

**MINUTES OF THE 427<sup>TH</sup> MEETING OF THE  
NEW YORK STATE HOUSING FINANCE AGENCY  
HELD ON APRIL 27, 2011 AT 6:04 P.M  
AT ITS OFFICES AT 641 LEXINGTON AVENUE**

MEMBERS AND DESIGNEES

PRESENT

Judd S. Levy	Chairman
Thomas H. Mattox	Member
Elaine McCann	Division of the Budget, representing Robert Megna, Member (via video conference)
Robert Megna	Member (via video conference)
Karen A. Phillips	Member
Darryl C. Towns	Member
Aida Brewer	Division of Taxation and Finance, representing Thomas H. Mattox, Member

ABSENT

Royce Mulholland	Member
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Chairman Levy thanked the board members for their indulgence in meeting late in the day. He introduced Mr. Darryl C. Towns, newly-appointed Commissioner of Housing, and Msrs. Thomas Mattox, Commissioner of Taxation and Finance, and Robert Megna, Budget Director, noting that both were attending the meetings accompanied by their designees, Ms. Aida Brewer, and Ms. Elaine McCann, respectively. Chairman Levy stated that due to the late starting time, he would make some changes to the order of the agenda items to accommodate the needs of the Members.

**The first item on the agenda was the President's Report.** Mr. Lawlor thanked the Members, and stated it had been a pleasure and honor to lead the agencies during his tenure, and wished Mr. Towns the greatest success and a smooth transition. He thanked the Members, and said he would continue to work with them in a different capacity.

The Committee Reports were deferred to the end of the meeting.

The next item on the agenda was an approval of the minutes of the 426th Members' meeting for the New York State Housing Finance Agency held on March 16, which minutes were deemed approved, absent corrections from Members.

The adoption of the minutes of the Housing Trust Fund Corporation was tabled.

**The next item on the agenda was an item approving the appointment of Darryl C. Towns as the Agencies' President and Chief Executive Officer, effective April 7, 2011.** Chairman Levy referred the Members to the memorandum in the materials submitted to the Members and Directors, which summarized the Assemblyman's experience. Chairman Levy noted that Mr. Towns had been appointed Commissioner of the Division of Housing and Community Renewal and that his appointment as President of the Agencies was now before the Members and Directors. Chairman Levy stated he was impressed with Mr. Towns' dedication to the mission of the Agencies. Chairman Levy stated he was confident he would do an excellent job as the CEO. Ms. Rogatz stated that she welcomed the opportunity to appoint Mr. Towns.

Vice Chairperson 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 THE AFFORDABLE HOUSING CORPORATION THE STATE OF NEW YORK MORTGAGE AGENCY THE TOBACCO SETTLEMENT FINANCING CORPORATION AND THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY APPOINTING DARRYL C. TOWNS AS EXECUTIVE DIRECTOR WITH THE TITLE OF PRESIDENT AND CHIEF EXECUTIVE OFFICER**

Mr. Towns thanked the Members and those with whom he had worked in the legislature. He noted that he values the missions of the Agencies and looks forward to a successful tenure. He thanked Messrs. Levy and Lawlor, whom he called his "two person transition team" for introducing him to the Agencies. He noted that "tough economic times," would require the Agencies to make some adjustments, but that any adjustments should preserve the strength of the Agencies. He said that he looked forward to the Members' guidance.

**The next item on the agenda was a resolution approving compensation for the President and Chief Executive Officer.** Chairman Levy noted that the Members' and Directors' materials contained a memorandum summarizing this item. He opened the floor to questions and comments. There being no comments, Chairman Levy asked for a vote on the matter.

