

**MINUTES OF THE 294TH MEETING OF THE MEMBERS OF THE
HOUSING TRUST FUND CORPORATION
HELD ON APRIL 11, 2013 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
William Mulrow, Member, represented by Marian Zucker, President, OFD

OTHER PARTICIPANTS:

Gary Connor	Counsel
Michael DeMarco	Director of Internal Audit
Frank Markowski	Assistant Treasurer
Ann McLoughlin	Internal Auditor
Matthew Nelson	President, Office of Community Renewal
Eu Ting-Zambuto	Secretary

There was a quorum with two Members present. Chairman Towns made a motion to call to order the 294th 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 293rd Meeting held on March 21, 2013. The Minutes of the 293rd Members’ Meeting were deemed approved.

The second item on the HTFC agenda was a resolution engaging Bollam, Sheedy, Torani and Co. LLP (“BST”) to perform the annual audit for fiscal year ending March 31, 2013. Mr. Markowski presented that the contract with BST, an independent certified public accounting firm, to perform the annual audit is being presented to the Members for their approval, as they also function as the Audit Committee. He stated that this audit is the “regular” annual audit and is distinct from the “single” audit that the corporation participates in with the Division of the Budget and the rest of the State.

Mr. Markowski stated that BST was selected pursuant to a Request for Proposals (“RFP”) in 2010 based upon a combination of quality and price. He stated that BST has conducted the annual audit for the last three years and indicated that BST’s services were performed professionally and in an above-average manner. Mr. Markowski reported that BST has agreed to conduct the annual audit for a total contract amount of up to \$25,000, which is also typically the exact fee. He noted that this fee is the same fee that was authorized last year and it is lower than

the fee proposed by the other respondent to the Request for Proposals and represents the best available value to the corporation.

Ms. Zucker asked when the next RFP is expected to be scheduled. Mr. Markowski responded that the RFP is typically for a five-year period and stated that this year was the fourth year. He stated that he expects BST to conduct the audit next year as well, but also indicated that since each engagement contract stands on its own, HTFC has the flexibility to issue an RFP earlier. He also stated that the five-year RFP was in accordance with ABO guidelines and the State Comptroller's Office.

Ms. Ting-Zambuto indicated that the proposed resolution would be amended to reflect the proper name of the firm: Bollam Sheedy, Torani and Co. LLP, rather than LLC.

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 engagement of Bollam, Sheedy, Torani, and Company, LLP to conduct HTFC's annual independent audit for fiscal year 2012-2013.

Section 2. The Assistant Treasurer, or another authorized officer is hereby authorized 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 third item on the HTFC agenda was a resolution authorizing an agreement with and award to the New York Business Development Corporation Local Development Corporation ("NYBDC") under Community Development Block Grant Disaster Recovery Program for economic development. Mr. Nelson presented that the proposed award is from the first \$1.7 billion appropriated for the Community Development Block Grant Disaster Recovery Program to benefit small business recovery programs. He stated that HTFC is looking to enter into a sub-recipient agreement with NYBDC, a loan and grant servicer that works with approved clients to assist in the loan or grant process. He stated that if a client is eligible for a grant, NYBDC will assist in issuing the grant, and if the client is eligible for a loan, NYBDC will service the loan for the duration of the term, which is approximately seven years.

He stated that the award of \$180,000,000 is an initial request from the overall allocation for small business assistance. He stated that since there is a two-year deadline to use funds allocated from the date HUD issues the funds, HTFC plans to draw off the allocation in a piecemeal manner to ensure the use of all funds available. Further, he indicated that, as need merits, HTFC may request an additional award to NYBDC.

Ms. Zucker asked if NYBDC was a subsidiary of SUNY, or if it is stand alone organization. Mr. Nelson responded that it was not part of SUNY, and that it is a stand-alone

organization chartered by the State with board members from SBDC, ESDC and other places. He stated that ESDC proposed NYBDC for the instant partnership, as NYBDC is already the loan servicer for the State and the City's disaster loan program.

Chairman Towns asked whether businesses will be available for these grants even though work has already been done. Mr. Nelson responded affirmatively and indicated that these grants would be specifically addressed.

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 a sub-recipient agreement with NYBDC and award an amount of \$180,000,000 of Community Development Block Grant Disaster Recovery Program funds, which is an amount to be delivered and distributed by NYBDC for economic development activities to eligible counties inclusive of any administrative funds, upon its satisfactory compliance with any conditions as required by statute or regulation, and compliance with any terms or conditions as required by HTFC.

Section 2. The Members hereby authorize HTFC's 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 3. This resolution shall take effect immediately.

The fourth item on the HTFC agenda was a resolution authorizing an agreement with and award to the Research Foundation for the State University of New York on behalf of the New York State Small Business Development Center Network ("SBDC") under the Community Development Block Grant Disaster Recovery Program for economic development. Mr. Nelson presented that proposed resolution is to partner the Research Foundation for the State University of New York as fiscal administrator on behalf of the SBDC with HTFC to perform administrative services including client intake and application and eligibility review for small businesses impacted by Hurricane Irene, Tropical Storm Lee, and Hurricane Sandy. Mr. Nelson stated that SBDC is a preexisting network across the State, whose services will be leveraged by HTFC to provide assistance to small businesses with HTFC's offerings. He stated that the proposed award of \$1,128,190 is purely an administrative award and will cover office space and other administrative services—these funds are not grants for businesses.

