

**MINUTES OF THE 287<sup>TH</sup> MEETING OF THE MEMBERS OF THE  
HOUSING TRUST FUND CORPORATION  
HELD ON JUNE 28, 2012 AT 9:15 A.M. AT  
641 LEXINGTON AVENUE  
NEW YORK, NEW YORK 10022**

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

**MEMBERS PRESENT:**

Darryl C. Towns, Chairman  
Jennifer McCormick, Member  
William Mulrow, Member

**HCR PARTICIPANTS:**

Meghan Anderson	OPS
Gary R. Connor	Counsel
Michael DeBonis	OHP
Michael DeMarco	OPS
Sean Fitzgerald	Vice President, OFD
Maralyne Fleischman	OHP
Karen Hunter	OPS
Frank Markowski	Assistant Treasurer
Richmond McCurnin	Vice President, OHP
Matthew Nelson	President, OCR
Joseph Palozzola	HCR
Michael Skrebutenas	President, OHP
Heather Spitzberg	OHP
Eu Ting-Zambuto	Secretary
Barbara Wigzell	SEQRA Officer

**OTHER PARTICIPANTS:**

Paul M. Petell	Partner, Bollam, Sheedy, Torani & Co. LLP
Alison Newell	Senior Manager, Bollam, Sheedy, Torani & Co. LLP

There was a quorum with three Members present.

Chairman Towns made a motion to call to order the 287<sup>th</sup> Meeting of the Members of the Housing Trust Fund Corporation (“HTFC”). The motion was seconded by Mr. Mulrow.

**The first item on the HTFC agenda was the approval of the Minutes of the 286<sup>th</sup> Members’ Meeting held on May 9, 2012.** The Minutes of the 286<sup>th</sup> Members’ Meeting were unanimously approved.

**The second item on the HTFC agenda was a resolution approving the independent audit report.** Mr. Markowski introduced two members of HTFC's auditing firm, Bollam, Sheedy, Torani, and Company, LLC. ("BST"), Paul Petell, Engagement Partner and Alison Newell, Senior Manager, to present the audit. He indicated that BST was conducting the audit for the third consecutive year.

Mr. Petell provided a brief overview of the presentation and introduced Ms. Newell to present the Financial Report. Ms. Newell stated that the first page of the Financial Report is BST's Independent Auditor's Report, which is an unqualified or "clean" opinion of BST. Ms. Newell reported that the only difference between this year's report and last year's report is some added language regarding auditing standards. Mr. Petell interjected to emphasize that the Independent Auditor's Report was created by BST and could not be changed, but that the remainder of the Financial Report comprised of reports from HTFC.

Ms. Newell continued with her presentation of the Financial Report and provided a brief overview of the section of the Financial Report titled Management's Discussion and Analysis. She further provided an overview of the corporation's balance sheets. She highlighted that the corporation saw a decrease in assets of approximately \$13 million and indicated that the overall decrease between cash and investments was not significant as it resulted from movement between investments and assets held in escrow. Additionally, Ms. Newell reported that the only other significant variance in the asset section was a difference in the amount due from HUD in connection with PBCA, which decreased from the prior year as a result of the different periods covered as well as different contracts in place. Ms. Newell stated that the 2011 net assets are not the same numbers presented in 2011 due to differences in the classification of certain committed assets. While the financial statements are the same, the numbers were converted and reclassified to conform to the 2012 presentation. Mr. Markowski interjected to emphasize that the difference in the classification of committed assets stems from the reclassification of a committed asset as a restricted asset.

Ms. Newell presented the Statements of Revenue, Expenses, and Changes in Net Assets and the Statements of Cash Flows. She stated that total revenues are consistent with those of last year, but HTFC's expenses increased. She reported that PBCA revenues over expenses yielded income of over \$21 million; federal program revenues over federal program expenditures yielded income of approximately \$7 million; state expenditures over state appropriations received yielded a current year loss of approximately \$46 million, but actually represents the use of state appropriations from prior years. Mr. Petell added that these numbers corresponded to those on the balance sheet indicating a decrease in net assets.

