guidelines.

Section 2. The Members hereby confirm the resolution passed in writing authorizing the President of the Office of Finance and Development or another authorized 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 the resolution.

Section 3. This resolution shall take effect immediately.

Section 1. The Members hereby confirm the resolution passed in writing on June 3, 2015 approving an award of up to \$1,000,000 of HWF Program funds to the Compass 2B Project and the entering into of regulatory agreements with the applicant, upon such terms and conditions as set forth under the HWF Program guidelines.

Section 2. The Members hereby confirm the resolution passed in writing authorizing the President of the Office of Finance and Development or another authorized 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 the resolution.

Section 3. This resolution shall take effect immediately.

Section 1. The Members hereby confirm the resolution passed in writing on June 3, 2015 approving an award of up to \$2,000,000 of HWF Program funds to the CAMBA Van Dyke Project and the entering into of regulatory agreements with the applicant, upon such terms and conditions as set forth under the HWF Program guidelines.

Section 2. The Members hereby confirm the resolution passed in writing authorizing the President of the Office of Finance and Development or another authorized 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 the resolution.

Section 3. This resolution shall take effect immediately.

The next item was a resolution confirming the approval of the SEQRA documentation and classification of the environmental impact of a project. By written approval on June 3, 2015, the Members passed a resolution approving the SEQRA documentation for CAMBA Van Dyke Apartments and adopting the recommendation that the project be classified as unlisted with a negative declaration.

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

Section 1. The Members hereby confirm the resolution passed in writing on June 3, 2015, accepting the SEQRA documentation for CAMBA Van Dyke 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 fourteenth item on the agenda was moved to the end of the agenda at the request of Chairman Rubin.

The fifteenth item on the agenda was a resolution authorizing awards under the NYS CDBG program for Housing Rehabilitation and Home Ownership. Mr. Leo presented this item and stated that the Office of Community Renewal was seeking Board approval for more than \$10,000,000 in funding for CDBG awards. He noted that applications for the 2014 New York State Community Block Grant Development Program had been ranked and evaluated and that eligible applicants for the CDBG program are units of local government, cities, towns and villages with populations under 50,000 and counties that have a population of less than 200,000. He stated there are some 1,300 eligible municipalities across New York State. He noted that the source of CDBG funds for these recommendations is fiscal year 2014, CDBG allocation from HUD. He further noted that the application selection process was conducted in a transparent manner, using existing federal and state merit based statutory and regulatory criteria and recommendations, in accordance with the New York State consolidated plan and the 2014 New York State Annual Action Plan and the 2014 Office of Community Renewal NOFA and related programming materials. He indicated that the NOFA for this solicitation was published on December 10, 2014 and provided for the availability of at least \$10,000,000. He stated that in response to NOFA RFP, a total of 62 eligible applications were submitted from 35 counties in 8 regions of the State. He indicated that combined these applications represent a total request of over \$24,000,000 million dollars in CDBG funds. He stated that these recommendations will advance 26 of these applications, for a total recommended award of \$10,783,20, including a total of 9 home ownership and 17 housing rehabilitation applications.

Mr. Leo continued his presentation and reported that 421 households were projected to benefit from the proposed developments receiving the CDBG assistance. He further reported that OCR was recommending 26 awards totaling \$10,700,000 and that these awards would leverage an additional \$18,800,000 in other funds. He indicated that the review process is designed to ensure that the limited New York State Funds are available and awarded to municipalities that demonstrate a significant need for the proposed activity and produce a substantial impact to the community. He added that applications are competitively rated and scored against 5 factors. He stated that OCR works to ensure that they are serving the lowest income and addressing the most severe conditions. He stated that OCR ensures that the applicants are appropriately marketing the programs and complying with all applicable codes and regulations. In addition he stated that OCR reviews the financial capacity of the applicants and their administrative capacity. He explained that project assessment points are based on, but not limited to the following factors: overall need, feasibility, impact on residents, the reasonableness

of costs, administrative capacity and again the experience that the project team brings to the application.

