

**MINUTES
OF THE MEETING OF THE
NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**

March 28, 2019

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Thursday, March 28, 2019 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 11:30 a.m. by the Chairperson, Eric Enderlin, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Kyle Kimball, Jacques Jiha, and Denise Notice-Scott. The Members absent were Charles G. Moerdler and Melanie Hartzog. A list of observers is appended to these minutes.

The Chairperson stated that the next item on the agenda would be the approval of the minutes of the meeting held on November 29, 2018.

Upon a motion duly made by Mr. Gould, and seconded by Ms. Notice-Scott, the Members unanimously:

RESOLVED, to approve the minutes of such meeting.

The Chairperson stated that the next item on the agenda would be the President's Report and called upon Richard M. Froehlich, Acting President of the Corporation, to advise the Members regarding this item.

Mr. Froehlich thanked the Chairperson and the Members in attendance during this moment of transition for the Administration. He said that he'd like to begin by acknowledging the recent departure of Maria Torres-Springer after twelve years of faithful service to the City, including the last two as HPD Commissioner and HDC Chairperson. He said that we all thank Ms. Torres-Springer for her leadership and wish her the best in the next phase of her distinguished career at the Ford Foundation.

Mr. Froehlich stated that among the many successes we achieved together was another record-breaking year for affordable housing production in 2018, which concluded after our last meeting. He said that in that year alone, the City financed the construction or preservation of 34,000 units. He said that this brought the total production count under the *Housing New York* plan to more than 120,000 affordable homes – half of which have been made possible with HDC financing.

Mr. Froehlich stated that while a search was underway for Ms. Torres-Springer's permanent successor, Mr. Enderlin, himself, and the whole HDC team are committed to ensuring the continued and uninterrupted success of HDC during this time of change.

Mr. Froehlich stated that HDC has in fact always been an agent of change, evolving our business models and leading the industry to champion new programmatic strategies and financing innovations. He said that several items on today's agenda were reflective of this track record.

Mr. Froehlich stated that Executive Vice President for Development Anthony R. Richardson would present for the Members' consideration new issuances under the Corporation's Open Resolution, which include financing for the first HDC projects to utilize the new tax credit structure known as income averaging. He said that he searched his emails and found this idea back in our legislative proposals in 2006 when we were also advocating bond recycling for multifamily and setting the four percent (4%) as of right credit at 4%. He said that we have now gotten 2 of these 3 requests enacted and he will return to the 4% credit in a moment. He said that HDC was a critical leader in this game-changing innovation, both in its design and in the national advocacy efforts that led to its inclusion in the Consolidated Appropriations Act of 2018. He said that generally, the federal low-income housing tax credit has served a limited income population at or just under 60% of the Area Median Income ("AMI"). He said that the new change shifts the 60% AMI mark from a maximum to an average. He said that no tax credit units can exceed the 80% income threshold, which matches HUD's federal definition of low-income, but the averaging concept now also enables units to reach much lower AMI levels as well. He said that this enhances the income diversity of tax credit projects and allows them to better serve some of our most vulnerable populations including extremely low-income households and seniors. He said that this was a huge victory that we all take pride in, and these first projects will hold a special place in HDC's history.

Mr. Froehlich stated that as Mr. Richardson will describe during his presentation, this Open Resolution includes other activities such as HDC's latest loan securitization utilizing tax exempt recycled bonds (another HDC led innovation), to replenish HDC reserves to fund more subordinate loans on future projects. He said that there is another recycling COB (Convertible Option Bonds) which, similar to others the Members have approved in the past, secures pre-approval of a vast list of projects which could potentially be financed to preserve any tax-exempt recycled volume cap in excess of current forecasts. He said that several of the projects financed in this issue will use our bifurcated bond model to efficiently use volume cap as well as our future securitization approach that allows HDC to bond fund subordinate loans and allow for forward financing for other projects. He said that these HDC innovations permit us to raise more capital and finance more projects in support of the Mayor's *Housing New York* plan.