Vice Chairperson 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 THE AFFORDABLE HOUSING CORPORATION THE STATE OF NEW YORK MORTGAGE AGENCY THE TOBACCO SETTLEMENT FINANCING CORPORATION AND THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY APPOINTING DARRYL C. TOWNS AS EXECUTIVE DIRECTOR WITH THE TITLE OF PRESIDENT AND CHIEF EXECUTIVE OFFICER**

Chairman Levy noted that his intent had been to abstain from voting on the President's proposed compensation, since the Chairman had not been involved in the setting of the compensation, but that, because he was advised by Counsel that four votes are needed to approve an action by HFA, he had voted in the affirmative. Chairman Levy stated that he was satisfied that his views on the matter had been heard. Mr. Lebowitz stated that the Chairman did not stand alone in the salary level concern. Chairman Levy emphasized that his reticence lay in the fact that the Members were not given the opportunity to establish the salary, even though it is their duty. Mr. Lebowitz agreed, and hoped that he could discuss this issue with the new President/CEO.

**The next item on the agenda was a resolution authorizing the revocation of Governance Committee concurrent rule.** Chairman Levy noted that the Members' materials contained a memorandum summarizing this item. He noted that unless the rule was revoked, the salaries of a number of Senior Vice Presidents would be above permissible levels. Ms. Bayer spoke in favor of revoking the rule for current and future employees and expressed the hope that the flexibility that would be provided by this revocation would allow the Agencies to function in a manner appropriate to the largest issuer of housing debt in the country. She noted that it would be difficult to attract top-flight talent at certain lower salary levels, and noted that she was hopeful that if the resolution were passed it would provide the ability and flexibility to attract talent.

Mr. Lebowitz emphasized that there is some precedent of disparity in salaries between someone running a State agency and the people working for them. He noted that there are many staff members in the State agencies that earn more than the Commissioners, whose salaries are set by statutes.

Mr. Megna noted this disparity of income in the State agencies and stated that the new administration is particularly concerned about the fact that some Commissioners are making less than various Executives and Deputy Commissioners and that the Governor is trying to correct that situation wherever he can. He noted that the Governor does not think that it is a good idea for subordinate employees to make significantly more than the commissioner.

Ms. Rogatz stated that a New York State public authority with a New York City office must compensate their employees at higher rates. Failing that, Ms. Rogatz stated, she's concerned about what the rating agencies will say if the Agencies do not have the

ability to hire the caliber of professionals recognized by the rating agencies to ensure competitiveness.

Mr. Towns stated that the Members' points had been noted. He explained that neither he nor Mr. Megna disagreed with the Members, and that their shared goal was to continue to run the Agencies in the most professional manner possible.

Ms. Bayer noted that it might be beneficial to do a comparative analysis of what compensation may be for similar positions in different state housing finance agencies.

Vice Chairperson 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 THE AFFORDABLE HOUSING CORPORATION THE STATE OF NEW YORK MORTGAGE AGENCY THE NEW YORK STATE TOBACCO SETTLEMENT FINANCING CORPORATION AND THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY REVOKING A GOVERNANCE COMMITTEE RULE CONCURRENT RULE AS TO SALARIES FOR SENIOR OFFICERS**

**The next item on the agenda was a resolution approving the appointment of Brian E. Lawlor as the Agencies' Senior Vice President and Chief Operating Officer, effective April 27, 2011.** Chairman Levy noted that the Members were very familiar with Mr. Lawlor's experience. He noted that the Chief Operating Officer would be appointed at a salary of \$149,000, and that his employment as Chief Operating Officer would be effective as of April 27<sup>th</sup>, 2011. The Members expressed their thanks for and appreciation of Mr. Lawlor's continued service to the Agency.

Vice Chairperson 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 NEW YORK STATE AFFORDABLE HOUSING CORPORATION STATE OF NEW YORK MORTGAGE AGENCY THE NEW YORK STATE TOBACCO SETTLEMENT FINANCING CORPORATION AND THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY APPOINTING BRIAN LAWLOR AS SENIOR VICE PRESIDENT AND CHIEF OPERATING OFFICER**

**The next item on the agenda was a resolution authorizing the approval of amendments to the Code of Ethics.** Chairman Levy noted that the amendments to the Code were not significant and had been reviewed earlier in the day at the Governance Committee Meeting.

