

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

April 10, 2014

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Thursday, April 10, 2014 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 10:33 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 and Denise Notice-Scott. Charles G. Moerdler arrived shortly thereafter while the meeting was in progress. The Members absent were Colvin W. Grannum and Dean Fuleihan. A list of observers is appended to these minutes.

The Chairperson called for the approval of the minutes of the meeting held on March 3, 2014.

Upon a motion duly made by Mr. Gould, and seconded by Ms. Goldman, 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 prior to this meeting at which time the Members reviewed the Corporation's first quarter financial statement, as well as other financial and internal audit reports. He said that the Members also approved the Annual Audit Committee Report for 2013.

The Chairperson stated that the next item on the agenda would be the President's Report, and called upon Gary Rodney, President of the Corporation, to make this presentation.

Mr. Rodney thanked the Chairperson and the Members in attendance and stated that, as he had told each of them personally, he was very much looking forward to working with the Members in the Corporation's ongoing efforts to further the business of the Corporation and the interests of The City.

Mr. Rodney stated that it's been an honor and a pleasure returning to HDC. He said that it was a tribute to the leadership of HDC's board and executive staff that he had found it to be an even more efficient, productive and creative version of the agency he left in 2006; and we were already pretty good back then.

Mr. Rodney stated that continuing that productivity and creativity would be more important now than ever as Mayor de Blasio has laid out exciting and challenging goals to

further the mission of affordable housing in our great city. He said that HDC's senior staff and he had been actively engaged with City Hall and our partner agencies, most notably HPD and the New York City Housing Authority, designing a plan to create and preserve 200,000 units over the next ten years. He said that the plan is scheduled to be released on May 1st and he would be able to discuss highlights of it during his report at our next board meeting.

Mr. Rodney stated that what he could say today was that HDC would play a critical role in all aspects of the plan's forthcoming implementation, contributing significantly not only in terms of its financing but also its policy agenda and overall management and oversight.

Mr. Rodney stated that one of the items that the Members would be asked to vote on today speaks most directly to HDC's financial contribution. He said specifically, the 2014 Series B re-securitization – which HDC Executive Vice President & Chief Operating Officer Rich Froehlich would explain in greater detail – was expected to generate as much as \$140 million, all of which would be pledged to the new housing plan.

Mr. Rodney stated that as Mr. Gould had already noted, the Audit Committee met this morning immediately prior to this meeting and reviewed the Corporation's first quarter financial statements which demonstrate the Corporation's continued profitability. He said that among the other business HDC Senior Vice President Ellen Duffy would be presenting was the Corporation's proposed new Hedge procurement policy, which (if approved by the Members today) would serve to sustain HDC's financial agility in the market by ensuring that the Corporation is engaging in best industry practices to manage interest rate risk decisions going forward. And finally, he said, Ms. Duffy will also ask that the Members approve Blaylock Beal Van, LLC as Co-Managing Underwriters because in January, M.R. Beal — which is one of the MWBE firms previously approved by the Members to be a rotating Senior Manager — merged with Blaylock Robert Van to create this new entity.

Mr. Rodney stated that as spring has finally arrived, we all know that means HDC staff is hard at work on a substantial pipeline of projects for our June closing season. So, he said, in addition to thanking the Members again for their presence today, he'd just like to thank them in advance for accommodating additional meetings in the near future during which we will seek their approvals for those new projects.

Mr. Rodney stated that in closing, he'd like to reiterate that this is an exciting time for HDC and for The City, and he joins everyone here today in feeling fortunate to be a part of it. He stated that this concludes his remarks and before he turned it over to the Chairperson he would like to turn it over to Mr. Froehlich to say a few words.

Mr. Froehlich stated that this was an impromptu thing, but one of the Corporation's senior bankers was going to be retiring soon and we did want to have the chance to acknowledge him and the role that he has played. He said that it was Kent Hiteshew, and that he'll be leaving JPMorgan in May and he has been a really important part of HDC's brain trust. He said that we really do rely a lot on our bankers; they are tremendously smart people who help us in managing our way through the markets. He said that so much of the Corporation's strength and wealth relates back to our Open Resolution, and that he was the major thought behind creating it for the

Corporation back in 1993. He said that it is this tool and engine that keeps us going forward and really produces an enormous amount of revenue that allows us to make the contributions that we can towards The City's housing plan; so, thank you, Kent.

Mr. Froehlich stated that he also wanted to recognize Beth Goldman who would be leaving City service after a very long career, most recently as Commissioner of the Department of Finance, and we wanted to recognize her as well and express our appreciation.

The Chairperson stated that she wanted to reiterate her thanks to both Mr. Hiteshew and Ms. Goldman. She stated that, as Mr. Rodney had said, it was a very exciting time and a very exhausting time as they have been working trying to put the plan together to build and preserve 200,000 units and she had to say that Mr. Rodney and Mr. Froehlich and the entire team have been just tremendous in that effort.

