

**MINUTES OF THE REGULAR MEETING OF THE
THE 430TH MEMBERS' MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
HELD ON SEPTEMBER 15, 2011 AT 2:59 P.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

Karen A. Phillips	Vice Chairperson
Thomas H. Mattox	Member
Royce A. Mulholland	Member
Darryl C. Towns	Member
Steven J. Weiss	Member
Meghan Anderson	Division of the Budget, representing Robert Megna, Member (via video conference)
Aida Brewer	Division of Taxation and Finance, representing Thomas A. Mattox, Member

Vice Chairperson Phillips chaired the meeting; Alejandro J. Valella, Vice President and Deputy Counsel, acted as secretary. The meetings of the Affiliated Agencies opened in joint session for consideration of 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. Commissioner Towns stated he wanted to hold his remarks because the meeting was beginning behind schedule since previous meetings took longer than expected.

The next item on the agenda was the report of the Audit Committees for the Affiliated Agencies. Vice Chairperson Phillips reported that the Audit Committee had approved the minutes of June 14th, 2011, adopted a resolution approving an Internal Audit Report together with Management's response, reviewed Financial Statement Update 3rd Quarter Fiscal Year 2011 (First Quarter Fiscal Year 2012), and reviewed Auditor's (Ernst & Young) Presentation.

The next item on the agenda was the approval of the minutes of the 429th Member's meeting for HFA, held on July 14, 2011. There were no objections or corrections by the Members therefore the minutes were deemed approved.

The next item on the agenda was a resolution approving the Fiscal Year 2012 Administrative Budget and Financial Plans. Joanne Hounsell, Senior Vice President and Interim Chief Financial Officer, presented the Budget Plan. She first discussed that approval of the Budget Plan was required by statute, regulations, and various Agency resolutions.

Next, Ms. Hounsell summarized some of the key figures in the Budget Plan. She emphasized that the Budget Plan considered the uniqueness of each Agency. She then detailed the \$52.4 million Budget Plan, which represents a 3% budget decrease relative to fiscal year 2011. Her presentation detailed the following:

- The Agencies' largest expense is \$17.3 million for salaries. However, this allocation is the same as fiscal year 2011. Ms. Hounsell noted that the Agencies are budgeted for 221 positions and that 36 of these positions are currently vacant.
- The largest increase in this Budget Plan is the \$890,000 expense for the Early Retirement Incentive. This lump-sum expense was assessed as a result of 15 employees electing to participate in this program.
- The second largest increase relates to hiring consultants to help convert the Agencies' Database Management System. The Agencies need to convert the Database Management System because its current system, FoxPro, is no longer sold or supported by Microsoft. The Database Management System is used for the general ledger, mortgage billing, expenditure control, budgeting, investment, debt service and tax and insurance escrow functions.
- The third largest increase is an increase of \$420,000 in annual pension contributions. This increase is due to lower investment returns in the pension funds.
- Lastly, an additional increase is health insurance premiums, which the Agencies have budgeted an additional \$389,000 for.

Ms. Bayer, a SONYMA Director, asked about the impact of eliminating the workshop and training expense allocated in fiscal year 2011. Ms. Hounsell noted that the decrease related to the termination of the Agency's contract with NeighborWorks. Ms. Marian Zucker, President of the Office of Finance and Development, commented that the Agencies had been satisfied with the initial benefits from the contract, but that the benefits of the contract decreased over time.

Meghan Anderson then asked what was included in the \$17 million expense for salaries. Ms. Hounsell outlined that this figure included the expenses for budgeted positions and the lump-sum expense for the Early Retirement Incentive. Meghan Anderson then asked whether any portion of employee health insurance premiums were paid by the employees. Ms. Hounsell confirmed that the Agencies pay 100% of employee health insurance premiums.

Lastly, Don Lebowitz, a SONYMA Director, asked how the Early Retirement Incentive was affecting the Agencies. Ms. Housell said that the senior management is currently evaluating the effect.