Mr. Froehlich stated that Robert Sanna, Project Manager for Development, will request the Members' approval of a loan to fund operating and repair reserves for clustered sites comprising 729 units across the Bronx and Brooklyn. He said that OMB would work with us and HPD to identify a "swap" project – where HDC would be reimbursed by the City increasing its subsidy (and HDC decreasing ours) in an equivalent amount. He said that ending the clustered apartment approach to housing the homeless is an important priority of the Administration and we will be asking your approval to facilitate this transaction.

Mr. Froehlich stated that Mr. Sanna will also present for the Members' revised approval the Baychester Murphy action that was previously approved by the Members this past November. He said that basically, the new approval clarifies the timing of our repurchase of Citibank's interest in the construction loan to occur at the completion of construction. He said that as part of that clarification with Citibank, we also took the opportunity to revisit the deal terms more generally. He said that the amended action is revised to reflect an HDC participation in the construction loan equivalent to a one third share of the funding costs and HDC will receive interest earnings in excess of its typical investments.

Mr. Froehlich stated that today's agenda also includes some administrative, but important, items including an Audit Committee report by Vice Chairperson Harry E. Gould, Jr., and the ratification of HDC's 2018 investment report presented by Senior Vice President for Debt Issuance and Finance, Ellen K. Duffy. And finally, he said, the agenda would conclude with Mr. Richardson returning to present a Declaration of Intent Resolution for a new project that is under review.

Mr. Froehlich then provided an update on legislative action. He said as he mentioned earlier, one of our long-term priorities is setting the four percent (4%) credit at 4%. He said that currently the amount of credits in a bond financed transaction fluctuates based on interest rates and is set for April at 3.27%. He said that if the credit were set at 4% there would be a significant increase in the amount of credits created for our new volume cap financed projects. He said that this improvement was part of the Affordable Housing Credit Improvement Act and is broadly seen as an important advance for affordable housing. He said that bill was introduced in the last Congress and should be re-introduced shortly. He said that our other major initiatives relate to expanding the amount of volume cap available for housing. He said that eliminating or reducing limitations on volume cap for private activity would mean HDC could play an even larger role in addressing the affordable housing shortage in New York City. He said that we are working to develop a coalition to advocate for these ideas.

Mr. Froehlich stated that while your team at HDC is skilled at change, the one thing that never changes is our passion to work on the next project, the next strategy, the next idea – that will help make New York a more affordable and equitable city.

Mr. Froehlich stated that this concludes his remarks and if there were no questions, the Chairperson could continue with the agenda.

The Chairperson stated that he wanted to acknowledge the tremendous policy work that has gone into some of the wins that exist already, and also being on the cusp of fixing the fours is really important and the idea that we expand the volume cap is tremendous. He said that growing the pie and growing the resources is always critical. He thanked the entire team and those at HPD, as well.

The Chairperson stated that pursuant to the Public Authorities Accountability Act, and for purposes of discussing the next items on the agenda, we would now commence the meeting of HDC's Finance Committee.

The Chairperson stated that the next item on the agenda would be the Report of the Audit Committee and called upon Mr. Gould to make this presentation.

Mr. Gould stated that the Audit Committee met on January 29, 2019 at which time the Members approved the Corporation's Fiscal Year 2018 annual financial statements. He said that the auditors, Ernst & Young, issued a clean opinion and there were no management letter comments once again this year. He said also at the January 29th meeting the 2018 Annual Investment Report was approved, which will be presented for ratification at this meeting. And finally, he said, the 2018 Annual Audit Committee Report was approved as well. Mr. Gould stated that the Members also met prior to this meeting at which time 2019 first quarter financials, and other investment, debt, credit and internal audit reports were reviewed. He said that the first quarter financials will please everyone in the room. He said that in addition, the Internal Audit Charter was presented and approved by the Members. He said that concludes his Report.

The Chairperson stated that the next item on the agenda would be the Approval of Corporate Reserves to fund HPD Cluster Sites Loans and called upon Mr. Sanna to advise the Members regarding this item.