Vice Chairperson 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, STATE OF NEW YORK MORTGAGE AGENCY, THE NEW YORK STATE HOUSING TRUST FUND CORPORATION NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION ADOPTING AN UPDATED CODE OF ETHICAL CONDUCT FOR THE MEMBERS AND DIRECTORS OF THE AGENCIES**

**The next item on the agenda was a resolution accepting the Audit Committee's Self-Evaluation.** Chairman Levy noted that this report was vetted at the audit committee meeting and there were no questions from the board.

Vice Chairperson 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, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION AND THE STATE OF NEW YORK MORTGAGE AGENCY CONCERNING SELF-EVALUATION**

**The next item on the agenda was a resolution accepting the Governance Committee's Self-Evaluation.** Chairman Levy noted that this report was vetted at the Audit Committee meeting and there were no questions from the Members.

Vice Chairperson 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, 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 authorizing the approval of Quarterly Bond Sale Report.** The Members had received information about this item in

the materials mailed to them in advance of the meeting. There were no questions from the Members.

Vice Chairperson 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, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE AGENCIES' BOND SALE REPORTS**

**The next item on the agenda was a resolution approving Quarterly Investment Reports.** The Members had received information about this item in the materials mailed to them in advance of the meeting. There were no questions from the Members.

Vice Chairperson 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 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 QUARTERLY REPORTS OF INVESTMENTS**

**Resolution authorizing the approval of Benefits Resource Contract (E-TRAC Services).** The Members had received information about this item in the materials mailed to them in advance of the meeting. There were no questions from the Members.

Vice Chairperson 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, STATE OF NEW YORK MORTGAGE AGENCY AND NEW YORK STATE AFFORDABLE HOUSING CORPORATION AUTHORIZING APPROVAL OF A CONTRACT FOR THE ADMINISTRATION OF THE QUALIFIED TRANSPORTATION EXPENSE BENEFIT PLAN**

**The next item on the agenda was a resolution approving the Agencies' various Facilities & Administration Services contract and annual review of various Facilities and Administrative Services contracts and purchase order agreements.** The

Members had received information about this item in the materials mailed to them in advance of the meeting. There were no questions from the Members and the item was approved unanimously.

Vice Chairperson 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 EXTENDING CERTAIN FACILITIES AND  
ADMINISTRATIVE CONTRACTS**

**The next item on the agenda was an information item reviewing the Quarterly Procurement Report for the period ending January 31, 2011.** The Members had received information about this item in the materials mailed to them in advance of the meeting. There were no questions from the Members.

**The next item on the agenda was an information item reviewing the Insurance Brokerage Services Contract and Various Insurance Agreements.** The Members had received information about this item in the materials mailed to them in advance of the meeting. There were no questions from the Members.

**The next item on the agenda was a review of the administrative Budget Report as of January 31, 2011.** The Members had received information about this item in the materials mailed to them in advance of the meeting. There were no questions from the Members.

**The next item on the agenda was an information item reviewing the Financial Statement Update for the 1st Quarter Fiscal 2011.** The Members had received information about this item in the materials mailed to them in advance of the meeting. There were no questions from the Members.

**The next item on this agenda were resolutions authorizing financing in an amount not to exceed \$7,600,000 for Woodstock Manors Apartments, located in the City of Yonkers, Westchester County.** Ms. Zucker noted that as a low-income senior housing project, this project qualified for 202 funding. She stated that because of the structure of the funding, the investment would be used to leverage sellers' notes. Additionally, she noted that the development had a mission-motivated seller staying in the property, and it would likely be financed under the Federal New Issue Bond Program.