Ms. Zucker asked whether the award is the front-end of the prior award. Mr. Nelson confirmed, and indicated that SBDC will be the client-interface.

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 a sub-recipient agreement with SBDC and award an amount of \$1,128,190 to SBDC to assist in the distribution and delivery of CDBG-DR Program funds, to perform marketing, outreach, application packaging, and business consulting functions, upon its satisfactory compliance with any conditions as required by statute or regulation, and compliance with any terms or conditions as required by HTFC.

Section 2. The Members hereby authorize HTFC's 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 3. This resolution shall take effect immediately.

The fifth item on the HTFC agenda was a resolution authorizing agreements with and awards to Nassau, Suffolk, and Rockland Counties under the Community Development Block Grant Disaster Recovery Program for housing assistance. Mr. Nelson presented that the HUD allocation designated Nassau, Suffolk, Rockland Counties as "most impacted" by Hurricane Sandy. He stated that by this designation, HTFC is required to spend no less than 80% of the 1.7 billion in Nassau, Suffolk, and Rockland Counties, inclusive of all programs, not limited to housing programs, although the housing component is the largest component. He stated that HTFC plans to spend approximately \$800 million in housing programs for repair, rehabilitation, mitigation, elevation and buyouts for eligible homeowners of single and multifamily homes under the Community Development Block Grant Disaster Recovery Program. He stated that the corporation is seeking an award of \$215,000,000 to Nassau County; \$48,000,000 to Suffolk County; and \$1,000,000 to Rockland County.

Ms. Zucker asked if these funds were subject to the same deadline clock as aforementioned. She further asked if any unused funds could be recaptured to be used elsewhere. Mr. Nelson responded that these funds, which are only about a third of the total allocation that HTFC expects to be utilized, are subject to the same two-year deadline. He further stated that the majority of these funds will go towards single-family and buyout activities. He stated that grant agreements to the counties will have a very structured allocation and distribution schedule that will indicate that within 18 months of the contract date, 100% of the funds will have to be allocated or committed, and any uncommitted funds as of that date will be subject to be recaptured by HTFC.

Ms. Zucker asked when the contracts were expected to be executed. Mr. Nelson responded that immediate action is planned.

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 Nassau, Suffolk, and Rockland Counties for each county to administer its own the housing programs, including the performance of all aspects of grant administration and program delivery for housing assistance programs, including Recreate NY Smart Home Repair and Reconstruction, Recreate NY Smart Home Resilience, Small Multi-Family Repair and Reconstruction, Small Multi-Family Mitigation, and Large Multi-Family Mitigation, and award Community Development Block Grant Disaster Recovery Program funds for Housing Assistance in the amounts of \$215,000,000 to Nassau County, \$48,000,000 to Suffolk County, and \$1,000,000 to Rockland County for such purposes.

Section 2. The Members hereby authorize HTFC's 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 3. This resolution shall take effect immediately.

The next item on the HTFC agenda was a resolution authorizing an additional Community Development Block Grant Program award to Essex County. Mr. Nelson presented that Essex County received an award of \$755,200 from the Community Development Block Grant Program last year for the rebuilding of the Keene Volunteer Fire Station. He stated that, as a result of a gap in financing from FEMA delays, an increase in construction costs, and added costs of construction, an additional award of \$85,000 was being sought for the project.

Chairman Towns asked if the fire station is being rebuilt in the same location. Mr. Nelson indicated that the fire station was moved from water-side to hill-side.

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 awarding of Community Development Block Grant Program funds in the additional amount of \$85,000 to Essex County to rebuild the Keene Volunteer Fire Station, upon its continued satisfactory compliance as required by statute or regulations, and upon such other terms and conditions as agreed upon.

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

Ms. Ting-Zambuto indicated that in addition to the informational item on the agenda, there was one new informational item regarding authority and funding under the Rural Rental Assistance Program, which was expected to be an action item prior to the next meeting.

Mr. Markowski presented the item and stated that the Rural Rental Assistance Program has been transferred to the HTFC, and accordingly HTFC will be assuming transfer of funds from the Mortgage Insurance Fund and contracts from the Division of Housing and Community Renewal. Formal board materials are being prepared for the board's review.

Mr. Markowski presented an additional item of information. He stated that KPMG held a kick-off meeting of the 2013 single audit, and stated that HTFC's role in the audit is the same as in years past. He stated that the same programs are being audited, but that there is currently debate on whether the CDBG program will need to be audited this year. He indicated that because of the timing of the corporation's annual audit, KPMG will delay their visit for the single audit until June.

There being no further business, the meeting was adjourned upon a motion made by Chairman Towns and seconded by Ms. Zucker.

Dated: April 11, 2013

/s/ Eu Ting-Zambuto
Eu Ting-Zambuto
Secretary