

**MINUTES OF THE REGULAR MEETING OF THE
THE 222ND MEMBERS' MEETING OF THE
NEW YORK STATE AFFORDABLE HOUSING CORPORATION
HELD ON JANUARY 27, 2011 AT 3:26 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 E. Lawlor	Member
Royce A. Mulholland	Member
Elaine McCann	Division of the Budget, representing Robert Megna, Member (via video conference)
Aida Brewer	Division of Taxation and Finance, representing Thomas H. Mattox, 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 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 congratulated MBBA staff on being awarded the *Bond Buyer* "2000 Deal of the Year" for the Northeast region in recognition of their Recovery Act Bond issues. He also stated that, overall, business was strong, noting the open funding rounds for the Housing Trust Fund for tax credits, Homes for Working Families, as well as HFA 80/20 and Affordable deals. He stated that although Governor Cuomo had not yet named a Commissioner of Housing, the issue was clearly under his consideration. Additionally, Mr. Lawlor stated that the real property tax cap and the expiration of rent control laws would impact the Agencies in the coming months, along with the expiration of 421A, which had been a major generator of residential construction in New York City. He noted that the Governor's budget, to be announced on February 1st, would lay out a plan to close the \$10 billion budget deficit.

Mr. Mulholland took this opportunity to recognize Mr. Lawlor for his outstanding leadership, efforts, skill, integrity, and accomplishments, to which all Members agreed, thanking Mr. Lawlor for his service to the Agencies and voicing their hopes for working with him into the future.

The next item on the agenda was the report of the Audit Committee Meetings. Chairman Levy reported that the Committees had approved the minutes of their Committee meetings held on December 9, 2010; that a resolution approving the Disaster Recovery Audit Report was tabled for a future meeting; that the new auditors Ernst & Young had made a detailed presentation, along with the Agencies' auditing staff, relaying a thorough understanding of the financial results for the fiscal year ending October 31st, 2010. He noted that the Audit Committees had reviewed the management letter prepared by Ernst & Young, and had discussed some minor technical issues, but that the management letter was generally very well executed, especially as this was Ernst & Young's first audit of the Agencies' financials. Ultimately, Chairman Levy stated, the Audit Committees were very comfortable with the financial status of the Agencies and had passed resolutions recommending the approval of the audited financial statements. Additionally, the resolution approving SONYMA's servicer Audit of CitiMortgage, Inc. had been deferred to a future meeting because of Mr. Stephen Chohey's absence due to inclement weather.

The next item on the agenda was the report of the Governance Committees. The Committees adopted minutes for the meetings held on December 9th, 2010; a detailed presentation was made by the staff concerning the measurement reports mandated by the Agencies' Mission Statements—part of the ABO's new regulations regarding mission statements and measurement reports of the achievement of these missions. He also noted that the Committees reviewed an informational item regarding the proposed SEC regulation that would change the legal status of Members, making them municipal advisors.

Mr. Valella reminded the Members that staff had requested self-evaluations of the Audit and Governance committees be sent to staff by Tuesday, February 15th.

The next item on the agenda was an action item approving the minutes of the 221st Members' meeting for AHC held on December 9, 2010. There being no objections or corrections by the Members, the minutes were deemed approved.

The next item on the agenda was a resolution reviewing and approving the Agencies' Mission Statements. 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 Committees met to review the measurement reports prepared by staff in accordance with the mission statements, and that staff had given a presentation that detailed the measurement data from the Agencies' mission statements. He reported that the main comment from the Governance Committees was that some of the data would be more useful if presented on a comparative basis, rather than submitting only the information for the current reporting period. The committees also had minor comments about the fiscal health report, but recommended that the Members approve the mission statement measurement reports.

There were no questions from the board members.

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, AND THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY REVIEWING AGENCY MISSION STATEMENTS.

The next item on the agenda was a resolution approving Annual Investment Reports and Quarterly Investment Reports. There were no questions about this item from the Members.

Chairman Levy 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 AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING ANNUAL AND QUARTERLY REPORTS OF INVESTMENTS.

The next item on the agenda was an informational discussion about a proposed SEC regulation. Mr. Valella presented on this item, stating that the SEC had put out a press release about the Dodd-Frank bill, which would make Members into "Municipal Advisors," under the justification that Members provide advice, and that appointed Members are not answerable to the communities they serve. Elected or ex-officio board members would be excluded from the characterization as municipal advisors, due to a perceived increased accountability. Mr. Valella requested Board approval to send a strong comment against the rule arguing that 1) Members are the entity, they are not advisors to the entity and that 2) there is no distinction under the Public Authorities Law in New York State between the fiduciary duties of appointed and ex-officio and elected officers. He voiced his concern that not many Members would willfully choose to serve on the Agencies' boards if this regulation were approved, and stated that this sentiment was being expressed by public authorities nation-wide, arguing that imposing these new and significant obligations and costs to potential board members would discourage public service. The Members voiced their agreement with Mr. Valella's concerns, and approved his comments against the bill.

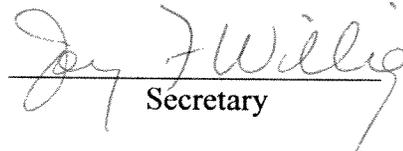
The next item on the agenda was a resolution authorizing the award of grant funds for certain projects. Mr. Dominic Martello noted that the list of projects had been revised to remove item K35, "Mountaintop." All Members were in favor of approving the resolution authorizing the grant funds as amended. There were no further questions or comments from the board.

Vice Chairperson Phillips moved to adopt the resolution; Ms. McCann seconded the motion; and the following 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 AND IN THE CITY OF NEW YORK.

The next item on the agenda was the informational Semi-Annual Report on the Housing Partnership Development Corporation. There were no questions or comments from the Members and no action required.

There being no unfinished business, Chairman Levy moved to adjourn the meeting; Vice Chairperson Phillips seconded the motion; and the meeting was adjourned at 4:34 p.m.


Secretary