Mr. Sanna referred the Members to the memorandum before them entitled "Approval of Corporate Reserves to Fund HPD Cluster Sites Loans" dated March 21, 2019, which is appended to these minutes and made a part hereof.

Mr. Sanna stated that he was pleased to recommend that the Members approve the use of unrestricted reserves in an amount not to exceed \$6.6 Million for the purpose of participating with the New York City Department of Housing Preservation and Development (or "HPD") in the acquisition of a portfolio of Cluster Site Housing financed primarily by the City.

Mr. Sanna stated that as part of its effort to phase out the use of cluster site housing, the City is planning to acquire a 729 unit, 21 building scattered site portfolio located across the Bronx and Brooklyn in order to rehabilitate the buildings and transition the units to permanent supportive housing.

Mr. Sanna stated that HPD would facilitate the acquisition of the cluster sites by two not-for-profit organizations, the Joint Ownership Entity NYC, or JOE, and Neighborhood Restore. He said that each of JOE and Neighborhood Restore would take ownership of a certain number of properties, and with the help and direction of HPD, would in turn transfer individual or small groups of properties to other local not for profit organizations as part of a future rehabilitation financing.

Mr. Sanna stated that HPD has requested the Corporation to make two loans, one to each of JOE and Neighborhood Restore (the "Cluster Loans") to fund reserves that are ineligible for City capital expenditure, expected to total \$5.5 Million. He said that the Corporation would hold

the reserve accounts and service them at the direction of HPD. He said that to compensate the Corporation for servicing, the Corporation shall retain any investment earnings on the amounts held in the accounts.

Mr. Sanna stated that the Cluster Loans would be made in the Corporation's name and would immediately be assigned to HPD at the acquisition closing. He said that all interest and debt service payable under the Cluster Loans mortgage notes, if any, will be paid to HPD.

Mr. Sanna stated that in exchange for financing the Cluster Loans, HPD would grant a Project Loan funded from City Capital to the Corporation in an amount equal to the Cluster Loans for a planned new construction project. He said that this project was no longer anticipated to be Spring Creek 4B-2, but is anticipated to be financed by the end of the 2019 City Fiscal year and would be separately presented to the Members for approval at a future board meeting.

Mr. Sanna stated that the HPD funded Project Loan would be made in lieu of the Corporation using its own unrestricted reserves for such a loan pursuant to the existing programs and term sheets. He added that repayment risk associated with the Cluster Loans would be HPD's risk.

Upon a motion duly made by Mr. Gould, and seconded by Mr. Kimball, the Members of the Finance Committee unanimously:

RESOLVED, to approve the use of up to \$6,600,000 of the Corporation's unrestricted reserves to fund the making of the Cluster Loans.

The Chairperson stated that the next item on the agenda for consideration by the Members would be the Approval of an Authorizing Resolution relating to the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2019 Series B and C; Approval of a Mortgage Loan and Approval of Liquidity Facilities and called upon Mr. Richardson to advise the Members regarding this item.

Mr. Richardson referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2019 Series B & C; Approval of a Mortgage Loan and Approval of Liquidity Facilities" dated March 21, 2019 (the "Open Resolution Memorandum") and the attachments thereto including the (i) Resolution Authorizing Adoption of the Two Hundred Eighty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series B, and the Two Hundred Eighty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series C and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Two Hundred Eighty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series B, and the Two Hundred Eighty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series C (each, a "Supplemental Resolution" and collectively, the "Supplemental Resolutions"); (iii) the Bond Purchase Agreement; and (iv) the Preliminary Official Statement, all of which are appended to these minutes and made a part hereof. Mr. Richardson also noted that some changes were made to the Open Resolution Memorandum and referred the Members to the marked copy placed before them.

Mr. Richardson stated that he was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2019 Series B and 2019 Series C in an amount not expected to exceed \$427,635,000. He said that together with the Corporation's unrestricted reserves and available funds in the Open Resolution, the aforementioned bonds were expected to be used to finance the construction, acquisition, rehabilitation and/or permanent financing of certain projects and other activities as described in the Open Resolution Memorandum.