Vice Chairperson Phillips moved to adopt the resolution; Ms. McCann 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 WOODSTOCK MANOR 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 \$7,500,000**

**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, 2011 SERIES \_ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$7,500,000**

The next item on this agenda were resolutions authorizing financing in an amount not to exceed \$6,460,000 for St. Michael's Windmill Apartments, located at 486 Montauk Highway in the Town of East Hampton, Suffolk County. Ms. Zucker presented on this project, noting that it would contain 40 units of very affordable senior housing and that such affordable housing is critical in East Hampton. She also noted that the project enjoys strong support in the community, including from the Lutheran church that has agreed to sell a portion of its site to contribute to the development. She asked for approval to issue up to \$6.5 million of bonds and the related 4% credits, along with a subsidy loan of \$291,000. She noted this was new construction, which would use 202 capital advances in an amount roughly equivalent to the amount of bonds that would be sold.

She explained that the project would leverage \$300,000 of county money and \$200,000 that DHCR had previously committed to the project, and would be managed by Windmill Village, a nonprofit known by the Agency that is active in the East Hampton area. Chairman Levy commended staff on the project, which he called a "remarkable achievement," both in terms of economics and the NIMBY policy.

Ms. Zucker explained that the HUD 202 mixed finance program is complicated and to fully protect the bond holders, staff is recommending the inclusion of a bank letter of credit into the structure and has requested approval from the Members for an additional \$50,000 in subsidies, to cover this expense, bringing total financing to roughly \$8,200/unit.

Mr. Mattox asked if any banks had confirmed their interest in participating in this development. Ms. Zucker responded that the Agency was in talks with various institutions, including the tax credit investor, but that they were still finalizing these agreements.

Vice Chairperson Phillips moved to adopt the resolution; Ms. McCann 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 ST. MICHAEL'S WINDMILL 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 \$6,460,000**

The next item on this agenda were resolutions authorizing financing for **Neighborhood of the Arts Special Needs (NOTA) Apartments Program located in Monroe County**. Ms. Zucker presented on this project, noting that it would fund rehabilitation of 4 buildings and the construction of 1 additional building, for a total of 46 units of rental housing. She noted that the borrower is DePaul properties, with whom both HFA and HCR have had a number of successful projects, and that the Agency's financing would be for the construction period only. Ms. Zucker explained that "construction only" funding was not the norm for affordable housing projects, because the Agency has generally used NIBP capacity to provide a low market interest rate loan to affordable developments, but that Fannie and Freddie have stated that NIBP capacity should not be used for supportive housing, and therefore this project is precluded from participating in that program. Given the current market volatility, she noted that taxable rates are more attractive than tax exempt rates. She stated that the staff would therefore proceed with short term financing. Ms. Zucker explained that the project was insured by the MIF, that it came to agencies as a 9% application, but that staff determined it would be better financed as a 4% deal. She noted that this was an example of one of the many successes of the integration of the agencies.

Chairman Levy stated that, at the MIF meeting earlier in the day, the Committee had expressed concern over MIF's exposure to DePaul and OMH and had decided not to make any further commitments to either until the Members have seen a presentation on that exposure.

Vice Chairperson Phillips stated that the Agencies' goal of creating supportive housing that integrates communities could be undermined by placing a disproportionately high amount of supportive housing in one neighborhood with an existing concentration of supportive housing. She conceded that the borrowers, not the Members, choose the locations for developments, but stated that the potentially destabilizing effect of a high concentration of affordable housing should be considered when projects came before the board for approval.

Vice Chairperson Phillips moved to adopt the resolution; Ms. McCann 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 NEIGHBORHOOD OF THE ARTS APARTMENTS**

**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 \$6,534,000**

The next item on this agenda were resolutions authorizing the making of awards by the New York State Housing Finance Agency under the Neighborhood Stabilization Program III. Ms. Hammond requested that the Members authorize this project in accordance with the time constraints imposed by HUD. The resolution will allow them to move forward with awards. She noted that the Agency would also want to expand the funds by March 3, 2013. She explained that the allocation would be for land banking foreclosed homes and the demolition of blighted structures and that the funds would be allocated throughout the state based on need, evidenced by foreclosures. There were no questions from the Members.