Royce Mulholland moved to adopt the resolution; Steven Weiss 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, THE TOBACCO SETTLEMENT FINANCING CORPORATION AND THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION ADOPTING AN ADMINISTRATIVE BUDGET FOR FISCAL YEAR NOVEMBER 1, 2011 TO OCTOBER 31, 2012 AND

FINANCIAL PLANS FOR FISCAL YEARS 2012, 2013, 2014 AND 2015 WITH RESPECT TO THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION AND

PRELIMINARY CASH BUDGETS FOR THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY FOR FISCAL YEAR 2012.

The next item on the agenda was a resolution approving contracts with firms on the Agencies' prequalified panel of outside non-bond counsel law firms. Mr. Mulholland moved to adopt the resolution; Steven Weiss seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE STAE OF NEW YORK MORTGAGE AGENCY AUTHORIZING THE CONTINUATION OF CONTRACTS WITH FIRMS FOR THE PROVISION OF NON-BOND COUNSEL LEGAL SERICES.

The next item on the agenda was a resolution approving the quarterly bond sale report for the periods ending April 30 and July 31, 2011. Mr. Kenneth Bialo, Vice Chairperson of MBBA/TSFC complimented Marian Zucker and the staff that worked on the successful tobacco bond refunding. It was stated that this refunding resulted in a net present value savings of approximately \$18 million to New York State.

Mr. Mulholland moved to adopt the resolution; Steven Weiss 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 THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE AGENCIES' BOND SALE REPORTS.

The next item on the agenda was a resolution approving a contract for disaster recovery services. Meghan Anderson asked whether any of the state facilities had been explored as an option. Forrest Taylor responded that there was no space in the state facilities and that this contract would be for a hardened disaster recovery facility. The resolution was adopted unanimously.

Mr. Mulholland moved to adopt the resolution; Steven Weiss seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING THE ENTERING INTO A CONTRACT WITH Xand CORPORATION FOR DISASTER RECOVERY SERVICES.

The next 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:

- **Review of the Agencies' Quarterly Investment Reports**
- **Report of the Administrative Budget as of July 31, 2011**
- **Financial Statement Update 3rd Quarter Fiscal Year 2011.**
- **Third Quarterly Procurement Contract Report for the period ending July 31, 2011.**
- **Financial Printer contract with ImageMaster, Inc.**
- **Master Goal Plan Update for 2011-2012.**

There were no questions from the Members. However, Marge Rogatz, a SONYMA Director, commented that she had reviewed the Master Goal Plan Update for

2011-2012 and thought that it was an excellent presentation. Ms. Rogatz then thanked Wanda Graham and her staff for their hard work.

At this point, Vice Chairperson Phillips called to order the 12th Finance and Program Committee meeting of the New York State Housing Finance Agency to be held jointly with the Board meeting for consideration of the next eight items.

The next item on the agenda were resolutions authorizing financing approval in an amount not to exceed \$6,160,000 for 439 West 53rd Street Apartments, New York County. Ms Zucker presented on this project. She stated the total project costs are estimated to be about \$11 million and that the project will consist of 100% affordable supportive housing units. This project will receive proceeds by selling inclusionary air rights through a program that is now defunct. The loan is only for construction and HFA will provide no permanent mortgage loan. She then emphasized the project team's solid reputation. The project team includes the Arker family as principles in the borrower and United Pathways as the managing agent. Royce Mulholland reaffirmed that the Arker family has a solid reputation in affordable housing development.

Vice Chairperson Phillips moved to adopt the resolution; Royce Mulholland seconded the motion; and the following resolutions were adopted, with the recusal of Steven Weiss.

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 439 WEST 53RD STREET APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2011 SERIES ___ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$6,160,000.

The next item on the agenda were resolutions authorizing financing approval in an amount not to exceed \$30,000,000 for Phillips Village Apartments located at 100 Krieger Road, Town of Webster, Monroe County. This item was withdrawn.