Mr. Richardson stated that interest on the 2019 Series B and 2019 Series C Bonds was expected to be exempt from Federal, state and local income tax, and such bonds would qualify as tax-exempt private activity bonds with a combination of an allocation of new private activity bond volume cap, an allocation of "recycled" volume cap in accordance with the Housing and Economic Recovery Act of 2008, and the refunding of certain outstanding bonds or obligations of the Corporation.

Mr. Richardson stated that he was also pleased to recommend the Members authorize the use of the Corporation's unrestricted reserves or available funds of the Open Resolution, in a combined amount not to exceed \$14,100,000, to restructure and refinance the debt for one development currently financed with bonds in the Open Resolution.

Further, Mr. Richardson stated, he was pleased to recommend that the Members authorize the Corporation to enter into one or more stand-by bond purchase agreements or other facilities to provide liquidity for variable rate obligations issued from time to time in the Open Resolution. He said that approval of these Resolutions will authorize the 285th and 286th Supplemental Resolutions under the Corporation's Open Resolution.

Mr. Richardson stated that the Corporation expects to use available funds of the Open Resolution, in an amount not to exceed \$14,100,000, to refinance and restructure a senior and a subordinate mortgage loan for the rehabilitation and preservation of one development, 3815 Putnam Avenue. He said that this endeavor will preserve 90 units of affordable housing in the Kingsbridge section of the Bronx. He said that for more information on the development, please see Attachment "1" to the Open Resolution Memorandum.

Mr. Richardson stated that it was anticipated that a portion of the proceeds of the 2019 Series B Bonds, in an amount not expected to exceed \$269,925,000, together with the Corporation's unrestricted reserves and available funds of the Open Resolution, will be used to finance mortgage loans for up to five (5) developments. He said that in aggregate, the developments would create or preserve over 1,000 units of rental housing, existing or to be located in the Bronx, Brooklyn, and Manhattan.

Mr. Richardson stated that the subordinate loans, with one exception, are expected to have an interest rate equal to the Applicable Federal Rate as recently published by the Internal Revenue Service ("AFR"), with set lower monthly payments, to be advanced during construction and to remain in the projects as permanent loans. He said that one existing subordinate loan bears an interest rate of 1%.

Mr. Richardson stated that the Corporation intends to fund the short-term portion of each senior mortgage loan primarily with its unrestricted reserves or with proceeds from long term tax-exempt bonds. He said that when borrower prepayments from tax credit equity are received upon project completion, such prepayments would be available for re-lending by the Corporation to other affordable housing developments. He said that any future lending that has not been previously approved would be presented to the Members for approval.

Mr. Richardson stated that the Series B-1 Bonds are expected to be issued as tax-exempt bonds in an initial Fixed Rate Term which is expected to be forty (40) years and the 2019 Series B-2 Bonds are expected to be issued as tax-exempt bonds in an initial Term Rate Term with convertible options as described in the Open Resolution Memorandum.

Mr. Richardson stated that per Mr. Froehlich's comments, the Consolidated Appropriations Act, 2018, also known as the Omnibus Spending Bill, made income averaging possible. He said that it was expected that one or more of the projects being financed with the Bonds would incorporate income averaging. He added that for more information on the individual projects, please see Attachments "2-6" to the Open Resolution Memorandum.

Mr. Richardson that it is anticipated that a portion of the proceeds of the 2019 Series B Bonds would also be used to finance or to reimburse the Corporation for amounts previously advanced from its unrestricted reserves to finance a portion of (10) subordinate loans for (10) developments as described in Attachment "8" to the Open Resolution Memorandum. He said that the Members have previously approved the making of the subordinate loans for all of the developments described in Attachment "8" to the Open Resolution Memorandum. He said that the Members were now being asked to approve the use of the 2019 Series B Bond proceeds for the financing of, or reimbursement for, the loans described in Attachment "8" to the Open Resolution Memorandum or any of the subordinate loans described in Attachment "9" to the Open Resolution Memorandum for which the Members have previously approved the making of the loan. He said that the issuance of the 2019 Series B Bonds for this purpose would allow for the replenishment of the Corporation's reserves, which can then be re-lent to new developments in furtherance of the Corporation's commitment to the Mayor's Housing New York plan.