Vice Chairperson 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 AUTHORIZING THE MAKING OF AWARDS BY THE NEW YORK STATE HOUSING FINANCE AGENCY UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM 3**

The next item on this agenda were resolutions authorizing an Amendment to the Amended and Restated Affordable Housing Revenue Bonds (Federal New Issue Bond Program) Resolution. Ms. Zucker stated that the original resolution that the Members adopted had set a maturity date of not less than 34 years from 2010. Staff has been constrained by this limit, and per approval by the GSEs, requested to expand the program to 34 years from 2011.

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

**SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AMENDING CERTAIN PROVISIONS OF THE AMENDED AND RESTATED AFFORDABLE HOUSING REVENUE BONDS (FEDERAL NEW ISSUE BOND PROGRAM), NIBP SERIES 1 RESOLUTION**

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE PRESIDENT OR THE PRESIDENT, FINANCE AND DEVELOPMENT OF THE AGENCY TO APPROVE AND EXECUTE CHANGES TO A SUPPLEMENTAL RESOLUTION AMENDING CERTAIN PROVISIONS OF THE AMENDED AND RESTATED AFFORDABLE HOUSING REVENUE BONDS (FEDERAL NEW ISSUE BOND PROGRAM), 2009 SERIES 1 RESOLUTION**

The next item on this agenda were resolutions authorizing the approval of a **Manufactured Home Cooperative Fund Mortgage not to exceed \$650,000 for the Meadow Valley Manufactured Home Park, located in Unadilla, Otsego County.** The Members had received information about this item in the materials given to them in advance of the meeting. There were no questions from the Members.

Vice Chairperson 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 AUTHORIZING LOANS UNDER THE MANUFACTURED HOME COOPERATIVE FUND PROGRAM IN CONNECTION WITH THE MEADOW VALLEY MANUFACTURED HOME PARK**

The next item on this agenda was a **financing approval for the Issuance of Service Contract Revenue Bonds.** Ms. Zucker presented on this item, seeking approval to refund the \$81 million of secured contract revenue bonds and \$21 million of the general service revenue bonds which are currently in the floating rate mode. Their liquidity facility provider elected not to extend the facility. She requested that the Members approve a change to fixed rate mode, as per the State's request.

Vice Chairperson 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 AUTHORIZING THE ISSUANCE OF \$120,000,000 SERVICE CONTRACT REVENUE BOND SERIES RESOLUTIONS, 2011 SERIES \_ REFUNDING;**

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH THE AGENCY'S \$120,000,000 SERVICE CONTRACT REVENUE BONDS, 2011 SERIES (REFUNDING).**

**Reports deemed accepted, the list of the items covered includes:**

**At this point, Chairman Levy announced his intention to resign as Chairman of the Board.** Chairman Levy voiced his appreciation for the 4 ½ years he spent serving as Chairman of the Agencies. He stated that his time at the Agencies was especially meaningful considering his work in housing since the 1970's. He stated that he had served on a number of private and nonprofit boards, but that none had Members who were so dedicated, committed and involved with their work. He said that he believes that the commitment of the Members and staff is directly responsible for the Agencies' success as the largest housing agency in the country with the highest rated state mortgage insurance program. He commended Members, staff, Priscilla Almodovar and Brian Lawlor on the increased volume in affordable and supportive housing during their respective tenures.

He noted he would submit his letter of resignation to the Governor on Friday, April 29<sup>th</sup>, but that he wanted to speak on one issue before that time: the independence of the Agencies. He noted that the Legislature created the Agencies as independent public authorities, and that he had serious concerns about the loss of that independence and what it would mean in terms of the Members' fiduciary duties.

He noted that Moody's had expressed concern over Louisiana's decision to integrate its state agencies and its independent authorities, and in the same report had specifically cited New York State as a concern. He also cited a report from Standard and Poor's that also expressed concern about California's decision to lower compensation for its staff members, possibly sacrificing the ability to attract and retain qualified and talented people.