Ms. Newell presented the Notes to the Financial Statements, and indicated that there were not many changes to the Notes. She highlighted Note 11 and indicated that net assets will be changed to "net positions" for the next reporting period, which is required by new accounting standards. Ms. Newell further presented the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements performed in accordance with government auditing standards. She indicated that the

report was a “clean” report, and consisted of similar findings as last year with the exception that there were vast improvements over last year in certain areas. Specifically, she indicated that the corporation had implemented various processes during the year to be timelier with posting journal entries and performing account reconciliations in connection with the Housing Choice Voucher Program.

Mr. Petell continued the presentation and presented BST’s management report. Mr. Petell indicated that there were no new findings this year, however, there were still open items from the past that required management’s review including the collection or write off of an old minor receivable, follow-up on certain mortgage receivables, and the determination on what action, if any, is needed concerning several inactive developer equity accounts.

In response to the Audit Management Letter, Mr. Markowski indicated that his responses were similar to the responses from last year due to the reason that the Audit Management Letter was similar to that of last year. Mr. Markowski further indicated that many of the issues presented are program issues, rather than financial issues, and accordingly, should be resolved through consultation with program managers.

Lastly, Mr. Petell presented BST’s statement on auditing standards. Mr. Petell indicated that HTFC management has the ultimate responsibility for the accounting policies used by the corporation. Mr. Petell indicated that the corporation did not adopt any significant new accounting policies or change any existing policies during the current period. With respect to significant transactions, he identified various transactions that occurred that related to the Housing Choice Voucher program reconciliations. Next, Mr. Petell summarized the Statement on Auditing Standards and reported that: There were no alternative treatments discussed with management; summaries of information about the process used by management in formulating reports, audit adjustments, and unposted adjustments were included in the documents provided to the Members; there were no disagreements with management or difficulties with management in performing the audit; there were no other consultations with other accountants; there were no significant issues arising from the audit discussed with management; management’s representations were included in the representation letter submitted as part of the audit materials; and the significant deficiency was discussed concerning the issue with mortgages. Further, Mr. Petell concluded by providing an overview of the summary of accounting estimates, the recorded audit adjustments, and the summary of unposted adjustments.

Mr. Markowski acknowledged and thanked Mr. Petell and Ms. Newell along with their staff, and he acknowledged and thanked Ms. Hunter along with the other members of his staff.

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

Section 1. The Members hereby approve the annual independent audit report submitted by Bollam, Sheedy, Torani, and Company, LLC.

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 and to file copies of the annual independent audit report with 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.

Section 3. This resolution shall take effect immediately.

**The third item on the HTFC agenda was a resolution approving the investment policy and report.** Mr. Markowski presented this item and reported that the interest earned and received were modest due to modest investment rates. Further, Mr. Markowski reported that the total interest earned and received was approximately \$201,000 and the total interest accrued but not yet received was \$35,000. Additionally, he reported that the HTFC had spent approximately \$130,000 in fees to its custodian and investments agent, the NYS Commissioner of Taxation and Finance.

Chairman Towns moved to adopt the resolution; Mr. Mulrow seconded the motion, and the following resolution was adopted unanimously:

Section 1. The annexed Investment Policy and Annual Investment Report as of March 31, 2012 is approved by HTFC.

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 and to file copies of the Investment Policy and Annual Investment Report with 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.

Section 3. This resolution shall take effect immediately.

**The fourth item on the HTFC agenda was a resolution approving the property disposal guidelines and report.** Mr. Markowski presented this item and stated that he is the contracting officer in accordance with the property disposal guidelines. Further, he stated that a copy of the HTFC's property disposal guidelines has been posted on the website. He reported that no real property was disposed of during the fiscal year as the HTFC does not own any real property, and no personal property, as defined in the guidelines, was disposed of during the fiscal year.

Chairman Towns moved to adopt the resolution; Mr. Mulrow seconded the motion, and the following resolution was adopted unanimously:

Section 1. The annexed Property Disposal Guidelines are hereby approved by the HTFC.

Section 2. Frank Markowski is hereby designated as the Contracting Officer of HTFC and is authorized to act in connection therewith and to file a copy of the Property Disposal Guidelines with the Office of the State Comptroller and to post the guidelines on HTFC's website.

Section 3. The annexed annual report regarding the disposal of property is hereby approved by HTFC.

Section 4. 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 and to file copies of the Property Disposal Guidelines and property disposal report with 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.

Section 5. This resolution shall take effect immediately.

