

**MINUTES OF THE REGULAR MEETING OF THE
THE 425TH MEMBERS' MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
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 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 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 the report of the Mortgage Insurance Committee. Chairman Levy reported that the committee had approved a resolution recommending the approval of 100% mortgage insurance on a \$16,293,692 CPC permanent mortgage loan for the rehabilitation of South Bronx Community Management Housing Portfolio located on scattered sites throughout the South Bronx, containing 732 units subject to HPD regulation. Certificate #10-1728; approved a resolution recommending the approval of 100% mortgage insurance on an \$11,200,000 CPC permanent mortgage loan for the conversion of Lafayette Hotel Apartments, 391 Washington Street, Buffalo, Erie County, containing 115 affordable units. Certificate #1-102; approved a resolution approving 100% mortgage insurance on a \$5,400,000 CPC permanent mortgage loan for the construction of 32 Burling Lane, New Rochelle, Westchester County, containing 30 affordable units. Certificate #8-267; approved a resolution for 100% mortgage insurance on a \$2,332,000 JPMorgan Chase permanent mortgage loan for the construction of Hillcrest Commons, Route 52, Town of Carmel, Putnam County, containing 76 low income units for seniors. Certificate #5-246; approved a resolution increasing in mortgage amount from \$6,175,000 to \$6,970,000 on an HDC loan for Beacon Towers Cooperative, 21 West 138th Street, New York, New York County containing 73 cooperative units. Certificate #10-1384. Additionally, the committee had reviewed information items regarding the following

topics: Summary Status Report; Approval Loans Report; Committed Loans Report; Application Priority Report; Claims Status Report; Delinquency Status Report; and Tax Surcharge.

The next item on the agenda was an action item approving the minutes of the 423rd and 424th Members' meeting for HFA held on December 2nd and December 9th, 2010, respectively. 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 the Agencies' Financial Statements for the fiscal year 2009-2010. Chairman Levy noted that the Audit Committees felt very comfortable with the morning's presentation. Mr. Mulholland apologized for missing the morning's meeting but commented that the written presentation was very informative and helpful. There were no further questions 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 AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2010.

The next item on the agenda was **Resolution approving the Agencies' Public Authorities Reporting Information Systems (PARIS) Filing Report**. The report was included in the materials that were provided to the Members before the meeting. There were no questions on this item.

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 STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION ACCEPTING A FILING UNDER THE PUBLIC AUTHORITIES REPORTING INFORMATION SYSTEM.

The next item on the agenda was **Resolution approving the Agencies' Annual Procurement Report for Fiscal Year (November 1, 2009-October 31, 2010) and review of the Agencies' 4th Quarter Procurement Report (August 1, 2010-October 31, 2010)**. There were no questions about this material, which was provided to the Members before the meeting.

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 THE ANNUAL PROCUREMENT REPORT.

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 a **resolution approving the final Annual Program Budgets**. Ms. Genevieve D'Agostino, Vice President and Treasurer, presented this item and confirmed that these program budgets were connected with the HFA Bond Resolutions, and were not related to the operating budgets. Ms. D'Agostino also stated that all the program budgets

show enough surpluses and positive balances to pay debt service. There were no further questions on this material 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 AND THE MUNICIPAL BOND BANKING AGENCY ADOPTING THE PROGRAM BUDGETS FOR FISCAL YEAR NOVEMBER 1, 2010 TO OCTOBER 31, 2011.

The next item on the agenda was an informational discussion on 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.

At this point, Chairman Levy called to order the Finance Committee meetings for MBBA and TSFC.

The first item on the agenda was the approval of the minutes of the Finance Committee Meeting for MBBA/TSFC on Thursday, April 8th 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 the Agency's Technical Assistance Consultant contracts with PathStone Corporation (formerly, Housing Opportunities), Inhouse Corporation and Long Island Housing Partnership. There were no questions from the Members.

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

A RESOLUTION FO THE NEW YORK STATE HOUSING FINANCE AGENCY APPROVING THE CONTINUED RETENTION OF FIRMS ON THE PRE-QUALIFIED PANEL TO PROVIDE TECHNICAL ASSISTANCE CONSULTANT SERVICES.

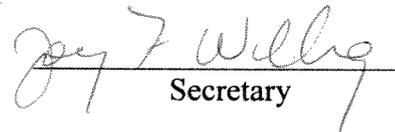
The next item on the agenda was a resolution approving the Agency's contracts with Bernard J. Morosco Consulting, Inspection and Training Services and L. S. Engineering Associates Corporation. There were no questions or comments from the Members.

Ms. 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 HOUSING FINANCE AGENCY APPROVING THE CONTINUED RETENTION OF THE PHYSICAL CONDITION INSPECTION CONTRACTS IN ACCORDANCE WITH THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") REAL ESTATE ASSESSMENT CENTER ("REAC") PROTOCOL.

The next item on the agenda was an annual review of the contract with Insurance Advisor, LLP for insurance consulting services. There were no comments or questions from the Members and no action required from the board.

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