Mr. Richardson stated that it was anticipated that the remaining proceeds of the 2019 Series B Bonds would be used to fund an additional portion of the restructured permanent senior loan for the Mixed Income Project known as 810 River with 134 units located in the Bronx. He said that Members originally approved the making of the construction loan on June 10, 2014 and on March 28, 2018 Members approved the refunding of a portion of the original bonds into an additional short term bond to address significant construction delays. He said that the Corporation now expects the Borrower to convert to a permanent loan in 2019 and expects to refund a portion of 2018 Series A Bonds in the total principal amount of \$2,320,000 into long term 2019 Series B Bonds to finance the additional portion of the restructured permanent senior loan. He said that for more information on the restructured 810 River permanent loan, please see Attachment "7" to the Open Resolution Memorandum

Mr. Richardson stated that it was anticipated that the 2019 Series C Bonds, in an amount not expected to exceed \$150,000,000, would be issued as a convertible option bond (“COB”) to preserve tax-exempt “recycled” volume cap in excess of the amounts currently needed by the Corporation.

Mr. Richardson stated that if issued, the proceeds of the 2019 Series C Bonds were expected to provide construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments, all of which are listed on Attachment “9” to the Open Resolution Memorandum and which will meet the low income set aside required to issue private activity tax-exempt bonds. He said that the mortgage loans for these developments are expected to close in 2019 or early 2020 at which point the 2019 Series C Bonds would be refunded or remarketed to match the terms of the applicable mortgage loans. He added that most of the developments listed would not be funded from the 2019 Series C Bond proceeds but all would be eligible for such financing. He said that the Series C Bonds were expected to be issued recycled tax-exempt bonds initially in a Term Rate Term.

Mr. Richardson stated that from time to time, the Members authorize the issuance of Open Resolution bonds pursuant to a multi-modal Supplemental Resolution which provides that the bonds may be issued or remarketed as variable rate demand obligations. He said that variable rate demand bonds may be tendered by the holder for purchase at par plus accrued interest at regular intervals. He said that to protect against the risk of a failed remarketing, Members are now being asked to authorize the Corporation to enter into one or more Liquidity Facilities, from time to time, from a bank that (i) is on the then-current list of bond underwriters previously approved by the Board or is an affiliate of an approved bond underwriter and (ii) has a long-term and short term rating of at least A/A-1 from Standard & Poor’s Ratings Services and a long-term and short-term rating of at least A2/P-1 from Moody’s Investors Service, Inc.

Mr. Richardson stated that on November 29, 2018, Members authorized the 2019 Series A Bonds to be issued as multi-modal bonds in multiple sub-series. He said that at the time of authorization, the Corporation expected to issue the 2019 Series A-4 Bonds as Fixed Rate Term Bonds. He said that due to market conditions, the Corporation now expects to issue the 2019 Series A-4 Bonds as variable rate demand obligations. He said that if approved, the Corporation expects to enter into a stand-by bond purchase agreement with the Royal Bank of Canada or an affiliate thereof, which would be obligated to temporarily purchase the bonds if the remarketing agent were unable to remarket the bonds.

Mr. Richardson stated that more detail on the developments, as well as the Bond underwriters, Risks, Fees and Credit Ratings associated with the 2019 Bonds, are outlined in the Open Resolution Memorandum.

Ms. Notice-Scott asked how the process of standby bonds works. Ms. Duffy said that when we issue variable rate bonds the structure is they have a long maturity date up to 2059 but they are remarketed weekly and the investor has a right to put those bonds back on a weekly basis. She said that in the event that the remarketing agent is not able to remarket them through the market, the bank stands by to purchase these bonds, and that’s the liquidity facility. She said

that they will remain as bank bonds until they are remarketed out. She said that in the long term they will amortize on an accelerated schedule.

