

**MINUTES OF THE 407th MEMBERS' MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
HELD ON MARCH 4, 2009 AT 1:43 P.M. AT
ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES:

PRESENT:

Judd S. Levy	Chairman
Paul Jones	Member
Deborah VanAmerongen	Member
Aida Brewer	Department of Taxation and Finance, representing Robert Megna, Member
Daniel Sheppard	Division of the Budget, representing Laura L. Anglin, Member

ABSENT:

John L. DiMarco	Member
Karen A. Phillips	Member

Chairman Levy chaired the meeting; Joy F. Willig, Senior Vice President and Counsel, acted as secretary. The meetings of the Affiliated Agencies opened in joint session for the consideration of various matters of shared importance. These minutes reflect only those items being considered by the Members of the New York State Housing Finance Agency. A record of items considered by other Agencies is contained in the minutes of each Agency respectively.

The first item on the agenda was the adoption of the minutes of the 406th HFA Members' meeting, held on January 29, 2009.

Ms. Brewer moved to adopt the HFA minutes; Ms. VanAmerongen seconded the motion. The minutes were adopted unanimously.

The next item on the agenda was the President's Report. Priscilla Almodovar, the Agencies' President and Chief Executive Officer, reported on the recent meeting of the National Council of State Housing Agencies, which Ms. Almodovar attended along with other senior staff members. She reported on the subjects discussed at the conference, which included discussions about how the Treasury can help housing finance agencies through providing

liquidity, Freddie Mac and Fannie Mae's bond buying activity, and the possibility of selling housing finance agency mortgages to Fannie Mae and Freddie Mac.

Ms. Almodovar then reported that NYHomes was the largest issuer of housing bonds in the country in 2008, with \$1.6 billion issued, according to Thompson Financial's annual ranking of bond issuers. Ms. Almodovar thanked Marian Zucker, Barbara Lebowitz, and Miulina Ng, as well as the rest of the Agency staff, for their work on the issuances.

Ms. Almodovar next reported that HFA issued an RFP for 80/20 projects. Consistent with the Agency's decision to make the program more transparent, the new RFP states that the state has allocated up to \$600 million of new volume cap to projects in New York State over the next three years. She said that responses are due on March 31. Ms. Almodovar then said that the Agency was focusing on projects which have both construction and financing readiness. She said that in response to concern that construction lending might be difficult to obtain, the Agency has opened the RFP up to projects in construction that are willing to convert to 80/20 projects. Ms. Almodovar also stated that the Agency is considering a program which would work with developers to relocate self-sufficient individuals from supportive housing to 80/20 projects to free up much needed supportive housing.

Next, Ms. Almodovar stated that 7 responses had been received for an RFP to develop Howard Park on behalf of the State, and that the Agency and DHCR are currently reviewing the responses.

Ms. Almodovar then reported that the recently passed American Recovery and Reinvestment Act included additional funding for tax credit projects. She said that New York State received \$252 million which will be allocated to DHCR. Ms. VanAmerongen said that DHCR is working with HFA, HPD, and HDC on formulating a plan to utilize the funds. Ms. VanAmerongen added that the program had stringent guidelines regarding deadlines and the making of awards, and that additional subsidy would be required for some projects to cover the higher costs associated with federal law such as compliance with Davis-Bacon requirements.

Ms. Almodovar stated that the owners of Starrett City have taken the property off the market, because of the current market conditions. She said that the owners have approached DHCR and HFA about developing a preservation strategy consistent with the Memorandum of Understanding between the owner and the agencies.

Ms. Almodovar then reported that the Neighborhood Stabilization Program was currently considering the 39 proposals received in response to the RFP. She noted that the total amount of funding requested was \$91,000,000 which exceeded the total available \$54,000,000 of NSP funding plus \$10,000,000 previously allocated AHC funds.

Ms. Almodovar noted that Charles Fischetti and Michael Chalmers, both of whom had been with the Agencies over 20 years, were retiring. She recognized both employees for their work for the Agency over the years.

Chairman Levy thanked the staff for arranging for an educational presentation during the Board's lunch hour entitled "Challenges and Opportunity in Housing the Hard to House", and noted that such presentations enable the Board to better fulfill their responsibility.

The next item on the agenda was the report of the Mortgage Insurance Committee. Chairman Levy reported that the Committee adopted the minutes of its January 29, 2009 meeting; adopted resolutions approving 100% mortgage insurance for Maria Lopez Plaza; 11-15 Meserole Street, Brooklyn; Siloam House Apartments; Highpointe at Malta; Ridgewood Bushwick Senior Citizens House; and adopted a resolution approving an increase in mortgage insurance for 540-555 West 144th Street, Manhattan, New York County.

The next item on the agenda was a resolution authorizing the making of grants under HFA's new Neighborhood Stabilization Program. Brian Segel, Director of the Neighborhood Stabilization Program, highlighted certain information contained in the materials provided to the Members in connection with this item. Mr. Segel stated that the program will award \$54.5 million in funds allocated to New York State from HUD. He stated that the funds come from HUD through the Agency, and that they are not technically AHC or HFA funds. He then said that the money is to be used to minimize the effect of foreclosures on neighborhoods.