The Chairperson stated that pursuant to the Public Authorities Accountability Act, and for purposes of discussing the next items 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 Approval of Guidelines for Uses of Certain Financial Hedges, and 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 "Guidelines for Uses of Certain Financial Hedges" dated April 2, 2014 (the "Financial Hedges Memorandum"), and the proposed guidelines attached thereto, which are appended to these minutes and made a part hereof.

Ms. Duffy stated that the Members were being asked to approve the adoption of Guidelines for Uses of Certain Financial Hedges to govern the use by the Corporation of financial derivative products such as swaps, caps, floors, collars, and other similar agreements commonly referred to as "Hedges" (the "Hedge Policy") attached to the Financial Hedges Memorandum. She said that each Hedge would be presented to the Members for approval before the Corporation enters into any such agreements.

Ms. Duffy stated that the federal Dodd-Frank Wall Street Reform and Consumer Protection Act led to changes in the regulatory environment that impact how dealers of Hedges and issuers such as the Corporation will interact. She said that to engage in any discussion relating to a Hedge, dealers now require issuers such as the Corporation to enter into the ISDA August 2012 and March 2013 DF Protocols (the "DF Protocol"), published by the International Swaps and Derivatives Association, Inc. (the "ISDA"). She said that the DF Protocol requires all issuers such as the Corporation to engage the advice of a designated qualified independent representative (a "Designated QIR") and adopt written policies and procedures. She said that the Corporation believes that adopting the proposed Hedge Policy will not only satisfy the requirement for written policies and procedures but is also the best practice to manage interest rate risk decisions going forward.

Ms. Duffy stated that the proposed Hedge Policy will govern the Corporation's procedures for evaluating, selecting and monitoring Hedge transactions. She said that the Hedge Policy establishes that the Corporation may only enter into such transactions to manage risk and only after obtaining the Members' approval. She said that it describes the conditions under which a Hedge can be used, factors that must be considered, counterparty standards, and reporting requirements.

Ms. Duffy stated that on April 16, 2012, the Members approved Mohanty Gargiulo LLC ("MG") as Interest Rate Hedge Advisor to the Corporation. She said that the Corporation had recently revised the terms of their engagement so that MG could represent the Corporation as its Designated QIR. She said that as part of the DF Protocol, the Corporation would represent to counterparty dealers that the Corporation will not rely on the recommendations (if any) provided by the dealer, will rely on the advice of a Designated QIR and will exercise independent judgment in consultation with a Designated QIR in evaluating any derivative transaction it executes. She said the proposed Hedge Policy outlines the requirements for a Designated QIR to ensure compliance with the Dodd-Frank Act and other regulatory considerations.

Ms. Duffy stated that in connection with the proposed authorization of the Corporation's Multifamily Housing Revenue Bonds, 2014 Series B, that Mr. Froehlich would be presenting, the Corporation will seek the Members' approval of an interest rate cap pursuant to the terms of the proposed Hedge Policy.

Ms. Duffy stated that in the event the Corporation intends to enter into a floating-to-fixed interest rate swap agreement relating to bonds in the Corporation's Open Resolution on a future date, the Members will also be asked to amend the Multi-Family Housing Revenue Bonds Bond Resolution, adopted July 27, 1993, as amended, at that time. She said that as mentioned above, any floating-to-fixed interest rate swap agreement to be entered into in the future would require authorization by the Members at such time.

Ms. Duffy stated that the Members were being requested to approve the Guidelines for Uses of Certain Financial Hedges attached to the Financial Hedges Memorandum.

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

RESOLVED, to approve the Guidelines for Uses of Certain Financial Hedges attached to the Financial Hedges Memorandum.

The Chairperson stated that the next item on the agenda would be the Approval of an Authorizing Resolution relating to the Multi-Family Housing Revenue Bonds, 2014 Series B-1 and B-2, and called upon Mr. Froehlich to advise the Members regarding this item.

Mr. Froehlich referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2014 Series B-1 and 2014 Series B-2" dated April 2, 2014 (the "Open Resolution Memorandum") and the attachments thereto including (i) the Resolution

Authorizing Adoption of the One Hundred Ninetieth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series B-1 and the One Hundred Ninety-First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series B-2 and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the One Hundred Ninetieth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series B-1, and the One Hundred Ninety-First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series B-2 (each, a "Supplemental Resolution" and collectively, the "Supplemental Resolutions"); (iii) the Preliminary Official Statement; and (iv) the Bond Purchase Agreement, all of which are appended to these minutes and made a part hereof.

Mr. Froehlich stated that he was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2014 Series B-1 and 2014 Series B-2 (collectively, the "2014 Series B Bonds") in a combined amount not expected to exceed \$160,000,000. He said that interest on the 2014 Series B Bonds was not expected to be exempt from Federal income tax, but was expected to be exempt from state and local income tax. He said that the 2014 Series B-1 Bonds were expected to be issued on a fixed-rate basis with a rate not expected to exceed 5%. He said that the 2014 Series B-2 Bonds were expected to be issued as variable rate LIBOR-indexed bonds with an expected maximum rate of 7.5% to be purchased by the Federal Home Loan Bank of New York.

