

**MINUTES OF THE 419th MEMBERS' MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
HELD ON JUNE 10, 2010 AT 2:35 P.M. AT
ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES:

PRESENT:

Judd S. Levy	Chairman
Karen A. Phillips	Vice Chairperson
Brian Lawlor	Member
Elaine McCann	Division of the Budget, representing Robert Megna, Member (via video conference)
Aida Brewer	Taxation & Finance, representing Jamie Woodward, Acting Commissioner, Member (via video conference)

ABSENT:

Royce A. Mulholland	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.

The first item on the agenda was the President's Report. Brian E. Lawlor, the Agencies President and Chief Executive Officer, reported that staff was very busy with the integration of the management structure of the Agencies and DHCR and that the integration would let the strengths of both Agencies shine. Mr. Lawlor commended Marian Zucker, Arlo Chase, and Joy Willig for helping him to become acquainted with the operations of the Agencies and noted how generous management at both the Agencies and DHCR had been with their time and ideas. Mr. Lawlor also noted that constituents have also embraced the integration since it will help streamline the way in which they use the services provided by both DHCR and the Agencies. Mr. Lawlor noted that Charles Rosenwald, the former Chief Financial Officer and Chief Operating Officer had gone on leave in anticipation of retirement and that Catherine Johnson was being nominated to take over part of this position as Chief Administrative Officer and that Joanne Hounsell

was going to take over the duties of Chief Financial Officer by acting as the interim CFO. Mr. Lawlor also noted that at each Agency the Communications, Intergovernmental relations, and Policy departments for each Agency would be combined. He noted that over the next few months further comments and suggestions would be taken from both the staff and the public.

The next item on the agenda was the report of the Audit Committee. Chairman Levy reported that the Audit Committee had approved the minutes of the April 8, 2010 meeting, adopted a resolution approving the New York State Housing Finance Agency's Audited Supplementary Financial Information (Other Financial Information), adopted a resolution recommending the approval of Independent Auditor's Report relating to the audit of the Schedule of expenditures of Federal Awards (Single Audit), approved a resolution recommending the approval of contracts with Ernst & Young as the Agencies' Independent Auditor, and reviewed Financial Statement Update – 2nd Quarter Fiscal 2010.

The next item on the agenda was the report of the Governance Committee. Chairman Levy reported that the Governance Committee had approved the minutes of the April 8, 2010 meeting, adopted a resolution recommending the approval of amendments to the Agencies' Consolidated Lobbying Law Policies, reviewed follow-up information on Affirmative Action and EEO procurements, reviewed information on Board Members response to letter from State Legislature regarding MWBE practices, received an update on public authorities law governance developments.

The next item on the agenda was the approval of the minutes of the 418th HFA Members' meeting, held on May 13, 2010. There being no objections or corrections by the Members, the minutes were deemed approved.

The next item on the agenda was a resolution approving the appointment of Catherine Johnson as Senior Vice-President, Chief Administrative Officer for the Agencies. Mr. Lawlor highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference Mr. Lawlor noted that Ms. Johnson has had a long and distinguished career in public service. Ms. Zucker noted that in the time since Ms. Johnson has joined the staff she has already contributed potential money saving ideas. It was noted that Ms. Johnson's salary would be split evenly between the Agencies.

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

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY APPOINTING CATHERINE JOHNSON AS SENIOR VICE
PRESIDENT AND CHIEF ADMINISTRATIVE OFFICER**

The next item on the agenda was a resolution approving contracts for the Agencies' Independent Auditor. Mr. Gary Weinstock, the Agencies Vice President and

Comptroller, highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference. Mr. Weinstock explained that the request for proposal process was conducted for the selection of an independent auditor. The firms being considered were Deloitte & Touche, Pricewaterhouse Coopers, Ernst & Young, and KPMG collectively known as the Big Four auditing firms; Ernst and Young was selected due to the lowest cost and greatest availability of board education. Ms. McCann asked why the staff had decided to select an alternate independent auditor and why the selection process was limited to the big four. Mr. Weinstock responded that the Agencies were required to conduct a request for proposal process every five years and that otherwise the contracts needed to be extended annually. Given the size of the Agencies and the amount of outstanding bonds the expertise of the big four was desired. Mr. Levy commended the efforts of the staff, particularly Ms. Hounsell, for their efforts to save Agencies money in performing this request for proposal procedure.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, APPROVING CONTRACTS FOR THE AGENCIES INDEPENDENT AUDITOR

Mr. Lawlor introduced Ms. Jennifer McCormick, a Member of the Board of the Housing Trust Fund, to the Board Members.

The next item on the agenda was a resolution approving Independent Auditor's Report relating to the audit of the Schedule of Expenditures of Federal Awards (Single Audit). Mr. Weinstock highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference. The Members had no further questions on this item.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY THE INDEPENDENT AUDITOR'S REPORT

The next item on the agenda was a resolution approving the Quarterly Investment Reports and Consolidated Investment Guidelines and Policies. Genevieve D'Agostino, Senior Vice President and Treasurer, highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference. Mr. SanFilippo pointed out a section of the Guidelines which allows for the waiving of collateral requirements, and asked if there were any situations when these requirements were waived. Ms. D'Agostino replied that this provision had been helpful in emergencies, such as when the credit markets were frozen in 2008.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, APPROVING THE QUARTERLY INVESTMENT REPORTS AND CONSOLIDATED INVESTMENT GUIDELINES

The next item on the agenda was a resolution approving the Bond Issuance Report. Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. The Members had no questions on this item.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY APPROVING THE BOND ISSUANCE REPORTS

The next item on the agenda was a resolution approving the amendments to the Agencies' Consolidated Lobbying Law Policies. Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. Ms. Willig explained that these amendments were being made in order to fully comply with the new Public Authorities legislation. The Members had no questions on this item.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY APPROVING AMENDMENTS TO THE CONSOLIDATED LOBBYING LAW POLICIES

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:

Financial Statement Update – 2nd Quarter Fiscal 2010.

Review of the Agencies' consolidated 2nd Quarterly Procurement Contract Report for the period ending 4/30/10.

Quarterly Administrative Budget Report as of April 30, 2010.

Follow-Up information on Affirmative Action and EEO Procurements.

Information on Board Members response to letter from State Legislature regarding MWBE practices.

The next item on the agenda was a resolution approving the New York State Housing Finance Agency's Audited Supplementary Financial Information ("Other Financial Information" or "OFI") Report. Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. The Members had no questions on this item.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY APPROVING THE AGENCY'S AUDITED SUPPLEMENTARY FINANCIAL INFORMATION REPORT.

The next item on the agenda was a resolution approving HFA's On-Line Legal Research Services Contracts. Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. The Members had no questions on this item.

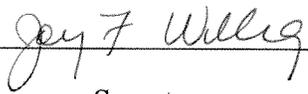
Ms. Phillips moved to adopt the resolution; Mr. McCann seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY APPROVING THE AGENCY'S ONLINE LEGAL RESEARCH SERVICES CONTRACTS

The next item on the agenda was presented for informational purposes. Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference:

Review of contracts for Physical Needs Assessment, Construction Monitoring & Construction Management with firms on the Agency's Prequalified Panel (PNA Panel).

There being no unfinished business, Ms. Phillips moved to adjourn the meeting; Mr. McCann seconded the motion; and the meeting was adjourned at 3:23 PM.


Secretary