

**MINUTES OF THE 409th MEMBERS' MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
HELD ON APRIL 2, 2009 AT 9:45 A.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
Karen A. Phillips	Member
Aida Brewer	Department of Taxation and Finance, representing Robert Megna, Member (via video conference)
Daniel Sheppard	Division of the Budget, representing Laura L. Anglin, Member (via video conference)

ABSENT:

John L. DiMarco	Member
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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.

Chairman Levy noted certain Board Members were participating in the meeting via video conferencing. He noted that the public notice for the meeting had informed the public as to the participation by videoconference and had identified the location of the meeting, noting that the public had a right to attend.

The first item on the agenda was the President's Report. Priscilla Almodovar, the Agencies' President and Chief Executive Officer, stated that six applications had been submitted in response to the Agency's RFP for 80/20 projects. She noted the dramatic drop-off in responses from the previous year, reflecting the current economic environment.

Ms. Almodovar next reported on progress of work on the Neighborhood Stabilization Program. She said staff would be seeking board approval of the SQRA finding for three

projects, and that she anticipated that recipients of project grants would be announced by mid-April.

Ms. Almodovar next reported on a provision of the American Recovery and Reinvestment Act that allowed housing finance agencies to refund certain AMT bonds. She stated that the opportunity to refund bonds had been offered to all of the eligible developers. She noted that while refunding would currently only provide a relatively small financial advantage of 10-15 basis points, it was anticipated that over time there would be a more significant benefit. She said that the Agencies had worked with the State Division of Budget, and thanked the State for agreeing to waive the bond issuance charge to facilitate the refundings, as well as the use of recycled bond proceeds.

The next item on the agenda was the report of the Audit Committee. Chairman Levy reported that all five Committees had adopted the minutes of their respective January 29, 2009 meetings; and had passed resolutions approving an internal audit work plan for fiscal year 2010 and the continued retention of Deloitte & Touche LLP for audit services, and reviewed financial statement updates for the first quarter and the evaluations of the Audit Committees' performance. The Audit Committee reviewed the Independent Auditors Report to Management.

The next item on the agenda was the report of the Governance Committees. Chairman Levy reported that the Governance Committee had adopted the minutes of its January 29, 2009 meeting and had been provided with self-evaluation forms by staff.

The next item on the agenda was the report of the Mortgage Insurance Committee. Chairman Levy reported that the MIC had adopted the minutes of its March 4, 2009 meeting, and passed resolutions approving 100% mortgage insurance on a Community Preservation Corporation permanent first mortgage at Brooke Pointe Apartments; 100% mortgage insurance on a Community Preservation Corporation permanent first mortgage at Batavia Special Needs Apartments; and 100% mortgage insurance on a Community Preservation Corporation permanent first mortgage at 95-99 Skillman Street.

The next item on the agenda was the adoption of the minutes of the 407th HFA Members' meeting held on March 4, 2009. Ms. Phillips moved to adopt the HFA minutes; Mr. Jones seconded the motion; and the minutes were adopted unanimously.

The next item on the agenda was a resolution adopting an amendment to the Administrative Budget for Cost Recovery Charges. Joanne Hounsell, Senior Vice President and Deputy CFO, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. She explained that the budget amendment reflected an increase in the cost recovery fees that the State charged to authorities statewide. She noted that the Agencies had budgeted \$6.8 million for the fee based on prior years' charges, but that the actual charges received from the State's Division of the Budget had been for \$9.475 million. She clarified that the amendment was to update the budget to reflect the actual charges, not to approve the payment of the fee. Mr. Sheppard explained that these charges were established by the legislature and allocated by the Director of the Division of the Budget. Mr. Sheppard stated that he was comfortable with the Agencies' ability to meet their 2008-2009 obligations. Chairman Levy read from a

Moody's report which had been distributed to Members highlighting concerns that increased charges by states facing economic difficulties to housing finance agencies during economic downturns could have negative effects on the agencies' bond ratings. The report was made part of the record of the minutes. He noted that SONYMA and HFA projections indicated decreased activity which would be reflected in less revenue, and expressed concern about the Agencies' ability to pay increased State fees without adverse impact in future fiscal years. Mr. L. Weinstock noted that because of the vagueness of the state process in determining the fees he was not in a position to pass on the appropriateness of the new amount. Ms. Almodovar noted that the Division of the Budget representation on the Agencies' boards meant the department was well aware of the potential impacts, and would be involved in discussion with the Agencies if their fiscal situation changed, with which Mr. Sheppard concurred. Mr. Sheppard noted that given the board's concerns, in the future, prior to determining cost recovery fees Davison of the Budget would give the board adequate notice as to the proposed amount.