The next item on the agenda was resolutions authorizing financing approval in an amount not to exceed \$5,100,000 for Greenacres Apartments located at 102 Wisteria Drive in the Village of Fredonia, Chautauqua County. Ms. Zucker presented on this project. She noted that this project is similar to the John Crawford Apartments project, the Burt Farms II Apartments project, and the Machackemach Village Apartments project. Each of these projects is similar because the borrower is controlled by The Related Companies, they involve only moderate rehabilitation, and

they benefit from the HUD Section 8 program. This particular project has a Housing Assistance Payment contract that runs through 2022.

Vice Chairperson Phillips moved to adopt the resolution; Commissioner Mattox seconded the motion; and the following resolution was adopted unanimously:

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 GREENACRES APARTMENTS.

The next item on the agenda were resolutions authorizing financing approval in an amount not to exceed \$4,850,000 for John Crawford Apartments, located at Liberty Street in the Village Monticello, Town of Thompson, Sullivan County. Ms. Zucker presented on this project and noted its similarity to the Greenacres project. She stated that this project would preserve affordable senior housing. She also stated RBC Capital Markets is acquiring the Low Income Housing Tax Credits at the price of 85 cents per dollar. Royce Mulholland commented that this seemed like a low price for the tax credits considering that the project benefits from a Housing Assistance Payment contract. Ms. Zucker responded that tax credit pricing varies in projects located in Upstate New York. Steven Weiss suggested that nothing seemed unusual about the 85 cents per dollar price. Ms. Zucker added that smaller projects tend to get a lower tax credit price.

Vice Chairperson Phillips moved to adopt the resolution; Commissioner Towns seconded the motion; and the following resolutions were adopted unanimously:

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 JOHN CRAWFORD APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2011 SERIES __ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$4,850,000.

The next item on the agenda were resolutions authorizing financing approval in an amount not to exceed \$3,700,000 for Burt Farms II Apartments, located in the Village of Monticello, Town of Thompson, Sullivan County. Ms. Zucker presented on this project and noted its similarity to the Greenacres project. She noted that she expected that this project's bonds would be issued through the New Issue Bond Program. Considering this project's similarity to the other projects, the Board had few questions or comments, although Vice Chairperson Phillips did inquire on the use of local contractors.

Vice Chairperson Phillips moved to adopt the resolution; Commissioner Towns seconded the motion; and the following resolutions were adopted unanimously.

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 BURT FARMS II APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2011 SERIES __ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$3,300,000.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS (FEDERAL NEW ISSUANCE BOND PROGRAM), ADDITION SERIES 1 PARITY BOND RESOLUTION, 2011 SERIES __ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$3,700,000.

The next item on the agenda was resolutions authorizing financing approval in an amount not to exceed \$2,650,000 for Machackemach Village (PJ) Apartments, located in the City of Port Jervis, Orange County. Ms. Zucker presented on this project and noted its similarity to the Greenacres project.

Royce Mulholland moved to adopt the resolution; Commissioner Towns seconded the motion; and the following resolutions were adopted unanimously:

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 MACHACKEMACH VILLAGE APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2011 SERIES __ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$2,650,000.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS (FEDERAL NEW ISSUANCE BOND PROGRAM), ADDITION SERIES 1

PARITY BOND RESOLUTION, 2011 SERIES __ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$2,650,000.

The next item on the agenda was a resolution authorizing financing approval in an amount not to exceed \$123,620,000 for 2180 Broadway, New York County. Ms. Zucker presented on this project. She noted that this was an 80/20 project in which \$93.3 million of HFA financing would be variable rate tax-exempt bonds and the other \$30.32 million of would be variable rate taxable bonds. Credit enhancement will be provided through a letter of credit and total project costs will be \$161,487,381. Ms. Zucker explained that the project's hard costs per unit were comparable to other HFA projects. She then emphasized the strong project team, which includes the Friedlander family as borrowers, the Plaza Construction Corporation as general contractor, and SLCE Architects as the architect. Lastly, she highlighted the affordability of the units reserved for low-income tenants and the project's LEED design.