Ms. Notice-Scott then stated that on income averaging she heard Mr. Richardson state that up to two deals might utilize this. She asked if we are going to move to a policy where we're encouraging more deals to come in using income averaging. Mr. Richardson said that we are encouraging it. He said that some of the challenge now is that it's so new that a lot of the investor community is still understanding it. Louise Carroll, Senior Vice President and General Counsel for the Corporation, said that we are also working with HPD and they are going to try to provide guidance, and therefore more people will understand how to use it.

Ms. Carroll then then described the provisions of the Authorizing Resolution and the actions the Members were being requested to approve.

Upon a motion duly made by Mr. Jiha, and seconded by Ms. Notice-Scott, the Members of the Finance Committee unanimously:

RESOLVED, (A) to approve the Authorizing Resolution that provides for (i) the adoption of Supplemental Resolutions to the Open Resolution providing for the issuance of the Bonds; (ii) the distribution of Preliminary and final Official Statement(s) for the Bonds; (iii) the execution of bond purchase agreement(s) or direct placement agreement(s) with the Underwriter(s) of the Bonds or a direct purchaser of any or all of the Bonds; (iv) the use of the Corporation's unrestricted reserves to fund costs of issuance, capitalized interest and mortgage reserves for Bonds, as may be required; (v) the use of a "Cash Equivalent" (under the Open Resolution), in the form of the Debt Service Reserve Account Funding Agreement, to satisfy the Debt Service Reserve Account requirement with respect to the Bonds; (vi) the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to issue the Bonds including any Participation Agreement or amendment to an existing Participation Agreement with the City of New York; (vii) the terms of any liquidity facility or facilities and related documents and (viii) the pledge to the Open Resolution of any mortgage loans of the Corporation to replace mortgage loans funded with taxable bond proceeds that have prepaid; (B) to approve the making of subordinate loans for one (1) Mix and Match development and three (3) ELLA developments from proceeds of the 2019 Series B Bonds and/or the Corporation's unrestricted reserves in an amount not expected to exceed \$60,650,000, the use of such amount of the Corporation's unrestricted reserves to fund a portion of the senior loans for these four developments, and the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the senior and subordinate financing; (C) to approve the making of the Preservation Loan from available funds of the Open Resolution in an amount not expected to exceed \$14,100,000 and the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the financing; and (D) to authorize the Corporation to enter into one or more Liquidity Facilities for variable rate Open Resolution bonds, from time to time, from a bank that (i) is on the then-current list of bond underwriters previously approved by the Board or is an affiliate of an approved bond underwriter and (ii) has a long-term and short term rating of at least A/A-1 from Standard & Poor's Ratings Services and a long-term and short-term rating of at least A2/P-1 from Moody's Investors Service, Inc. and the payment of related fees.

The Chairperson stated that the next item on the agenda would be the Approval of a Participation in the Baychester Murphy Construction Loan and again called upon Mr. Sanna to advise the Members regarding this item.

Mr. Sanna referred the Members to the memorandum before them entitled "Approval of a Participation in the Baychester Murphy Construction Loan" dated March 21, 2019 (the "Baychester Murphy Memorandum") and the attachments thereto, all of which are appended to these minutes and made a part hereof.

Mr. Sanna stated that he was pleased to recommend that the Members authorize the Corporation to enter into a loan agreement with Citibank, and utilize unrestricted reserves in an amount not to exceed \$49,995,000 to fund a portion of a taxable construction loan originally approved by the Members at the November 28, 2018 board meeting.

Mr. Sanna stated that as approved, the Corporation originated the Baychester Murphy Construction Loan and subsequently sold a 100% participation interest to Citibank. He said that the Corporation was now seeking to purchase a one-third sub-participation interest in the Construction Loan. He said it was anticipated that the Corporation would fund the Construction Loan simultaneously with Citibank and hold a pari-passu interest in the loan. He said that the Construction Loan bears interest at a variable rate, adjusted monthly and indexed from the 1-month LIBOR plus a 200 basis point spread.