Marian Zucker, Executive Vice President, noted that the Agency was requesting that the board approve the framework within which the Agency will award the funds. Mr. Segel said that the Agency received 39 proposals for the NSP funds, as described in the Members' materials. He noted that the loans will take on different forms, based on the type of activity they are funding. Mr. Segel said that 32 of the proposals could, if selected by the Agency, be awarded the grants without further board approval. The projects selected which require the board to adopt SQRA findings would be brought to the board at a later date. Ms. Zucker added that the NSP funds must be spent quickly, and that the Agency is requesting authorization to award grants in order to meet the program deadlines.

Ms. Zucker noted that the groups which requested NSP funds are similar to the types of groups which utilize AHC funds, but include a broader range of partnerships. Mr. Segel said that many of the proposals were from municipalities, from partnerships of municipalities and nonprofits, or from nonprofits as sole borrowers.

Chairman Levy asked about the average size of the awards. Mr. Segel said that the award sizes range from \$250,000 to over \$4 million. Ms. Almodovar said that HUD has a cap on the amount of funds which can be spent in any geographic region and that the awards must comply with that requirement. Mr. Segel stated this distribution of money was derived from foreclosure rates, subprime rates, and the likelihood of foreclosure.

Ms. Almodovar noted that the projects and program framework must also meet HUD's guidelines. She also stated that in addition to the HUD guidelines, the Agency will have an internal approval process. Mr. Segel said that the Agency will have a selection committee which will provide recommendations to a credit committee, which must then approve the recommendations.

William Myers, a SONYMA board member, noted that the Agencies could work in synergy with SONYMA regarding end loans to home purchasers. Ms. Zucker replied that the Agencies have considered this and are actively working with SONYMA in this capacity.

Ms. Brewer moved to adopt the resolution; Ms. VanAmerongen seconded the motion and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION AUTHORIZING THE MAKING OF AWARDS BY THE NEW YORK STATE HOUSING FINANCE AGENCY UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM AND AUTHORIZING AFFORDABLE HOME OWNERSHIP DEVELOPMENT PROGRAM AWARDS BY THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION TO BE MADE IN CONJUNCTION THEREWITH.

The next item on the agenda was a resolution approving property disposition guidelines, Annual Inventory and Property Disposition Report. Information with respect to this item was provided to the Members and Directors in advance of the meeting, which information is incorporated herein by reference. There were no questions raised or discussion about this item.

Ms. Brewer moved to adopt the resolution; Ms. VanAmerongen seconded the motion and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY APPROVING THE PROPERTY DISPOSITION GUIDELINES AND THE ANNUAL INVENTORY AND PROPERTY DISPOSITION REPORT.

The next item on the agenda was a resolution approving quarterly Bond Sale Report for the period 11/01/08-1/31/09. Information with respect to this item was provided to the Members and Directors in advance of the meeting, which information is incorporated herein by reference. Mr. Myers noted there was an error in the board materials under the NIC column for the issuance that occurred on 01/22/2009. The materials listed the bonds as 160, 162, and 163 rather than 160, 161, and 162. There were no questions or discussion about this item.

Ms. Brewer moved to adopt the resolution; Ms. VanAmerongen seconded the motion and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING THE AGENCIES' BOND SALE REPORTS

The next item on the agenda was an informational item regarding a review of the Agencies' Albany office lease. Information is contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. There were no questions raised or discussion about this item.

The next item on the agenda was a resolution authorizing issuance of Affordable Housing Revenue Bonds to finance Ridgewood Bushwick Apartments located at 143 Himrod Street and 55 Goodwin Place, Brooklyn, Kings County. David Walsh, Senior Vice President of Multifamily Housing, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. Chairman Levy noted that the requested \$21,000 per unit in HFA subsidy was lower than average. Mr. Walsh responded that HFA is more closely scrutinizing proposed expenditures in light of currently declining construction costs. He also noted that HFA was including provisions that the subsidy amount must be reduced if the project receives additional funding from other sources.

Ms. Zucker noted that since August of 2007, the Agency has approved close to \$240 in funding under the Agency's open resolution.

Ms. Brewer moved to adopt the resolution; Ms. VanAmerongen seconded the motion and the following resolution was adopted unanimously:

**AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING
FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN
MATTERS IN CONNECTION WITH THE FINANCING OF THE
PROJECT KNOWN AS RIDGEWOOD BUSHWICK APARTMENTS**

Ms. Almodovar noted that the April 2, 2009 board meeting was rescheduled to 9:30 a.m. She explained that the Citizens Housing and Planning Council will be holding its 50th Annual Luncheon during the afternoon, and invited the Members and Directors to attend the luncheon.

There being no unfinished business, Ms. Brewer moved to adjourn the meetings; Ms. VanAmerongen seconded the motion. The meeting was adjourned at 2:43 p.m.


Secretary