Additionally, he noted that earlier in the day, Fitch gave the State of New York Mortgage Insurance Fund a negative outlook while affirming its ratings, saying that a downgrade could be triggered by continued economic pressure on New York's commercial real estate sector and a reduced commitment from New York State by diverting the receipts, continued required transfers of retained earnings from new commitments or higher levels of delinquencies.

Chairman Levy emphasized that positive ratings of the Governor's actions to balance the budget were not the same as positive ratings of the Agencies and that, further, cutting senior staff salaries by a couple hundred thousand dollars would not make a considerable impact on an operating budget of \$45 million. He noted that the Agencies were not funded by the State, that their profits helped finance the state government, and that compromising talent would compromise profits for the Agencies and the state government. In the interest of independence, Chairman Levy emphasized the importance of Members prioritizing their own fiduciary duties over the wishes of the appointing body.

He thanked the Members for the opportunity to express these opinions in his closing moments, and for the remarkable opportunity to serve as Chairman as he looked forward to new and additional opportunities and to the new and continued success of the independent state agency.

Ms. Rogatz took the opportunity to commend the Chairman on cultivating a phenomenal board with management like none she had seen on a federal or a state level, which she characterized as “beyond superb.” She thanked the Chairman for his excellent leadership personally and on behalf of residents of the state. She thanked him for being dedicated, smart, fair, concerned, and fun to work with.

Ms. Bayer noted that Chairman Levy had consistently performed above and beyond the call of duty, not only bringing his housing expertise and decades of experience to the position, but also serving as CEO for 6 months, giving guidance through research and hosting working sessions, and conducting meetings that were open for the Members’ opinions but where he also knew how to close a conversation at the appropriate moment.

Vice Chairperson Phillips noted that the Agencies had accomplished remarkable things under the Chairman’s leadership. She noted that his qualifications and perspective from both the investment banking side and the community development side. She commended him on behalf of all the people in the state who benefitted immensely from the Agencies’ accomplishments under his leadership.

Mr. Lebowitz spoke of the Chairman’s dedication, knowledge, ethics, and his ability to lead a team and get the most out of a team—not just the board, the entire agency. He noted that the Agencies had made an irrevocable impact on the state by putting roofs over New Yorkers’ heads, which is both significant and enduring.

Mr. Sweet added that he would like to applaud Chairman Levy’s wisdom, noting that his parting words would guide the Members going forward. He noted the “constructive and welcome” spirit in which his words were given would serve the people of the state of New York.

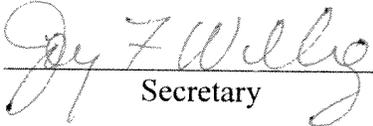
Ms. Zucker spoke personally and on behalf of staff, saying that it had been a pleasure from start to finish. She thanked him for his leadership, for challenging staff, and for making the Agency the best it could be through his constant questioning, prodding, and pushing all done constructively and helpfully to make staff reach for the stars.

**Report on the activities of the Audit Committee followed.** The following items came before the Audit Committee: The minutes for the 34<sup>th</sup> HFA Audit Committee Members meeting held on January 27, 2011; a resolution approving the Disaster Recovery Audit Report, a resolution approving Internal Audit's Work Plan for Fiscal Year 2012; the 2010 Self-Evaluation of Audit Committees' Performance; and a financial statement update for the 1st Quarter of Fiscal 2011.

**Report on the activities of the Governance Committee followed.** The following items came before the Governance Committee: Adoption of the Minutes of the 23<sup>rd</sup> HFA Governance Committee Members' meeting held on January 27, 2011; and a Resolution approving amendments to Code of Ethics; and a Review and approval of the 2010 Self-Evaluation of Governance Committees' Performance.

**The reports were deemed accepted.**

There being no unfinished business, Chairman Levy moved to adjourn the meeting; Ms. Phillips seconded the motion; and the HFA meeting was adjourned at 7:24 p.m..

  
Secretary