Ms. Zucker then responded to Vice Chairperson Phillips's inquiry about the income qualification levels for the project's affordable units. The discussion then shifted to focus more generally on how the affordable units are made available to the public.

Steven Weiss then commented on a bill before the Governor for signature which would expand HFA's existing authority to sell unrated bonds through private placements. Mr. Weiss stated that if this legislation became law it would be the kind of financing vehicle that would benefit this project and he suggested adding language to the resolution to permit the Agency to use this vehicle for this financing. Mr. Weiss stated that the resolution should be revised to incorporate such provisions as are needed so that if the legislation before the Governor became law, the bonds (even if unrated) could be remarketed through a direct or private placement. The Board agreed that the resolution should be revised in this manner, and directed the Secretary to make the changes.

Royce Mulholland moved to adopt the resolution, as revised to incorporate the proposed change; Commissioner Towns seconded the motion; and the following resolutions were adopted unanimously:

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 2180 BROADWAY.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 2180 BROADWAY HOUSING REVENUE BONDS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 2180

BROADWAY HOUSING REVENUE BONDS, 2011 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$123,620,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 2180 BROADWAY HOUSING REVENUE BONDS, 2011 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$123,620,000.

The next item on the agenda was resolutions authorizing financing approval in an amount not to exceed \$13,475,000 for HANAC Archbishop Iakovos Senior Apartments, located at 32-06 21st Street, New York, Queens County. Ms. Zucker presented on this project. She noted this project would rehabilitate about 100 affordable senior housing units. She also noted the project would receive an Housing Assistance Payment contract for 20 years. She expects that the project's bonds will be issued through the New Issue Bond Program. She stated the project's total development cost will be about \$19.5 million and that the Low Income Housing Tax Credits will be acquired at the price of 99 cents per dollar. She also stated HANAC is the managing member of the borrower and has a solid reputation in managing affordable housing projects. Lastly, she acknowledged Gail Bressler, Vice President for Multi-Family, for helping coordinate this project.

Steven Weiss then asked generally how the Board could provide input on a project before it comes before the Board. Vice Chairperson Phillips requested that this discussion be tabled because of time concerns.

Royce Mulholland moved to adopt the resolution; Commissioner Towns seconded the motion; and the following resolutions were adopted unanimously:

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 HANAC ARCHBISHOP IAKOVOS SENIOR APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2011 SERIES ___ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$13,475,000.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS (FEDERAL NEW ISSUANCE BOND PROGRAM), ADDITION SERIES 1 PARITY BOND RESOLUTION, 2011 SERIES ___ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$13,475,000.

The next item on the agenda was a resolution to approve a contract with SS&C Technologies for the provision of a license for cash flow analysis software. Commissioner Towns moved to adopt the resolution; Royce Mulholland seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE CONTINUATION OF THE CONTRACT WITH SS&C TECHNOLOGIES, INC. FOR THE PROVISION OF A LICENSE FOR CASH FLOW ANALYSIS SOFTWARE.

The next item on the agenda was a resolution regarding the use of subsidy. This item was tabled for discussion at a later meeting.

The next item on the agenda was a resolution authorizing a Subsidy Loan in the amount of \$100,000 for St. Phillip's Senior Apartments, new York City. This item was tabled for discussion at a later meeting.

The next item on the agenda was an information item in connection with a Memorandum of Agreement with Natural Heritage Trust to expedite the review of projects. The Members had received information about this item in the materials given to them in advance of the meeting therefore there were no questions from the Members.

There being no unfinished business, Royce Mulholland moved to adjourn the meeting; Commissioner Towns seconded the motion; and the meeting was adjourned at 5:00 p.m.


Secretary