

**MINUTES OF THE 25<sup>th</sup> MEETING OF THE  
AFFORDABLE HOUSING CORPORATION  
AUDIT COMMITTEE  
HELD ON JUNE 10, 2010 AT 11:34 A.M.  
AT ITS OFFICES AT 641 LEXINGTON AVENUE  
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Elaine McCann	Division of the Budget, representing Robert Megna, Member

ABSENT:

Royce A. Mulholland	Member
Jamie Woodward	Member

Chairman Levy chaired the meeting; Joy F. Willig, the Agencies' Senior Vice President and Counsel, acted as secretary. The meetings of the Audit Committees were 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 Affordable Housing Corporation Audit Committee. A record of items considered by the other Agencies' Audit Committees is contained in the minutes of each Committee respectively.

**The first item on the agenda was the approval of the minutes of the 24<sup>th</sup> AHC Audit Committee Members' meeting held on April 8, 2010.** There were no objections or corrections by the Members, and the minutes were deemed approved.

**The next item on the agenda was a resolution recommending the approval of the Corporation's Financial Statements.** Gary Weinstock, Vice President/Comptroller, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. He noted that AHC's proposed appropriation in the State budget is for \$25,000,000, which matches the typical annual allocation. He added that it was anticipated that HFA would need to subsidize AHC's operating expenses during the coming year. Glen Friedrich, partner at Deloitte and Touche stated that there were no issues or significant changes in the AHC audit from the preceding year.

Ms. McCann moved to adopt the resolution; Chairman Levy seconded the motion, and the following resolution was adopted unanimously:

**A RESOLUTION REVIEWING AND APPROVING AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2009-2010.**

Joanne Hounsell, Senior Vice President and Acting CFO, noted that this would be Deloitte and Touche's final appearance before the Committee as the Agency's external auditor under their current contract, and thanked them for their outstanding work throughout their engagement.

**The next item on the agenda was a resolution recommending the approval of contracts with Ernst & Young as the Agencies' Independent Auditor.** Gary Weinstock highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. He described the RFP process undertaken by the Agencies with regards to procuring a firm to provide independent auditing services. He noted that due to the complexity of the Agencies' operations, the solicitation had been limited to the "big four" accounting firms, and the review team was recommending awarding the contract to Ernst & Young based on the strongest proposal with the lowest costs and broadest services, as well as the firm's commitment to subcontract with a minority participation firm.

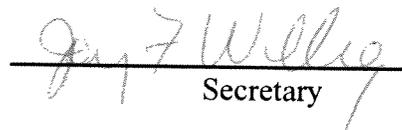
The Board, the Chairman, and staff all expressed appreciation for the admirable service provided by the outgoing independent auditor Deloitte and Touche.

Ms. McCann moved to adopt the resolution; Chairman Levy seconded the motion, and the following resolution was adopted unanimously:

**A RESOLUTION REVIEWING, AUTHORIZING, AND APPROVING SELECTION OF ERNST & YOUNG LLP AS INDEPENDENT AUDITORS.**

Chairman Levy announced that Charles Rosenwald had gone on leave pending retirement, and that his previous responsibilities had been taken on in part by Joanne Hounsell, who will serve as interim CFO as the Agency works to redefine that role, and in part by Catherine Johnson, who will be recommended for appointment as CAO at the subsequent board meeting, and will be responsible for implementing the integration of administrative functions between NYHomes and DHCR.

There being no unfinished business, Ms. McCann moved to adjourn the meeting; Chairman Levy seconded the motion; and the meeting was adjourned at 12:18 p.m.

  
Secretary