

**MINUTES OF THE REGULAR MEETING OF THE
THE 221ST MEMBERS' MEETING OF THE
AFFORDABLE HOUSING CORPORATION
HELD ON DECEMBER 9, 2010 AT 3:33 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
Royce Mulholland	Member
Elaine McCann	Division of the budget, representing Robert Megna, Member (via video conference)

ABSENT:

Jamie Woodward	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 Affordable Housing Corporation. 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. President Lawlor noted that this would be the last board meeting under the current Governor, and that the Agencies looked forward to the leadership of Governor Elect Cuomo beginning in January. He then exhibited an award from Habitat for Humanity that honored SONYMA as "Innovator of the Year" in recognition of the success of the low-interest-rate mortgages of 2% for Habitat projects. He congratulated Ms. Marian Zucker, President, Office of Finance and Development and George Leocata, Senior Vice President, Single Family Programs/Financing, for their efforts in ensuring the success of these projects. The President then went on to congratulate staff in securing extremely favorable NIBP and HFA bond rates in a tumultuous market environment.

The next item on the agenda was the report of the Audit Committee Meeting. Chairman Levy reported that the committee had approved the minutes of its Committee meeting held on October 28, 2010; adopted a resolution approving Internal Audit Staff Functions; adopted a resolution approving Procurement Audit Reports; approved an Accounts Payable

Audit Report; approved a Treasury Audit Report; adopted the Action Plan for 2011; reviewed an information report on Whistle Blower Activities.

The next item on the agenda was the report of the Governance Committees: The Committees adopted Minutes; conducted the Board Self-Evaluation and adopted a resolution with recommendations; adopted the Action Plan for 2011; authorized the adoption of salary ranges for Senior Officers; and reviewed an information report on salary increases for management confidential employees.

The next item on the agenda was an action item approving the minutes of the 220th Members' meeting for AHC held on October 28, 2010. There being no objections or corrections by the Members, the minutes were deemed approved.

The next item on the agenda was a resolution concerning board self-evaluations. Mr. Alejandro Valella, Vice President and Deputy Counsel, presented this item, highlighting certain aspects of the self-evaluation process. Mr. Valella explained that the Governance Committee had recommended the filing of the results of this evaluation at the beginning of 2011, in accordance with the ABO-recommended evaluation form, with the caveat that staff revise the text of the question in the evaluation pertaining to review of publicly-released documents to reflect Corporation practices. The committee generally recommended that the evaluation form be revised prior to next year's evaluation to be more acutely tailored to the practices and procedures of the Corporation and include an opportunity for more extensive comments. Additionally, Mr. Valella explained that the committee requested that staff determine the steps the Corporation would need to take to evaluate the performance of the President and CEO and senior staff as required under Public Authorities Law.

Mr. Lawlor moved to adopt the resolution; Vice Chairperson Phillips seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, THE STATE OF NEW YORK MORTGAGE AGENCY, THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND THE TOBACCO SETTLEMENT FINANCING CORPORATION CONCERNING BOARD SELF EVALUATIONS.

The next item on the agenda was the review and approval of the Agencies' Annual Disaster Recovery/Business Continuity/ Pandemic Test Results. There were no questions or comments from the board on this item.

Mr. Lawlor moved to adopt the resolution; Vice Chairperson Phillips seconded the motion; and the following resolution was adopted unanimously:

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

SETTLEMENT FINANCING CORPORATION ACCEPTING DISASTER RECOVERY/BUSINESS CONTINUITY PANDEMIC TEST RESULTS

At this time, the President elaborated upon the rating of "fair" that the Corporation's IT department had earned from the banking department examiner, as it was lower than ratings in other categories. He explained that the banking examiner had reviewed the emergency preparedness of SONYMA and took issue with the lag time required to reboot Corporation data systems, currently estimated to take up to eight (8) hours. The President stated that the banking examiner had asserted that the capacity to reboot such systems immediately would be important to disaster functioning. Mr. Lawlor disagreed, pointing out that SONYMA had decided to continue relying on the New York State data recovery process, rather than investing in an outdoor generator at a considerably higher cost, after careful consideration of the Corporation's needs. However, Mr. Lawlor explained that this disagreement had led the examiner to question the method by which the Corporation had chosen its current disaster preparedness systems, and assign SONYMA with the "fair" rating on IT disaster preparedness. Mr. Lawlor thought it prudent to ensure that the Members were aware of these issues, and there were no further questions from the Board.

The next item on the agenda was an information item regarding procurement contracts and purchase orders with minority-owned business and women-owned-business enterprises. There were no questions or comments from the board on this item.

Mr. Lawlor excused himself from the meeting at 3:50 p.m., to attend to another obligation.

The next item on the agenda was a resolution authorizing award of grant funds for certain projects. There were no questions from the board.

Vice Chairperson Phillips moved to adopt this resolution; Chairman Levy seconded the motion; and the resolution was adopted unanimously.

A RESOLUTION OF THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION AUTHORIZING AWARDS OF GRANT FUNDS FOR CERTAIN PROJECTS LOCATED OUTSIDE OF THE CITY OF NEW YORK.

There being no unfinished business, Ms. Vice Chairperson Phillips moved to adjourn the meeting; Chairman Levy seconded the motion; and the meeting was adjourned at 5:08 PM.


Secretary