**The fifth item on the HTFC agenda was a resolution approving the procurement contract policy and report.** Mr. Markowski reported that there were no changes to the policy. He stated that the procurement report lists all contracts that HTFC entered into in excess of \$5,000. He reported that HTFC had more than \$28 million dollars in contracts with over \$17 million spent this year. Additionally, he reported that the percentages towards MWBE goals reflected in the procurement report were low due to HTFC's large contract with CGI and other pre-existing contracts prior to the current policy encouraging MBWE participation, and thus, skewed the percentages. Mr. Markowski indicated that if HTFC's pre-existing contract with CGI was removed, those percentages would jump to about 14 percent of HTFC's overall contracts and about 10 percent of its disbursements.

Chairman Towns moved to adopt the resolution; Mr. Mulrow seconded the motion, and the following resolution was adopted unanimously:

Section 1. The annexed Procurement Contract Policy is hereby approved.

Section 2. The annexed annual report on procurement contracts is hereby approved.

Section 3. The Assistant Treasurer or another authorized officer of HTFC is hereby authorized and directed to submit and file copies of the Procurement Contract Policy and the annual report on procurement contracts for year ending 2012 with the Governor's Office, the Division of Budget, the Office of the State Comptroller, the Senate Finance Committee, the Assembly Ways and Means Committee, the Department of Economic Development and the Authorities Budget Office.

Section 4. This resolution shall take effect immediately.

**The next item presented was a resolution approving the third amendment to StoredIQ contract.** Mr. Connor stated that HTFC has been in litigation involving allegations that a former employee of the corporation took actions that prevented a potential funding recipient from participating in the CDBG program because of political affiliation. In the discovery phase of litigation, HTFC retained StoredIQ to respond to extensive electronic discovery demands of records and communications. Mr. Connor stated that HTFC was currently seeking its third amendment to its contract for an additional \$31,000, which should bring it through depositions this summer, at which time its need for the services of StoredIQ will be reassessed.

Mr. Mulrow sought clarification on the length of time the corporation has been in discovery. Mr. Connor clarified that the HTFC has been in the discovery phase for approximately one year and has depositions scheduled for this summer to fall. He stated that motion practice has accounted for a portion of the lapse of time in litigation to date.

Chairman Towns moved to adopt the resolution; Mr. Mulrow seconded the motion, and the following resolution was adopted unanimously:

Section 1. The Members hereby approve an amendment of the contract with StoredIQ for a contract in the amount of up to \$162,000 for retrieval, review, and storage services in connection the discovery process of litigation.

Section 2. The Members hereby authorize HTFC's Counsel, President of Professional Services, or another authorized officer of HTFC, to enter into an amended contract 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.

**The seventh item was a resolution approving the documentation and classification of three projects pursuant to SEQRA for Promesa West Tremont Residence, Ida Yarbrough, and Van Keuren Square.** Ms. Wigzell presented the three projects. She stated that the first

project, Promesa West Tremont Residence, is the new construction of a five-story residential building for seniors in the Bronx, sponsored by Promesa Housing Development Fund Corporation. The next project, Ida Yarbrough-Phase 1, is the new construction of 43 residential units in Albany. This project is part of a two phase project. The third project, Van Keuren Square, is the new construction of 50 residential units for persons and families that are homeless in Syracuse. The project is sponsored by Housing Vision Unlimited. Ms. Wigzell recommended that all three projects be classified as unlisted with a negative declaration.

Chairman Towns inquired as to whether the HTFC has worked with these organizations in the past. Ms Wigzell responded that she believed so, and she stated that two of the organizations are new names, but they are in partnerships with developers that HTFC has worked with in the past.

Chairman Towns moved to adopt the resolution; Mr. Mulrow seconded the motion, and the following resolution was adopted unanimously:

Section 1. The Members hereby accept the SEQRA documentation for the projects named Promesa West Tremont Residence, Ida Yarbrough-Phase 1, and Van Keuren Square, including the SEQRA Control Letters, Short Environmental Assessment Forms, and Negative Declaration Notices of Determination of Non-Significance, conditional upon the satisfactory resolution of any adverse conditions identified therein.

Section 2. The Members hereby adopt the recommendation that the projects named Promesa West Tremont Residence, Ida Yarbrough-Phase 1, and Van Keuren Square be classified as UNLISTED with a NEGATIVE DECLARATION under SEQRA.

Section 3. The Members hereby authorize HTFC to execute any documents in accordance with the applicable provisions of law to effectuate the purpose of this resolution.

