

**MINUTES OF THE REGULAR MEETING OF THE
THE 424TH MEMBERS' MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
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
Brian Lawlor	Member
Karen A. Phillips	Vice Chairperson
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 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. 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 422nd Members' meeting for HFA, 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 approving 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 Agency 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 Agency and include an opportunity for more extensive comments. Additionally, Mr. Valella explained that the committee requested that staff determine the steps the Agency 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 SELFEVALUATIONS.

The next item on the agenda was the approval of Quarterly and Annual Bond Sale Reports. There was no discussion from the 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, 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 next item on the agenda was an approval item regarding the Agencies Disaster Recovery and Pandemic Testing. There were no questions or comments from the board on this item.

Mr. Lawlor moved to adopt the resolution; Vice Chairperson 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, Mr. Lawlor elaborated upon the rating of “fair” that the Agency’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 Agency 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 Agency’s needs. However, Mr. Lawlor explained that this disagreement had led the examiner to question the method by which the Agency 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 series of resolutions authorizing financing for Clinton Park Apartments located at 770 Eleventh Avenue, New York, New York County. Mr. David Walsh discussed the item, and emphasized that the expenses are in line with comparable transactions in the immediate area as well as the other projects in the HFA portfolio. Mr. Walsh explained that there would be two phases, with this phase being the first and including an HFA housing project and a parking garage for the residents of the building. The second phase would be commercial space, a Mercedes Benz dealership, a stable for the NYPD mounted police, and more residential space, which would potentially but not necessarily be

funded by HFA. Ms. Zucker noted that the borrower is requesting roughly \$60,000 less cap per unit than the HFA limit, which is beneficial for the Agency.

Vice Chairperson Phillips disclosed that she had reviewed and approved this project in this form for another board, but that she has no financial interest in the project.

Chairman Levy moved to adopt the resolutions; Vice Chairperson Phillips 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 CLINTON PARK APARTMENTS

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF CLINTON PARK HOUSING REVENUE BONDS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF CLINTON PARK HOUSING REVENUE BONDS, 2010 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$77,000,000.

The next item on the agenda was a series of resolutions authorizing financing for 388 Bridge Street Apartments located at 388 Bridge Street, Brooklyn, Kings County. Mr. Walsh emphasized that this would create 200-400 construction jobs as well as numerous retail jobs, depending on the final version of the state. Ms. Zucker emphasized that if this project were not fully financed in 2010, the Agency had made no commitment to finance the project, and if the project does not close by the end of the year, the cap would not assuredly be available in the following year. Mr. Mulholland stressed the importance of assisting the borrowers to close these projects on time. The borrowers, in attendance at the board meeting, confirmed that they fully understood that these transactions are only approved on a sale prior to December 31st. Mr. Mulholland congratulated staff on this project.

Chairman Levy moved to adopt the resolutions; Vice Chairperson Phillips 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 388 BRIDGE STREET APARTMENTS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 388 BRIDGE STREET APARTMENTS HOUSING REVENUE BONDS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 388 BRIDGE STREET APARTMENTS

HOUSING REVENUE BONDS, 2010 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$94,600,000.

The next item on the agenda was a series of resolutions authorizing financing for 25 Washington Apartments located in the city of New York, Kings County. Mr. Walsh discussed this item, explaining that it was very much in line with other projects HFA had financed in the past, as well as similar projects in the area. He explained that the building had been approved for a J-51 tax abatement, full tax exemption in years 1-11 and phased in. The developer notified HFA of their intention to seek an extension of the tax exemption, providing that improvements to the building would be tax exempt for 30 years, and then taxes would be phased in from years 30 through 34. He said the bonds would be issued in a weekly floating rate mode, and that, in the general area, the average expenses were \$6,500 per unit and this project cost only \$5,500 per unit, making this 80/20 a relatively scaled-down project due to few full time staff. Chairman Levy asked about the significance of the adverse environmental impact determination. Ms. Willig noted that this characterization was due to the additional stories on the existing building. The borrower explained that this was typical of all projects that are located across from a park that add more than one story of new construction, and that the adverse EIS for the developer's proposed two stories of new construction had been mitigated after the developer agreed to make slight changes to other aspects of the building. Mr. Walsh confirmed that unsold units would likely be considered rentals. Chairman Levy asked if M & T Bank were

