

**MINUTES OF THE 421st MEMBERS' MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
HELD ON SEPTEMBER 14, 2010 AT 2:36 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 A. Mulholland	Member
Elaine McCann	Division of the Budget, representing Robert Megna, Member (via video conference)
Aida Brewer	Taxation & Finance, representing Jamie Woodward, Acting Commissioner, Member (via video conference)

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 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. Brian E. Lawlor, President and Chief Executive Officer, stated that he would be presenting the Agencies' integration plan on September 22nd, noting that the plan would incorporate the ideas of stakeholders throughout the state. Next he announced the implementation of a staffing plan aimed at maximizing resources through consolidation into three primary program areas, and naming Marian Zucker as the head of finance and development, Joe Rabito as head of community renewal and Mike Skrebutenas as head of housing preservation. He added that Joy Willig will head a professional support unit that will coordinate services needed by each programmatic group. Next he reported on changes by the Treasury Department to the New Issue Bond Program that would allow the Agency to lower rates for mortgages for the multifamily deals scheduled to close by year end. He reported that Moody's had downgraded ratings industry wide, including ratings for SONYMA's mortgage insurance fund, and added that staff would be meeting with the rating agency to discuss potential Agency policy changes.

Chairman Levy reported on a visit to Bedell Terrace, a project currently undergoing renovation, which demonstrated the types of improvements facilitated by Agency efforts. Ms. Zucker presented before and after photographs, and Gene Schneur, managing director of Omni New York, the project developer, described upgraded security measures that were having a dramatic effect on a previously troubled housing complex.

The next item on the agenda was the report of the Audit Committee. Chairman Levy reported that the committee had approved the minutes of its Audit Committee meeting held on June 10, 2010, adopted a resolution approving Internal Audit's Debt Issuance Audit Report, adopted a resolution recommending approval of the fourth annual evaluation by the Audit Committees, reviewed information on the Independent Auditor's (Ernst & Young) presentation, and reviewed information on Financial Statement Update 3rd Quarter Fiscal Year 2010.

The next item on the agenda was the report of the Governance Committee. Chairman Levy reported that the committee had approved the minutes of Governance Committee meeting held on June 10, 2010, adopted a resolution recommending approval of the Fourth Annual Evaluation by the Governance Committees, and adopted a resolution recommending approval of revised Procurement and Contract Guidelines.

The next item on the agenda was the approval of the minutes of the 420th HFA Members' meeting, held on July 15, 2010. There being no objections or corrections by the Members, the minutes were deemed approved.

The next item on the agenda was the approval of a resolution approving revisions to the Agencies' Procurement and Contract Guidelines. Alejandro Valella, Deputy Counsel, highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference. He stated that legislation passed this past summer affected the rules governing procurement access for minority and women owned firms, which passage would require certain updates to procurement policies and allow for other changes at the discretion of the Agency. He reported on the Governance Committee discussion regarding a provision that allows for purchases of goods and services from certified firms without competitive bidding for amounts up to \$200,000, adding that the committee had recommended amending the resolution to reduce this amount to \$100,000 to align with current limits for contracting requiring board approval.

Mr. Mulholland moved to adopt the resolution as amended; 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 NEW YORK STATE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION ("THE AGENCIES") APPROVING CHANGES TO THE AGENCIES' CONSOLIDATED PROCUREMENT AND CONTRACT GUIDELINES

The next item on the agenda was the approval of a resolution approving the FY 2011 Administrative Budget Request and Financial Plans. Joanne Hounsell, interim CFO, highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference. She reported that most of the increases over the previous year's budget request were for non-discretionary items, including payments to the State of a \$3.5 million Extraordinary Expense and increased authority cost recovery fees. She added that the Agency had achieved reductions in some of its discretionary expenditures, and expected that expenditures for discretionary expenditures for investment advisor fees and technology costs for the single family programs would yield saving in excess of their costs.