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

Section 1. The Members hereby approve an award under the New York State CDBG Program for housing rehabilitation and homeownership with the following applicants and in the amounts listed below:

Applicant	Project Number	Requested	Proposed Units
Albany County	8HR348-14	\$750,000	25
Black Brook, Town	107HR323-14	\$240,000	9
Celoron, Village	206HR329-14	\$400,000	12
Chautauqua, County	222WS338-14	\$200,000	20
Chenango, County	227HO332-14	\$350,000	14
Cortland, City	285HR303-14	\$400,000	12
Davenport, Town	307HR309-14	\$400,000	15
Ellenburg, Town	363HR328-14	\$300,000	12
Essex, County	382HO350-14	\$300,000	12
Essex, County	382HR355-14	\$267,835	25
Fowler, Town	413HR345-14	\$400,000	14
Jay, Town	579HR359-14	\$285,365	10
Jefferson, County	581HR337-14	\$750,000	28
Kiryas Joel, Village	603HO341-14	\$400,000	19
Lockport, City	663HO356-14	\$400,000	20
Madison, County	686HO302-14	\$590,000	20
Ogdensburg, City	836HR320-14	\$400,000	12
Oneonta, City	847HR304-14	\$400,000	18
Oswego, City	862HO360-14	\$300,000	12
Oswego, County	864HR357-14	\$400,000	20
St Lawrence, County	1106HO346-14	\$750,000	26
St. Armand, Town	1103HR358-14	\$400,000	14
Ulster, County	1160HR354-14	\$500,000	12
Walton, Town	1191HO308-14	\$400,000	13
Walton, Village	1192HO307-14	\$400,000	13
Waverly, Village	1214HR311-14	\$400,000	14

Section 2. The Members hereby approve 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 in the Program guidelines.

Section 3. The Members hereby authorize the President of the Office of Community Renewal or another authorized 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 4. This resolution shall take effect immediately.

The sixteenth item on the agenda was a resolution confirming the approval of the designation of the Interim Executive Director of GOSR as an agent and signatory of HTFC for CDBG-DR contracts and /or instruments. By written approval on June 15, 2015, the Members passed a resolution granting authority to the Interim Executive Director of GOSR as agent and signatory of HTFC for CDBG-DR contracts and /or instruments.

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

Section 1. The Members hereby confirm the resolution passed in writing on June 15, 2015 granting writing authority to the Interim Executive Director of the Governor's Office of Storm Recovery as agent and signatory of HTFC for CDBG-DR contracts and/or instruments.

Section 2. This resolution shall take effect immediately.

The seventeenth item on the agenda was a resolution approving a benefits program at Governor's Office of Storm Recovery.

This item was tabled.

The eighteenth item on the agenda was a resolution authorizing the entering into of contracts with firms on HTFC's prequalified panel for the provision of Davis-Bacon monitoring services. Mr. Fitzgerald presented this item and indicated that firms would be selected from a pre-qualified panel, established pursuant to a request for qualifications issued by the Housing Finance Agency in 2012. He explained that although the Office of Finance & Development historically had the staff capacity to perform Davis Bacon monitoring on projects awarded through the Unified Funding process, short term staffing issues had eroded that capacity and now require the access of the pre-qualified panel. He reported that it was anticipated that monitoring services would be needed for five projects that were awarded HOME and/or Section 8 funding last month. He indicated that the Office was seeking authorization to enter into contracts for a two year period at an aggregate amount of \$160,000.

Chairman Rubin asked if the \$160,000 was per year or \$160,000 for the total amount.

Mr. Fitzgerald responded that the \$160,000 was an aggregate amount, across the 5 projects on an annual basis, meaning that it would be for a two year period, for a total of up to \$320,000.

Ms. Zucker asked if HTFC is assuming the cost or if the cost is being passed along.

Mr. Fitzgerald responded that in the past, the cost had not been passed along to the developers as this was performed in-house. This was a first for them.

Chairman Rubin asked if the developers had experience with Davis-Bacon in general.

Mr. Fitzgerald responded that some of the developers did have this experience and that some of them did not and indicated that his office would be working with the developers to ensure that they complied.

Chairman Rubin asked how Mr. Fitzgerald would receive the monitoring results.

Mr. Fitzgerald responded that the results would be laid out in a contract.

Chairman Rubin asked if the results would go back through asset management after his office reviews the results.

