

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

March 3, 2014

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Monday, March 3, 2014 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 10:44 a.m. by the Chairperson, Vicki Been, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Beth E. Goldman, Colvin W. Grannum and Charles G. Moerdler. The Members absent were Denise Notice-Scott and Dean Fuleihan. A list of observers is appended to these minutes.

The Chairperson stated that she was Vicki Been, the newly appointed Commissioner for the New York City Department of Housing Preservation and Development ("HPD"), and that she looked forward to working with everyone. She then noted that she, along with all present, have the pleasure of being here for the first day of Gary Rodney's term, and thanked all in attendance for coming.

The Chairperson then called for the approval of the minutes of the meeting held on November 25, 2013.

Upon a motion duly made by Mr. Moerdler, and seconded by Mr. Grannum, the Members unanimously:

RESOLVED, to adopt the minutes of such meeting.

The Chairperson stated that the next item on the agenda would be the report of the Audit Committee, and called upon Mr. Gould to advise the Members regarding this item.

Mr. Gould stated that the Audit Committee met on January 27th, at which time the Members approved the Corporation's Fiscal Year 2013 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 that the Members also approved the Annual Investment Report for 2013, and reviewed other financial and internal audit reports.

The Chairperson stated that the next item on the agenda would be the report of the Governance Committee, and called upon Richard M. Froehlich, Acting President, Chief Operating Officer, Executive Vice President and General Counsel for the Corporation, to advise the Members regarding this item.

Mr. Froehlich stated that the Governance Committee met on December 13, 2013 and just prior to this meeting. He said that at the December 13th meeting the Governance Committee approved Senior Staff salary increases, except for the President and Executive Vice President.

He said that at today's meeting the members of the Governance Committee met with Mayor Bill de Blasio's nominee for HDC President, Gary Rodney, and had discussions with him and are ready to support his nomination today.

The Chairperson stated that the next item would be the Acting President's Report, and called upon Mr. Froehlich to make this presentation.

Mr. Froehlich welcomed HDC's new Chairperson, Housing Commissioner Vicki Been, to her first meeting, and stated that all at the Corporation look forward to working with her. He said that as this was the first meeting of the Members of the year, he wanted to provide a little summary on the Corporation's accomplishments in 2013 and then bring them current to what the Corporation plans for 2014.

Mr. Froehlich stated that this meeting was also an important pivot point as the Members would be asked to approve a new President for HDC. He said that he would say more about Gary Rodney in a few minutes, but we are lucky that the Mayor's administration had recommended someone with the experience and grace of Mr. Rodney. He said that he speaks for himself and the staff in saying that we are very excited to begin working with him again.

Mr. Froehlich stated that just last week, The Bond Buyer printed some of the statistics for municipal bond issuance and HDC topped all affordable housing bond issuance for 2013. He said that it was a record breaking year for HDC with almost \$1.85 billion in bonds issued (more than we have ever issued before) and HDC had three of the top ten housing issues graded for size in 2013. He said that HDC's biggest deal was the cap fund deal for NYCHA which combined a \$500 million new issue with a \$200 million refunding of debt issued in 2005 and would provide greatly needed funds for NYCHA to perform repairs at up to forty of its developments.

Mr. Froehlich stated that the Corporation issued almost \$675 million in new money private activity bonds, \$230 million in recycled bonds, \$140 million in taxable bonds and \$142 million in refunding bonds. He said that in addition, HDC transferred recycling proceeds in excess of \$112 million to the State HFA helping free up additional volume cap for affordable housing projects. He said that to date, multifamily bond recycling, a tweak to the tax code that we championed in 2008, had created over \$900 million in financing authority and had been used to provide part of the financing for almost 20,000 units of housing.

Mr. Froehlich stated that the Corporation's financing in 2013 totaled \$1.371 billion in new money and \$164,056,696 in HDC subsidy funds, of which \$120 million was funded from HDC reserves. He said that this financing led to the construction of 4,382 units of affordable housing and the preservation of 3,253 units. So it was a spectacular year, he said, and thanked all the staff who work tirelessly to get all those transactions done.

Mr. Froehlich stated that since the end of 2013, staff has worked to complete a few deals that had been approved previously but could not close last year. He said that two projects had since closed. He said that in March or April, HDC would also be remarketing a convertible option bond originally issued in December 2013 to preserve new private activity volume cap for two projects, Carnegie Park and Borinquen Plaza. He said that HDC would also issue

approximately \$9 million under the 189th supplemental resolution to the Open Resolution to finance the acquisition and rehabilitation of the two projects. He said that the 189th resolution was originally expected to be issued in December and would have been designated 2013 Series G; however, authorized staff would re-designate the resolution as the 2014 Series A Bonds and HDC would issue them as fixed rate bonds. He said that no action was required of the Members for the re-designation at this time.

