

DRAFT

**MINUTES OF THE 435TH MEMBERS MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
HELD ON JANUARY 25, 2012 AT 2:12 P.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

Steven J. Weiss	Vice Chairman
Thomas H. Mattox	Department of Taxation and Finance, Commissioner, Member
Elaine McCann	Division of the Budget, representing Robert Megna, Member (via video conference)
Royce A. Mulholland	Member
Karen A. Phillips	Member
Darryl C. Towns	Member

Karen A. Phillips, Director of the State of New York Mortgage Agency (“SONYMA”) and Member of New York State Housing Finance Agency (“HFA”) and New York State Affordable Housing Corporation (“AHC”) announced her resignation as Vice Chairperson of the Agencies. She stated that as of today, Naomi Bayer, Director of SONYMA and Municipal Bond Bank Agency (“MBBA”), and Member of Tobacco Settlement Financing Corporation (“TSFC”), would assume the position of Vice Chairperson of the SONYMA Board; and that Steven J. Weiss, Member of HFA and AHC, would assume the position of Vice Chairman of the HFA and AHC Boards. Ms. Bayer thanked Ms. Phillips for her service as Vice Chairperson. Ms. Bayer stated that for purposes of convenience and efficiency, she would present the shared meeting items of the respective Agencies.

Steven J. Weiss, Vice Chairman of HFA and AHC, chaired the meeting for HFA in the absence of a Chairman. Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary. The meetings of the Affiliated Agencies were opened in joint session for 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 the other Agencies is contained in the minutes of each Agency respectively.

Mr. Valella noted that Elaine McCann was participating in the meeting by video conference from the New York State Division of Budget conference center at the Capital

Building, Room 143, in Albany. A public notice was given of the time and locations of both venues.

Naomi Bayer, Vice Chairperson and Director of MBBA and Member of TSFC; Anthony Bergamo, Director of SONYMA; Kenneth M. Bialo, Vice Chairman of MBBA and TSFC; Don Lebowitz, Director of SONYMA; Marge Rogatz, Director of SONYMA, and Susan L. Watson, representing Cesar A. Perales, Director of MBBA and Member of TSFC, attended the meeting as guests.

Vice Chairman Weiss moved to adjourn the meeting for Executive Session, Mr. Towns seconded the motion, and the Board entered into Executive Session at 2:15 PM, pursuant to Section 105(c) of New York State Open Meetings Law, to discuss information relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed. Vice Chairman Weiss called for a motion to reconvene from the Executive Session which ended at 3:08 PM. Mr. Valella stated that no votes had been taken in Executive Session. The Board meeting reconvened at 3:10 PM.

The first item on the agenda was the President's Report. Darryl C. Towns President and CEO of the Agencies, thanked Ms. Phillips for her time and service as Vice Chairperson, and expressed his enthusiasm at the naming of Ms. Bayer and Mr. Weiss as new Vice-Chairpersons. Mr. Towns next introduced and welcomed Anthony Bergamo as a new Director to the State of New York Mortgage Agency Board. Mr. Towns then reported that the Agencies' work with the Regional Economic Development Councils has been successful, and that continued work with them should help the Agencies target resources toward the continued mission of affordable housing, as well as toward the Governor's mission of economic development and job creation. Mr. Towns stated that New York State is now divided into 10 regions, and that the Agencies will apply its resources to help with achievements in those regions. Lastly, he welcomed everyone and stated that he looked forward to great successes in 2012.

The next item was the report of the Audit Committees. Vice Chairman Weiss announced that the Audit Committee held a meeting earlier that day. He reported that the Audit Committee approved the minutes of the December 1, 2011 meeting; adopted a resolution approving Agency Financial Statements for Fiscal Year 2010-2011; reviewed the Sixth Annual Evaluation by the Audit Committees; adopted a resolution approving the Tax Credit Assistance Program (TCAP) Audit Report, and adopted a resolution recommending approval of Audited Supplementary Financial Information ("Other Financial Information" or "OFI") Report.

The next item was the report of the Governance Committees. Vice Chairman Weiss announced that the Governance Committee held a meeting earlier that day. He

reported that the Governance Committee approved the minutes of the December 1, 2011 meeting, adopted a resolution reviewing and approving Agency Mission Statements, and reviewed the Sixth Annual Evaluation by the Governance Committees.

The next item on the agenda was the adoption of the minutes of the 433rd and 434th HFA Members meetings held on December 1 and December 8, 2011, respectively. Absent comments or corrections from the Members, the minutes were deemed approved.

The next item on the agenda was a resolution reviewing Agency Mission Statements. Vice Chairman Weiss stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference. He reported that Agency Mission Statements were reviewed by most of the Directors and Members in Committee meetings earlier that day. He asked if there were any questions or comments, and there were none.

Vice Chairman Weiss moved to adopt the resolution; Ms. 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 AND THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY REVIEWING AGENCY MISSION STATEMENTS

The next item on the agenda was a resolution approving Audited Financial Statements for Fiscal Year 2011. Vice Chairman Weiss stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference. He reported that the Agencies' Financial Statements were reviewed in detail by most of the Board Directors and Members who attended the Committee meetings' presentation by auditors, Ernest & Young, earlier that day. He stated that Members of the Committees recommended that the respective Agency Boards approve the Financial Statements for the period November 1, 2010 to October 31, 2011. He asked if there were any questions or comments, and there were none.