Ms. Phillips moved to adopt the resolution; Mr. Jones seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY STATE OF NEW YORK MORTGAGE AGENCY NEW YORK STATE AFFORDABLE HOUSING CORPORATION STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION ADOPTING AN AMENDMENT TO THEIR ADMINISTRATIVE BUDGET FOR FISCAL YEAR NOVEMBER 1, 2008 TO OCTOBER 31, 2009 AND THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE STATE OF NEW YORK MORTGAGE AGENCY ADOPTING AN AMENDMENT TO THEIR FINANCIAL PLANS FOR FISCAL YEARS 2009, 2010, 2011 AND 2012

The next item on the agenda was a resolution approving the pre-qualified panel of underwriting firms for the Agencies' bond issues. Chairman Levy directed the Members to the detailed memo describing the selection process provided in advance of the meeting, which information is incorporated herein by reference, and requested that discussion be limited to questions regarding the matter. Ms. Phillips noted the lack of MWBE representation on the senior manager panel, and requested that the unsuccessful applicants receive feedback about what they can do to improve their chances of either qualifying for the panel, or moving up from the co-manager panel. Ms. Rogatz stated that giving feedback to proposers should become part of all RFP processes. Mr. Myers asked whether staff had gleaned any particular insight, information or advice during the review process. Ms. Zucker responded that she would re-review the proposals from this perspective, and would present any relevant suggestions to the board.

Ms. Phillips moved to adopt the resolution; Mr. Jones seconded the motion; and the following resolution was adopted unanimously:



A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY STATE OF NEW YORK MORTGAGE AGENCY STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING A PRE-QUALIFIED PANEL OF UNDERWRITING FIRMS.

The next item on the agenda was a resolution appointing Senior Vice President for Information Technology, Telecommunications, Facilities and Administrative Services. Mr. Charles Rosenwald, CFO/COO, highlighted certain information contained in the materials provided to the Members in advance of the meeting, which information is incorporated herein by reference. He noted that this new position would combine the information technology and administrative departments under a single position, creating efficiencies from consolidation, and recommended the appointment of Edwin Bonilla.

Ms. Phillips moved to adopt the resolution; Mr. Jones seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY STATE OF NEW YORK MORTGAGE AGENCY STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPOINTING EDWIN BONILLA AS SENIOR VICE PRESIDENT FOR INFORMATION TECHNOLOGY, TELECOMMUNICATIONS, FACILITIES AND ADMINISTRATIVE SERVICES.

The next item on the agenda was a resolution reviewing and approving the continued retention of Deloitte & Touche LLP for Audit Services. Mr. Gary Weinstock, Vice President/Comptroller, highlighted certain information contained in the materials provided to the Members in advance of the meeting, which information is incorporated herein by reference. He reported that Deloitte has been under contract with the Agencies since 1999, and was chosen as a result of an RFP process in 1999 and again in 2004. Mr. G. Weinstock said Deloitte's contract with the Agencies was reviewed annually, and noted that the engagement letter from Deloitte was unchanged from the past year, except for the company's fee. He recommended retaining the firm for another year, and postponing the issuance of a new RFP until the financial market settled. He noted industry practice recommendations that recognized the efficiencies of retaining the same accounting firm while rotating the partner in charge of the account, and added that rotation of partners had occurred four times since the firm was brought on board.

Ms. Phillips moved to adopt the resolution; Mr. Jones seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY STATE OF NEW YORK MORTGAGE AGENCY NEW YORK STATE AFFORDABLE HOUSING CORPORATION STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE

**CONTINUED RETENTION OF DELOITTE & TOUCHE LLP FOR
AUDIT SERVICES**

The next item on the agenda was approval of a resolution authorizing making of SEQRA findings and information regarding Neighborhood Stabilization Program Projects. Information with respect to these items was provided to the Members in advance of the meeting, which information is incorporated herein by reference. There was no discussion or questions on any of these items.