Mr. Froehlich stated that brings him up to date to 2014 and the preparations for the de Blasio housing plan; or, that was nice, so what are you going to do now? He said that while no one could doubt the importance and broad scope of the prior administration's New Marketplace Housing Plan, the task staked out by Mayor de Blasio for his housing team is audacious; 200,000 units in 10 years. He said that in his state of the City address in February the Mayor set out May 1 as the date for when he will announce this plan. He said that HDC staff was now actively engaged with the Mayor's Office as well as staff from HPD, NYCHA, City Planning, EDC and other agencies to help draft this plan. He stated you won't get any spoilers from me but it will be no surprise to anyone present that HDC will play an essential role in providing funds, access to capital and the strength of its staff to both identify and implement this plan.

Mr. Froehlich stated that the Corporation was well on its way to the first closing season with the new Mayor and has a full pipeline for projects that HDC will finance this Spring. He said that the Members would hear more about these projects in upcoming board meetings but it would entail hundreds of millions in bonds being issued and thousands of units created and preserved. He said that the Corporation was also undertaking its usual financial alchemy to raise funds for additional subsidies to fund this housing and HDC expects to do several financings later this Spring as well that would leverage HDC's assets, and assets HDC holds for the City, to raise needed capital.

Mr. Froehlich stated that one indication of the continuing need and demand for affordable housing could be seen in the response to HDC's online lotteries for new units in buildings financed by HDC on Housing Connect. He said that currently there were two projects being marketed, one a mixed income development in Jamaica with 100 units and the other a LAMP in the Mott Haven section of the Bronx with 199 units. He said that the Queens development already has 28,000 applicants and the Bronx development with more than five weeks still to go before the April 7th deadline for applications has more than 17,000.

Mr. Froehlich stated that the Corporation and the Members (through their leadership and support) should be very proud that as we end one Mayor's plan and begin the process for the next Mayor's plan HDC can continue to contribute on the same level of support. He said that in the last 12 years HDC has provided almost \$1.5 billion in subsidy for affordable housing. He said that we expect that HDC will provide a similar level of support for the upcoming plan. He said that this level of commitment while maintaining a strong AA rating for the Corporation, the Open Resolution and REMIC indicates our capacity to balance important policy goals and necessary fiscal conservatism to continue as an essential element of the affordable housing landscape in New York City.

Mr. Froehlich stated that the Corporation's commitment to the goals of providing access

to quality affordable housing for all New York City residents won't waver. He said that the Corporation pledges its creativity, collaboration and coordination in achieving the demanding goals. He said that HDC knows it will need all of its skill to take on this task.

Mr. Froehlich stated that on two other fronts: a brief update. He said that regarding Albany, HDC had been reliant on the support of the Governor and his housing team to allocate resources, most importantly private activity bond cap, to projects being financed by HDC. He said that HDC would continue to coordinate closely with them to ensure that continued support. And in D.C., he said, last week there was another salvo regarding private activity bonds and 4% low income housing tax credits. He said that House Ways and Means Chairman Dave Camp's tax reform proposal abolishes those essential tools. He said that while many experts do not expect tax reform to happen this year it is still essential for the Corporation to work with its allies to educate on these matters and forcefully argue for their strengthening not destruction.

Finally, Mr. Froehlich stated, he would like to thank the members of the senior staff at HDC who helped him greatly during the last few months as Acting President. He said that in particular, Melissa Barkan, Terry Gigliello, Jim Quinlivan and Cathy Baumann stepped up greatly.

The Chairperson stated that the next item on the agenda would be the appointment of a President, and called upon Mr. Froehlich to advise the Members regarding this item.

Mr. Froehlich referred the Members to the memorandum before them entitled "Appointment of Gary D Rodney as President" dated February 24, 2014, and the resume attached thereto, which is appended to these minutes and made a part hereof. Mr. Froehlich stated that on behalf of Mayor de Blasio, he was pleased to recommend that the Members approve the appointment of Gary Rodney as President of the Corporation. He said that Mr. Rodney would be returning to HDC after 7 years on the private side, most recently as Executive Vice President for Development at Omni New York. He said that while at Omni, Mr. Rodney was responsible for securing the acquisition and preservation of over 5,500 units of affordable housing in New York and Massachusetts. He said that prior to joining Omni, Mr. Rodney was Director of Development at BFC Partners, also a New York City based real estate development company.

Mr. Froehlich stated that Mr. Rodney worked at the Corporation for over five years between 2001 and 2007 rising to be Vice President in our development department. He said that while at the Corporation he structured the financing of affordable multi-family rental and homeownership developments in New York City as well as advised on housing policy initiatives.

Mr. Froehlich stated that Mr. Rodney holds a Masters of Urban Planning from New York University's Robert F. Wagner Graduate School of Public Service and a Bachelor of Arts from the University of Rochester.