Section 4. This resolution shall take effect immediately.

**The next item on the HTFC agenda was a resolution approving awards under the Public Housing Modernization Program.** Mr. McCurnin presented eight recommendations for awards under the Public Housing Modernization Program. Mr. McCurnin recommended \$980,000 to the Rome Housing Authority to complete a three-phase gut rehabilitation pursuant to a public housing restructuring agreement with Omni Housing Development at Liberty Gardens, a 180-unit housing complex. He stated that with previous awards, HTFC has contributed over \$6.1 million of the approximately \$25 million to complete this project. Next, Mr. McCurnin recommended \$2,500,000 to the Auburn Housing Authority for the comprehensive modernization of systems, structures and site work pursuant to a public housing restructuring agreement and partnership with 3d Development at Brogan Manor, an 88-unit public housing project. The project is expected to have an \$11 million preliminary construction budget with

public housing modernization awards contributing approximately \$3.5 to \$4 million to the project. The next award recommended was \$3,500,000 to the Kingston Housing Authority for work including lead and asbestos abatement, kitchen & bath renovations, heating system and electrical upgrades, at Colonial Gardens, a 98-unit public housing project. He stated that this award would complete a \$6 million commitment to the project. Further, Mr. McCurnin recommended \$650,000 to the Kingston Housing Authority to correct an unsafe erosion condition and new window installation at Wiltwyck Gardens, a 60-unit senior citizens public housing project.

Mr. McCurnin recommended \$640,000 to Little Falls Housing Authority for the installation of a new elevator and to refurbish the existing elevator at Rockton Plaza, 64-unit, 9-story complex for senior citizens. He stated that \$400,000 in CDBG funds will also be used towards this work. Next, Mr. McCurnin recommended \$425,000 to Nyack Housing Authority for work including asbestos abatement at Depew Manor, a 48-unit public housing project. Additionally, Mr. McCurnin recommended \$255,000 to Tonawanda Housing Authority for the renovation of second floor units at Arthur Albright Court, a 64-unit housing project. He stated that this award would complete a commitment of public housing modernization awards to just short of 3 million. Lastly, Mr. McCurnin recommended \$725,000 to Wilna Housing Authority for roof and siding replacements at Brady Acres, a 100-unit housing project. Mr. McCurnin further added that all work connected to public housing modernization program awards must be approved by the DHCR; all contracts must be approved by the agency, and all inspections must be to be reviewed by the agency's architects and engineers and reviewed by agency staff.

Mr. Mulrow sought clarification on the status of the existing elevator and the need for a second elevator at the Rockton Plaza housing project. Mr. McCurnin stated that the building has been operating with one elevator since 1969, however, that a building built with nine stories today would have two elevators, and accordingly, the building is now being retrofitted with a second elevator.

Chairman Towns moved to adopt the resolution; Mr. Mulrow seconded the motion, and the following resolution was adopted unanimously:

Section 1. The Members hereby approve awards under the Public Housing Modernization Program in the following amounts to the following eligible recipients: Rome Housing Authority in the amount of \$980,000 for the Liberty Gardens housing project; Auburn Housing Authority in the amount of \$2,500,000 for the Brogan Manor housing project; Kingston Housing Authority in the amount of \$3,500,000 for the Colonial Gardens housing project; Kingston Housing Authority in the amount of \$650,000 for the Wiltwyck Gardens housing project; Little Falls Housing Authority in the amount of \$640,000 for the Rockton Plaza housing project; Nyack Housing Authority in the amount of \$425,000 for the Depew Manor housing project; Tonawanda Housing Authority in the amount of \$255,000 for the Arthur Albright Court housing project; Wilna

Housing Authority in the amount of \$725,000 for the Brady Acres housing project.

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

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

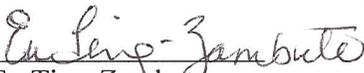
Section 4. This resolution shall take effect immediately.

**The remaining items on the HTFC agenda were informational items and did not require board action.** Presentations on the items were made available at the request of the Members. No presentations were requested by the Members and there were no questions on any of the informational items.

With respect to HTFC's prompt payment policy as presented in the ninth item, Mr. Markowski added that there were no interest payments and that all payments during the year were made pursuant to the prompt payment policy requirements.

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

Dated: June 28, 2012

  
Eu Ting-Zambuto  
Secretary