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

RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY STATE OF NEW YORK MORTGAGE AGENCY AND NEW YORK STATE AFFORDABLE HOUSING CORPORATION ADOPTING AN ADMINISTRATIVE BUDGET FOR FISCAL YEAR NOVEMBER 1, 2010 TO OCTOBER 31, 2011 AND FINANCIAL PLANS FOR FISCAL YEARS 2011, 2012, 2013 AND 2014 WITH RESPECT TO THE NEW YORK STATE HOUSING FINANCE AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY, AND THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION'S FINANCIAL PLANS FOR FISCAL YEARS 2012, 2013, 2014 AND 2015, AND PRELIMINARY CASH BUDGET FOR THE NEW YORK STATE HOUSING FINANCE AGENCY FOR FISCAL YEAR 2011

The next item on the agenda was the approval of a resolution approving the Fourth Annual Evaluation by the Audit Committees Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. There was no discussion or questions on this item.

Mr. Mulholland 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 CONCERNING SELF-EVALUATION

The next item on the agenda was the approval of a resolution approving the Fourth Annual Evaluation by the Governance Committees Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. There was no discussion or questions on this item.

Mr. Mulholland 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 CONCERNING SELF-EVALUATION

The next item on the agenda was a resolution approving Quarterly Bond Sales Report. Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. There was no discussion or questions on this item.

Mr. Mulholland 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, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE AGENCIES' BOND SALE REPORTS

The following 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:

Financial Statement Update 3rd Quarter Fiscal Year 2010.

Report of Administrative Budget Expenditures for the Third Quarter, 2010.

Annual review of contractual agreements with Image Master Inc., for financing printing services.

Review of Agencies' Quarterly Investment Reports.

Annual review of contracts with firms on the Agencies' non-bond counsel panel and the Agencies' Legal Services contract with Hitsman, Hoffman & O'Reilly.

Review of Third Quarterly Procurement Contract Report for the period ending July 31, 2010.

The next item on the agenda was a resolution authorizing financing for Eight East 102nd Street Apartments, located in Manhattan, New York County. Mr. David Walsh, Senior Vice President, highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference. He described the project, which consists of a residential tower atop a base which would contain clinics and a garage being developed by Mt. Sinai Hospital. He noted that the

Agency would be using a combination of new volume cap, recycled cap, and taxable bonds to finance the residential portion, and that the base was being financed by DASNY. He added that two conditions precedent to closing the financing included revisions to the unit plans to meet Agency requirements and selection of a managing agent acceptable to the Agency.

Mr. Mulholland moved to adopt the resolution; Ms. Phillips 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 8 EAST 102ND STREET APARTMENTS

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 8 EAST 102ND STREET HOUSING REVENUE BONDS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 8 EAST 102ND STREET HOUSING REVENUE BONDS, 2010 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$158,000,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 8 EAST 102ND STREET HOUSING REVENUE BONDS, 2010 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$158,000,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 8 EAST 102ND STREET HOUSING REVENUE BONDS, 2011 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$158,000,000.

The next item on the agenda was a resolution authorizing financing for Kennedy Plaza Apartments, located at 700 Cornelia Street (aka Two Kennedy Plaza), City of Utica, Oneida County. Mr. Walsh highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference. He noted the supplemental materials detailing the revised underwriting, which included a reduced interest rate on the first mortgage and the elimination of the seller's note, which could not be issued due to the terms of the RFP for purchase of this foreclosed property. He added that the agency was financing the renovation of the tower portion of this Mitchell Lama project, and that the townhouse portion would simultaneously be renovated with financing provided by CPC and 9% tax credits awarded by DHCR.

Mr. Mulholland moved to adopt the resolution; Ms. Phillips 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 KENNEDY PLAZA TOWER APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2010 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$12,500,000

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, 2010 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$12,500,000

The next item on the agenda was a resolution authorizing financing for Twin Oaks Apartments, located at 7 and 21 Manor Avenue in the Village of Hempstead, Nassau County. Mr. Walsh highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference. He noted that the property was being purchased from Hofstra University, which no longer needed the buildings for use as dorms. He added that this project provided an unusual opportunity to finance a project in Nassau County, which was reflected in the high tax credit investment price.

Mr. Mulholland moved to adopt the resolution; Ms. Phillips 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 TWIN OAKS APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2010 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$18,500,000

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, 2010 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$18,500,000

The next item on the agenda was a resolution authorizing financing for Geneseo Highland Apartments located in the Town of Geneseo, Livingston County. Mr. Walsh highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference.