Chairman Levy sought to confirm that staff was comfortable with this structure of ground lease. Ms. Zucker explained that it was the borrower's desire to try to leave themselves as much flexibility as possible for their future with the project, and that this ground lease structure gave them that desired flexibility, and that staff was comfortable with this arrangement.

Chairman Levy moved to adopt the resolutions; Vice Chairperson Phillips 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 25 WASHINGTON STREET APARTMENTS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 25 WASHINGTON STREET HOUSING REVENUE BONDS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 25 WASHINGTON STREET HOUSING REVENUE BONDS, 2010 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$22,000,000.

Chairman Levy asked why Brooklyn projects had been so prevalent of late. Ms. Zucker stated that the land opportunities in Brooklyn were greater than in Manhattan, but that various Manhattan projects would come up shortly.

The next item on the agenda was a series of resolutions authorizing financing for 29 Flatbush Avenue located at 29 Flatbush Avenue, Brooklyn, Kings County. Mr. Walsh discussed this project, highlighting certain details in information that had previously been delivered to the Members, including that there would be three (3) supportive housing units and eleven (11) deep rents skewed units. Chairman Levy noted that he would like such information included in a uniform location in the materials given to the Board in relation to future projects. Vice Chairperson Phillips asked where this is located, and if there were anything on the site now. Ms. Zucker stated that the site was currently a parking lot near the Brooklyn Academy of Music.

Chairman Levy moved to adopt the resolutions; Vice Chairperson Phillips 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 29 FLATBUSH AVENUE.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 29 FLATBUSH AVENUE HOUSING REVENUE BONDS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 29 FLATBUSH AVENUE HOUSING REVENUE BONDS HOUSING REVENUE BONDS, 2010 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$99,000,000.

The next item on the agenda was a consent item requesting to review a series of resolutions authorizing financing for LaPorte Apartments located at 203 Gramatan Avenue, City of Mt. Vernon, Westchester County. In accordance with the provisions of the HFA by-laws, Chairman Levy requested unanimous consent of the Members to agree to consider a resolution for the Laporte project, which was not received by the Members in advance of the meeting. He explained that the materials were in the Members' folders.

The next item on the agenda was a series of resolutions authorizing financing for LaPorte Apartments located at 203 Gramatan Avenue, City of Mt. Vernon, Westchester County. Mr. Walsh presented this item, which is a 159 unit all-affordable project developed by Atlantic Development, an entity which is known to the Agency. The 14 story building would be 100% would be affordable to families at or below 60% of AMI and 40% would be affordable to families at or below 50% of AMI. Vice Chairperson Phillips asked if this is located centrally in the city of Mt. Vernon, to which Ms. Zucker responded that it was.

Chairman Levy moved to adopt the resolutions; Vice Chairperson Phillips 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 LAPORTE APARTMENTS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF LAPORTE APARTMENTS HOUSING REVENUE BONDS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF LAPORTE APARTMENTS HOUSING REVENUE BONDS, 2010 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$36,000,000.

The next item on the agenda was a resolution authorizing the President to adjust the amount of mortgages or bonds approved by Member Resolution. Ms. Zucker explained that this authorization would give the President the authority to adjust the amount of mortgages or bonds approved by Member Resolution in amount not to exceed 10% of the originally approved amount.

Chairman Levy moved to adopt the resolutions; Vice Chairperson Phillips seconded the motion; and the following resolutions were adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE PRESIDENT TO ADJUST THE AMOUNT OF MORTGAGES OR BONDS APPROVED BY MEMBER RESOLUTION.

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


Secretary