Mr. Sanna stated that Corporation staff expects that the sub-participation will yield a higher risk adjusted rate of return than other existing investment opportunities and will ultimately generate more resources for affordable housing production.

Additionally, Mr. Sanna stated, the Corporation's engineers would play a role in reviewing the rehabilitation progress, which provides the opportunity to tap into and broaden the Asset Management department's already robust experience, while strengthening the department for engagement in future NYCHA preservation transactions.

Mr. Sanna stated that the Members are also being asked to approve changes to the November 20, 2018 Memorandum (attached to the Baychester Murphy Memorandum) which clarify that the Corporation may repurchase Citibank's participation in the Construction Loan with the Corporation's unrestricted reserves after the completion of the rehabilitation instead of at the making of the Permanent Loan.

Mr. Sanna stated that the primary risk associated with the construction loan sub-participation is the Borrower's potential inability to complete the rehabilitation or pay interest on the loan. He said that Corporation staff believes this risk is mitigated through conservative underwriting and financial structuring, a strong development team with relevant experience with similar Corporation financed projects, and ongoing monitoring of the development during the rehabilitation period. He said that the risks and mitigating factors are described in further detail in the Baychester Murphy Memorandum.

Upon a motion duly made by Mr. Gould, and seconded by Mr. Kimball, the Members of the Finance Committee unanimously:

RESOLVED, (A) to authorize the Corporation to enter into the Sub-Participation Agreement, authorize the use of the Corporation's unrestricted reserves in an amount not to exceed \$49,995,000 to fund the sub-participation in the Construction Loan, and the execution by an Authorized Officer of the Corporation of related documents and any other documents necessary to accomplish the participation; and (B) to authorize the changes to the November 20, 2018 Memorandum attached to the Baychester Murphy Memorandum which clarify that the Corporation may repurchase Citibank's 100% participation in the Construction Loan with the Corporation's unrestricted reserves after the completion of the rehabilitation instead of at the making of the Permanent Loan.

The Chairperson stated that the next item on the agenda would be the Ratification of NYCHDC's 2018 Annual Investment Report and called upon Ms. Duffy to advise the Members regarding this item.

Ms. Duffy referred the Members to the memorandum before them entitled "Ratification of NYCHDC's 2018 Annual Investment Report" dated March 21, 2019 and the 2018 Annual Investment Report attached thereto, all of which are appended to these minutes and made a part hereof. Ms. Duffy stated that the New York State Public Authorities Law (PAL) requires HDC to provide an annual investment report. She said that these requirements are met by the 2018 Annual Investment Report presented, which includes:

- Data on investments made;
- Investment earnings and fees paid;
- Copies of the Corporation's audited financial statements;
- The Investment Guidelines as approved by the Members on September 26, 2018; and
- A Report of Independent Auditors on Compliance with Investment Guidelines.

Ms. Duffy stated that the 2018 Annual Investment Report was presented and approved by the Audit Committee on January 29, 2019. She said that at this time the Members were being asked to ratify the Audit Committee's approval of the Report. She said that upon ratification by the Members, the Report will be submitted to the Mayor and to both the City and State Comptrollers, as required by the Public Authorities Law.

Upon a motion duly made by Mr. Jiha, and seconded by Mr. Kimball, the Members of the Finance Committee unanimously:

RESOLVED, to ratify the Audit Committee's approval of the Corporation's 2018 Annual Investment Report.

The Chairperson stated that the next item of business would be the Approval of a Declaration of Intent Resolution and called upon Mr. Richardson to advise the Members regarding this item.

Mr. Richardson stated that Declaration of Intent Resolutions are solely for tax code purposes, allowing any expenditures incurred by a project's developer within 60 days prior to the date the Resolution is passed to be eligible for tax exempt bond financing. He said that before HDC were to actually finance a project, the specifics of the transaction would be presented to the Members for review and approval.