He stated that senior members of Related Companies, the project developer, would be investing in the project, and that 75% of their funds would be available at close as required for individual investors. He noted that this was the first open resolution bond financing where Fannie Mae, rather than SONYMA, would be providing the permanent credit enhancement. Chairman Levy asked about any associated Fannie Mae fees; staff will report back regarding his inquiry.

Mr. Mulholland moved to adopt the resolution; Ms. Phillips 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 GENESEO HIGHLANDS APARTMENTS

The next item on the agenda was a resolution authorizing financing for Grote Street Apartments, City of New York, Bronx County. Mr. Walsh highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference. He noted that Omni New York was purchasing this troubled project, with a serious level of disrepair and inability to service its outstanding debt, from an estate, and that ESDC would be subordinating their debt in the project. He added that the substantial renovation would take place with existing tenants remaining in place.

Mr. Mulholland moved to adopt the resolution; Ms. Phillips 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 GROTE STREET APARTMENTS

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2010 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$24,500,000

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, 2010 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$24,500,000

The next item on the agenda was a resolution authorizing financing for Twin Parks Apartments, City of New York, Bronx County. Mr. Walsh highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference. He noted that the project was being

purchased from the same estate as Grote Street, and that the remainder of this project's circumstances were also substantially similar to those described for Grote Street.

Mr. Mulholland moved to adopt the resolution; Ms. Phillips 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 TWIN PARKS APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2010 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$27,500,000

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, 2010 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$27,500,000

The next item on the agenda was a resolution authorizing the approval to extend the contract with Neighborhood Housing Services of New York, Inc. (NHS). Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. There was no discussion or questions on this item.

Mr. Mulholland 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 APPROVING THE RETENTION OF NEIGHBORHOOD HOUSING SERVICES OF NEW ORK CITY, INC. TO SERVE AS ADMINISTRATIVE AGENT OF THE LANDLORD ONE LOAN PROGRAM (FORMERLY, THE SMALL OWNERS ASSISTANCE PILOT PROGRAM).

The next item on the agenda was a resolution approving the contract with SS&C Technologies for cash flow analysis license for software. Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. There was no discussion or questions on this item.

Mr. Mulholland 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 AUTHORIZING THE CONTINUATION OF THE CONTACT

WITH SS&C TECHNOLOGIES FOR THE PROVISION OF A LICENSE FOR CASH FLOW ANALYSIS SOFTWARE.

The next item on the agenda was a resolution authorizing the termination of SWAP Contracts Associated with State PIT Bonds. Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. There was no discussion or questions on this item.

Mr. Mulholland 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 APPROVING THE TERMINATION OF SWAPS RELATING TO THE NEW YORK STATE PERSONAL INCOMET AX REVENUE BONDS 2003 SERIES B, 2004 SERIES B, AND 2005 SERIES B.

The next item on the agenda was an information item Memorandum of Understanding with New York State Office of Parks, Recreation and Historic Preservation and the Natural Heritage Trust. Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. There was no discussion or questions on this item.

The next item on the agenda was a resolution authorizing amendments to the Affordable Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series 1 Resolution. Ms. Zucker highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference. She stated that since the NIBP Resolution had been approved, Treasury and the GSEs had continued to make adjustments to programmatic requirements, which had required amendments to the Resolution. She noted that the changes to date have been nonmaterial, and explained that the current amendment to the Resolution would authorize the President and Chief Executive Officer or the Executive Vice President to make the current and future nonmaterial changes and advise Members of these amendments.

Mr. Mulholland 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 AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OR THE EXECUTIVE VICE PRESIDENT OF THE AGENCY TO APPROVE AND EXECUTE CERTAIN CHANGES TO THE AGENCY'S AFFORDABLE HOUSING REVENUE BONDS (FEDERAL NEW ISSUE BOND PROGRAM), 2009 SERIES 1 RESOLUTION

There being no unfinished business, Ms. Phillips moved to adjourn the meeting; Mr. Lawlor seconded the motion; and the meeting was adjourned at 5:11 PM.


Secretary