Vice Chairman Weiss moved to adopt the resolution; Ms. Phillips 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 AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2011

The next item on the agenda was a resolution adopting the Program Budgets for Fiscal Year November 1, 2011 to October 31, 2012. Vice Chairman Weiss stated that, in lieu of a presentation, Genevieve D'Agostino, Senior Vice President and Treasurer, was available to address questions and provide information to the Board Members regarding the materials provided in connection with this item, which materials are incorporated herein by reference.

Vice Chairman Weiss asked if there were any comments or questions, and there were none.

Vice Chairman Weiss moved to adopt the resolution; Ms. Phillips 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 MUNICIPAL BOND BANK AGENCY ADOPTING THE PROGRAM BUDGETS FOR FISCAL YEAR NOVEMBER 1, 2011 TO OCTOBER 31, 2012

The next item on the agenda was a resolution approving Annual and Quarterly Reports of Investments. Ms. D'Agostino summarized certain information contained in the materials provided in connection with this item, which materials are incorporated herein by reference. She stated that rates were low and continue to be low, and there are no investment agreements that the Agencies are entering into.

Vice Chairman Weiss moved to adopt the resolution; Ms. 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 STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, THE TOBACCO SETTLEMENT FINANCING CORPORATION AND THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION APPROVING ANNUAL AND QUARTERLY REPORTS OF INVESTMENTS

The next item on the agenda was a resolution accepting an Annual Report filing under the Public Authorities Reporting Information System ("PARIS") for Fiscal Year ending October 31, 2011. Vice Chairman Weiss stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference.

Mr. Bialo requested that the Resolution, Section 1, be amended to include reference to a compact disk which was included as part of the PARIS filings information presented to and approved by the respective Agencies' Directors and Members.

Vice Chairman Weiss moved to adopt the resolution, to include the amendment requested by Mr. Bialo; Ms. Phillips 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 AND TOBACCO SETTLEMENT FINANCING CORPORATION ACCEPTING A FILING UNDER THE PUBLIC AUTHORITIES REPORTING INFORMATION SYSTEM

The next item on the agenda was a resolution of the Agencies approving the Annual Procurement Report. Vice Chairman Weiss stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference. There was no discussion.

Vice Chairman Weiss moved to adopt the resolution; Ms. Phillips 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, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE ANNUAL PROCUREMENT REPORT

The next item on the agenda was a resolution approving the entering into of Purchase Order Contracts with InfoPeople Corporation, Universal Technologies, and Systems Application Information Network for Information Technology Related Services. Vice chairman Weiss stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference, and that no discussion was needed.

Vice Chairman Weiss moved to adopt the resolution; Ms. Phillips seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY APPROVING THE ENTERING INTO OF PURCHASE ORDER

CONTRACTS WITH INFOPEOPLE CORPORATION, UNIVERSAL TECHNOLOGIES AND SYSTEMS APPLICATION INFORMATION NETWORK FOR INFORMATION TECHNOLOGY RELATED SERVICES

The next item on the agenda was an information item regarding budget and financial plan results for the Fiscal Year ended October 31, 2011. Vice Chairman Weiss stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference. There was no discussion, and no action was required.

The next item on the agenda was a resolution of the New York State Housing Finance Agency reviewing and approving Audited Supplementary Financial Information Report. Vice Chairman Weiss stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference. Vice Chairman Weiss stated that no discussion was needed.

Vice Chairman Weiss moved to adopt the resolution; Ms. Phillips seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY REVIEWING AND APPROVING AUDITED SUPPLEMENTARY FINANCIAL INFORMATION REPORT

The next item on the agenda was an information item regarding the St. Phillips Senior Project. Ms. Zucker reported on the status of certain information regarding this item. At the prior Board meeting, the Members adopted a resolution which, among other things, required that the Board be provided with a report on the status of the project, which report was required to be presented at this Board meeting. Ms. Zucker provided that report and stated that, since the Members authorized the Agency to provide funds for payment of fuel bills, the Agency had a teleconference with the community development team and project attorneys to discuss a plan for moving forward on closing the refinancing by the end of March, adding that a letter of intent has been signed by the new tax credit investor. She stated that the next steps will be to finalize the project budget and then prepare documentation for the transaction. She stated that if the project closes at the end of March, the fuel bill will be double the amount that it was, or approximately \$350,000, which funds will be rolled back into the project's budget to enable the Agency to be repaid.

Mr. Mulholland asked if the current project's structure would be similar to the project's first phase, and who comprised the development team. Ms. Zucker stated that the development team includes Blue Sea Construction, Les Bluestone and Avery Seavey, as

general contractors and project owners. Mr. Mulholland asked if the new tax credit investor was a nationally-recognized equity firm, and Ms. Zucker confirmed that it was.

Vice Chairman Weiss asked if the new tax credit investor had requested similar extensive improvements as the prior tax credit investor. Mr. Zucker stated that the Agency's construction unit has confirmed that significant replacement of pipes was not necessary to keep the building operational, and that the Agency expects a more limited scope of work to be performed.

Vice Chairman Weiss asked if there were any other comments or questions, and there were none. He stated that no action was required.

The next item on the agenda was an information item regarding Declarations of Intent for Calendar Year 2011. Vice Chairman Weiss stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference. Vice Chairman stated that no discussion was needed, and no action was required.

There being no unfinished business, Ms. Phillips moved to adjourn; Mr. Mulholland seconded the motion, and the meeting was adjourned at 3:41 P.M.

Secretary