Ms. Phillips moved to adopt the resolution; Mr. Jones seconded the motion; and the following resolution was adopted unanimously:

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY AND NEW YORK STATE AFFORDABLE HOUSING
CORPORATION AUTHORIZING AND APPROVING ISSUANCE OF
NEGATIVE DECLARATIONS WITH RESPECT TO CERTAIN
NEIGHBORHOOD STABILIZATION PROGRAM PROJECTS AND
CONFIRMING AUTHORIZATION FOR AWARDS IN RELATION
THERETO**

The next items on the agenda were consent items authorizing approval of contracts for temporary employee placement, employment advertising and payroll processing services. Information with respect to these items was provided to the Members in advance of the meeting, which information is incorporated herein by reference. The items up for annual review included the Benefit Resource contract (E-TRAC services); Access & Adecco agreements for temporary employment services; Sky agreement for employment advertising; ADP/Managistics for payroll processing services; and Mercer Health & Benefits actuarial valuation consulting services contract (GASB 45). Aida Brewer asked if her previous concerns about receiving assurance from ADP regarding the security of funds being held prior to disbursement had been resolved; Ms. Willig responded that she would follow up prior to the next board meeting.

Ms. Phillips moved to adopt the resolution; Mr. Jones seconded the motion; and the following resolution was adopted unanimously:

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY STATE OF NEW YORK MORTGAGE AGENCY AND NEW
YORK STATE AFFORDABLE HOUSING CORPORATION
AUTHORIZING APPROVAL OF CONTRACTS FOR TEMPORARY
EMPLOYEE, EMPLOYMENT ADVERTISING AND PAYROLL
PROCESSING SERVICES**

The following items on the agenda were presented for informational purposes. Information with respect to each of these items was provided to the Members in advance of the meeting, which information is incorporated herein by reference:

Annual Review of:
Metlife dental insurance agreement

E.G. Bowman insurance brokerage agreement
Lincoln Life & Annuity Company of New York disability insurance agreement
State of New York Department of Civil Services Health Insurance Agreements

Quarterly Procurement Contract Report for period commencing November 1, 2008 ending January 31, 2009. Ms. Rogatz commented on the procurement report, noting that while she appreciated the Agencies' efforts to open up the process, she felt that M/WBE businesses were still not adequately represented in the Agencies contracts. Ms. Willig noted that the report reflected all contracts in place, and that while the procurement process was evolving it would take some time before current efforts would be reflected in the report.

Contracts with firms listed on the Agencies' pre-qualified Financial Advisor Panel

Contracts with Hawkins, Delafield & Wood LLP for Arbitrage Rebate Calculation Services

Financial Statements Updates for the First Quarter Fiscal 2009

Annual review of lease for the Agencies' offices at 641 Lexington Avenue, New York, with First Lexington Corporation

Quarterly Investment Reports for the period ending January 31, 2009 and for AHC for the period ending December 31, 2008

Report of Administrative Budget Expenditures for the First Quarter 2009 and Status Report of Financial Plans.

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.

The next item on the agenda were resolutions authorizing the amendment and restatement of certain bond resolutions, the substitution of credit enhancement facilities and the refunding of Related-Taconic West 17th Street Housing Revenue Bonds, 2006 Series A. Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. There was not discussion or questions on this item.

Ms. Phillips moved to adopt the resolution; Mr. Jones seconded the motion; and the following resolution was adopted unanimously:

**RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY AUTHORIZING THE ISSUANCE OF RELATED
TACONIC WEST 17th STREET HOUSING REVENUE BONDS**

**RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY AUTHORIZING THE ISSUANCE OF A PRINCIPAL**

AMOUNT OF NOT EXCEEDING \$126,000,000 RELATED TACONIC WEST 17th STREET HOUSING REVENUE BONDS, 2006 SERIES A

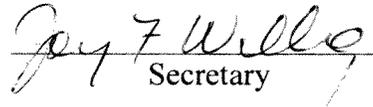
AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT KNOWN AS RELATED-TACONIC WEST 17th STREET APARTMENTS

The next item on the agenda was a resolution approving and authorizing amendment of the Low-Income Housing Tax Credit Qualified Allocation Plan. Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. There was not discussion or questions on this item.

Ms. Phillips moved to adopt the resolution; Mr. Jones seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AMENDMENT OF THE LOW-INCOME HOUSING TAX CREDIT QUALIFIED ALLOCATION PLAN

There being no unfinished business, Ms. Phillips moved to adjourn the meeting; Mr. Jones seconded the motion; and the meeting was adjourned at 11:15 a.m.


Secretary