Mr. Fitzgerald responded that they would review them when they administer the tax credit assistance program and the stimulus program. He indicated that they worked with a couple of contractors and found the need to monitor their work. He stated that they have had better results with some contractors compared to others and that during the first few months of the contract, they would be very closely scrutinizing their work, to make sure that they are doing the job that is expected of them.

Chairman Rubin stated that it was very important that this be done correctly and that therefore this request appeared reasonable. He noted that he knew a couple of the vendors that had already been through the vetting process. Chairman Rubin indicated that he approved this resolution and stated that he would like to receive status updates regarding the contractors, specifically their work with Davis-Bacon.

Mr. Fitzgerald stated that his office was hopeful that they would receive bids for amounts far below the up to amount and added that the amount stated was derived so as not to underestimate the possible amount needed.

Chairman Rubin indicated that he understood this explanation and would be happy to approve the resolution.

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

Section 1. The Members hereby authorize the Corporation to enter into contracts with Firms on the Corporation's Panel for the provision of Davis Bacon Services, on an "as-needed" basis, for a two year period and up-to an aggregate annual amount of \$160,000, for total expenditures among all firms on the Panel.

Section 2. The Chief Executive Officer, or another designated Senior Officer of the Corporation, is hereby authorized, subject to 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 first informational item on the HTFC agenda was a review of prompt payments and prompt payment policy. There was no request for presentation on this item.

The next informational item on the HTFC agenda was a review of SEQRA Type 2 actions. There was no request for a presentation on this item.

The next informational item on the HTFC agenda was a review of SEQR Concur Summaries. There was no request for presentation on this item.

The next item on the HTFC agenda was a review of Executed Agreements under the CDBG-DR Program. The contracts executed by GOSR included contracts with Penda Aiken, Inc.; Software People, Inc; Dominion Temps, Inc.; Nexus Staffing, Inc.; 22nd Century Technologies, Inc.; TELACU Management, Inc.; PricewaterhouseCoopers LLP and DATROSE. Sub recipient agreements were executed with Port Richmond C.E.R.T. and Rescue, Inc. and the Town of Chenango. First amendments to sub-recipient agreements were made with Suffolk County, DASNY and The Research Foundation for the State University of New York/The Nelson A. Rockefeller Institute of Government. First Amendments to contracts were made with Jacobs Project Management Co.; Capital Access; Hunt, Guillot and Associates and Thacher Associates, LLC. A second amendment to a contract was made with the Armand Corporation. In addition, the Director of Storm Recovery submitted agreements including a first amendment to an office lease agreement with BACM 2005-03 Office One, LLC, a second amendment of a contract for legal services with Carter Ledyard Milburn LLP, and a Memorandum of Understanding with the NYS Department of Environmental Conservation and NYS Environmental Facilities Corporation.

The next item on the HTFC agenda was an informational item for the appointment of the Director of Internal Audit for GOSR. Chairman Rubin stated that he had the chance to

interview the candidate and characterized the candidate as terrific with a strong background in internal audit.

Ms. Bova-Hiatt indicated that an offer was extended to the candidate as the Board had already authorized GOSR to hire an internal auditor.

Chairman Rubin asked who this candidate was going to report to.

Ms. Bova-Hiatt responded that the candidate would be a dual report to her and Chairman Rubin.

Chairman Rubin commented that the candidate would be good for the organization and that he appeared to be a very experienced individual.

Ms. Bova-Hiatt agreed.

Chairman Rubin thanked Ms. Bova-Hiatt and indicated that the Board approves the appointment.

The last item on the agenda was a resolution approving a settlement in a litigation matter. This item was discussed in an executive session. No votes were taken during that session.

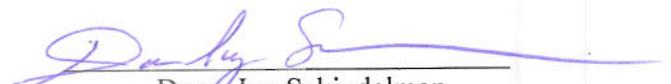
Chairman Rubin moved to adopt the resolution; Ms. Zucker seconded the motion, and the following resolution was adopted:

Section 1. The Members hereby authorize HTFC to accept \$2,155.08 in full settlement of its claim against HSBC in connection with this litigation.

Section 2. The Members hereby authorize HTFC's Deputy Counsel, President of Professional Services, or another authorized officer of HTFC, to enter into the proposed settlement agreement and 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.

Ms. Zucker made a motion to adjourn the meeting, Chairman Rubin seconded it and the meeting was adjourned.


Dawn Ivy Schindelman