Mr. Froehlich stated that besides his strong resume on a personal note he has known Gary since when he joined the Corporation in 2003 and continued to work with him after he left HDC (and after his one year bar from appearing before the Corporation). He said that he is a person of

the highest character, intellect and integrity, and that he very much looks forward to working with him in his new responsibilities. He said that it is his honor to recommend a resolution for the Members to appoint him to be the Corporation's next President. He said that his appointment would take effect immediately at a salary of \$203,000 with 4 weeks of annual leave.

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

RESOLVED, to appoint Gary D.Rodney as President of the Corporation effective immediately at a salary of \$203,000 with 4 weeks of annual leave.

The Chairperson congratulated Mr. Rodney and said we all look forward to working with him.

The Chairperson stated that the next item on the agenda would be the Approval of the Amendment of the Corporation's By-Laws. Again, she called upon Mr. Froehlich to advise the Members regarding this item.

Mr. Froehlich referred the Members to the memorandum before them entitled "Amendments to the Corporation's By-Laws" dated February 24, 2014, and the proposed By-Laws attached thereto, which are appended to these minutes and made a part hereof. Mr. Froehlich stated that the Members are asked to approve an amendment to the By-Laws of the Corporation. He said that the amendment clarifies that the Corporation's Chief Operating Officer shall represent the President as circumstances arise and act on behalf of the President in the absence or incapacitation of such officer.

Upon a motion duly made by Ms. Goldman, and seconded by Mr. Grannum, the Members unanimously:

RESOLVED, to approve the amendments to the Corporation's By-Laws.

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

The Chairperson stated that the next item on the agenda would be the Ratification of the 2013 Annual Investment Report. She called upon Ellen K. Duffy, Senior Vice President for Debt Issuance and Finance, to advise the Members regarding this item.

Ms. Duffy referred the Members to the memorandum before them entitled "Ratification of NYCHDC's 2013 Annual Investment Report" dated February 24, 2014 and the 2013 Annual Investment Report attached thereto, which is appended to these minutes and made a part hereof. She said that the New York State Public Authorities Law (PAL) requires HDC to provide an annual investment report and it details the required contents of the report. She said that these requirements are met by the 2013 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 November 25, 2013; and
- A Report of Independent Auditors on Compliance with Investment Guidelines

Ms. Duffy stated that the 2013 Annual Investment Report was presented and approved by the Audit Committee on January 27, 2014. 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 would 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 Ms. Goldman, and seconded by Mr. Grannum, the Members of the Finance Committee unanimously:

RESOLVED, to ratify the Audit Committee's approval of the Corporation's 2013 Annual Investment Report.

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

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

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

At 10:59 a.m., there being no further business, upon a motion duly made by Mr. Moerdler, and seconded by Mr. Grannum, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz
Assistant Secretary

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March 3, 2014

ATTENDANCE LIST

Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	“ ”
Yamini Kalidindi	Caine Mitter
Susan Jun	BOA Merrill Lynch
Inna Spector	DOI
Albert Luong	Barclays
Damian Busch	“ ”
Michael Baumrin	RBC
Greg Baugher	Morgan Stanley
James McIntyre	“ ”
Sabrina Cao	“ ”
Annie Lee	JPMorgan
Kent Hiteshew	“ ”
Peter Cannava	Wells Fargo
Francis McKenna	Academy Securities
Matt Bissonette	Citi
Bill Yates	“ ”
Jennifer Steinberg	OMB
Samphas Chhea	Blaylock Beal Van LLC
Matt McVay	Ramirez
Marvin Markus	Goldman, Sachs & Co.
Eileen Heitzler	Orrick, Herrington & Sutcliffe LLP
Gary D. Rodney	New York City Housing Development Corporation
Richard M. Froehlich	“ ”
Ellen K. Duffy	“ ”
Jonathan Springer	“ ”
Diane J. Pugacz	“ ”
Melissa Barkan	“ ”
Jackie Moynahan	“ ”
Terry Gigliello	“ ”
Ted Piekarski	“ ”
Chanin French	“ ”
Claudine Brown	“ ”
Jonah Lee	“ ”
Dave Knapke	“ ”
Lisa Geary	“ ”

Matt Murphy	“	”
Will Martin	“	”
Massandje Bamba	“	”
Zenaida Bhuiyan	“	”
Uyen Luu	“	”
Mary John	“	”
Paulette Todman	“	”
Cheuk Yu	“	”
Gene Yee	“	”
Ruth Moreira	“	”
Shirley Jarvis	“	”
Violine Roberty	“	”
Mary McConnell	“	”
Horace Greene	“	”
Catie Marshall	“	”
Urmaz Naeris	“	”
Kate Gilmore	“	”
Hammad Graham	“	”
Marcus Randolph	“	”
Mary Hom	“	”
Madhavi Kulkarni	“	”
Eileen O'Reilly	“	”
Jeffrey Stone	“	”
Susannah Lipsyte	“	”
Bharat Shah	“	”
Catherine Townsend	“	”
Moira Skeados	“	”
Miriam Osner	“	”
Michael Gaboury	“	”
Shira Gidding	“	”
Jeet Gulati	“	”