Mr. Richardson referred the Members to the memorandum before them entitled "Resolution of Declaration of Intent, Marcus Garvey Village (aka Ennis Francis III), 212 West 124th Street, New York, New York, Block 1929, Part of Lot 57" dated March 21, 2019 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof.

Mr. Richardson stated that the proposed Marcus Garvey Village development will consist of the new construction of one building containing 169 residential rental units, as well as community facility and commercial space, to be located in Central Harlem using approximately \$46 million in tax-exempt bonds. He said that the project is to be developed by a single purpose entity to be formed and controlled by Carthage Advisors and Rester Management.

Upon a motion duly made by Ms. Notice-Scott, and seconded by Mr. Kimball, the Members of the Finance Committee unanimously:

RESOLVED, to approve the Declaration of Intent Resolution for Marcus Garvey Village (aka Ennis Francis III), 212 West 124th Street, New York, New York, Block 1929, Part of Lot 57.

The Chairperson stated that at this time, he would like to close the meeting of the Finance Committee and call for a motion of the HDC Board to ratify those items just approved by the Finance Committee.

Upon a motion duly made by Mr. Gould, and seconded by Mr. Kimball, the Members unanimously:

RESOLVED, to ratify and adopt each of the preceding approvals of the Finance Committee.

At 12:00 p.m., there being no further business, upon a motion duly made by Mr. Kimball, and seconded by Ms. Notice-Scott, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz
Assistant Secretary

**MINUTES
OF THE MEETING OF THE
NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**

March 28, 2019

ATTENDANCE LIST

Kevin Murphy	Hawkins Delafield & Wood LLP
R. Gregory Henniger	“ ”
Joseph Monito	BofA Merrill Lynch
Rasheen Rahman	J.P. Morgan
Gloria Boyd	“ ”
Annie Lee	“ ”
Mitch Gallo	RBC Capital Markets
Matt McVay	Ramirez & Co.
Amy Zhang	“ ”
Ansel Caine	Caine Mitter
Jeff Philp	Orrick
Eileen Heitzler	“ ”
Vikram Shah	Barclay’s
Damian Busch	“ ”
John Carter	Siebert
Pat Moran	“ ”
Patrick O’Connor	Drexel Hamilton
Mike Koessel	Citi
William Yates	“ ”
Jas Singh	Morgan Stanley
Greg Borys	“ ”
Steve Splawinski	“ ”
Samphas Chhea	Jefferies
Alan Jaffe	“ ”
Jacqueline Gold	DOF
Eric Enderlin	New York City Housing Development Corporation
Richard M. Froehlich	“ ”
Louise Carroll	“ ”
Anthony R. Richardson	“ ”
Ellen K. Duffy	“ ”
Cathleen A. Baumann	“ ”
Teresa Gigliello	“ ”
Diane J. Pugacz	“ ”
Jim Quinlivan	“ ”
Susannah Lipsyte	“ ”

Luke Schray	“	”
Yaffa Oldak	“	”
Robert Sanna	“	”
Madhavi Kulkarni	“	”
Paul Cackler	“	”
Jeffrey Stone	“	”
Elizabeth Rohlfin	“	”
Ruth Moreira	“	”
Hannah Blitzer	“	”
Mary Hom	“	”
Trisha Ostergaard	“	”
Elizabeth Stojan	“	”
Eugene Yee	“	”
Justin Mathew	“	”
Uyen Luu	“	”
Sonia Medina	“	”
Mary John	“	”
Tinru Lin	“	”
Partick Ogoke	“	”
Christina Mun	“	”
Clarissa Wertman	“	”
Neil Saranga	“	”
Stephanie Mavronicolas	“	”
Josephine Logozzo	“	”
Lois Bricken McCloskey	“	”
Merin Urban	“	”
Alia Soomiro	“	”
Sarah Leitson	“	”
Moria Skeados	“	”
Asia Riddick	“	”
Claudine Brown	“	”