Mr. Froehlich stated that the proposed financing was a re-securitization of a participation interest between the Corporation and The City of New York, acting by and through its Department of Housing Preservation and Development. He said that the Participant Interest is currently associated with the Corporation's Multi-Family Housing Revenue Bonds, 2006 Series A which will be fully redeemed on May 1, 2014, and would have otherwise terminated upon such redemption. He said that the re-securitization is expected to generate between \$125,000,000 and \$140,000,000 for the Mayor's new housing plan. He said that the 2014 Series B Bond proceeds are expected to be used by the Corporation to make subsidy loans pursuant to the Mayor's new housing plan, and together with other funds available, to purchase an interest rate cap and pay costs of issuance.

Mr. Froehlich stated that the Members were also being asked to approve the purchase of an interest rate cap to manage the variable interest rate risk relating to the LIBOR-indexed 2014 Series B-2 Bonds. He said that the Corporation expects to purchase a LIBOR-indexed interest rate cap from a qualified interest rate provider pursuant to the Hedge Policy that was just approved by the Members. He said that the interest rate cap is expected to have a strike rate of 5.5%.

Mr. Froehlich stated that the Members were further being asked to approve the use of the Corporation's general obligation pledge to satisfy rating agency reserve requirements for the 2014 Series B Bonds in an amount expected not to exceed \$8,000,000, or such greater amount as may be required by the rating agencies.

Mr. Froehlich stated that the related Authorizing Resolution would authorize the 190th and 191st Supplemental Resolutions under the Open Resolution. He said that together with the

issuance of the 2014 Series B Bonds, the Corporation expects to remarket \$33,510,000 of its Multi-Family Housing Revenue Bonds, 2013 Series F, and issue \$7,945,000 of its Multi-Family Housing Revenue Bonds, 2014 Series A, to finance the acquisition and rehabilitation of two projects pursuant to a Supplemental Resolution previously adopted by the Members.

Mr. Froehlich stated that the risks and fees associated with the 2014 Series B Bonds are outlined in the Open Resolution Memorandum and it is expected that the 2014 Series B Bonds would be rated AA by Standard & Poor's Ratings Services and Aa2 by Moody's Investors Service, Inc.

Mr. Moerdler stated that he was required by the Conflicts of Interest Board to make the disclosure that members of his firm but not he represent Citibank and JPMorgan from time to time, but that does not disqualify him or require his recusal, it's simply a disclosure.

Mr. Froehlich stated that the Members were requested to approve the Authorizing Resolution that provides for the adoption of the Supplemental Resolutions to the Open Resolution, the issuance of the 2014 Series B Bonds and to authorize the other activities listed therein and in the Open Resolution Memorandum.

Upon a motion duly made by Mr. Gould, 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 2014 Series B Bonds; (ii) the distribution of Preliminary and final Official Statement(s) for the 2014 Series B Bonds; (iii) the execution of bond purchase agreement(s) or direct placement agreement(s) with the Underwriter(s) of the 2014 Series B Bonds or a direct purchaser of any or all of the 2014 Series B Bonds; (iv) the use of the Corporation's unrestricted reserves to fund costs of issuance, capitalized interest and mortgage reserves for the 2014 Series B 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 2014 Series B Bonds; (vi) the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to issue the 2014 Series B Bonds including any amendments to, or any amendment and restatement of, the Amended and Restated Participation Agreement by and between the Corporation and the New York City Mortgage Sale Facilitation Trust 2002-2, as amended, and/or the Participation Agreement by and between the Corporation and the New York City Mortgage Sale Facilitation Trust 2003-1, as amended; and (vii) the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to purchase an interest rate cap; and (B) to authorize the use of the Corporation's general obligation pledge in an amount expected not to exceed \$8,000,000, or such greater amount as may be required by the rating agencies, in the form of the Debt Service Reserve Account Funding Agreement.

The Chairperson stated that the next item on the agenda would be the Approval of Additional Co-Managing Underwriter for the Corporation's Bond Issuances, and called upon Ms. Duffy to advise the Members regarding this item.

Ms. Duffy referred the Members to the memorandum before them entitled "Approval of Additional Co-Managing Underwriter for the Corporation's Bond Issuances" dated April 2, 2014 (the "Co-Managing Underwriter Memorandum"), which is appended to these minutes and made a part hereof. She said that in December 2011, the Corporation issued a Request for Proposal ("RFP") for managing underwriters and on June 11, 2012, the Members approved a diverse roster of underwriters for the Corporation's bond issuances under its various bond programs.

Ms. Duffy stated that the Review Committee recommended a balanced group of underwriters ranging from small regional firms to the nation's largest investment banks. She said that in its assessment process, the Corporation was particularly focused on the appointment of Minority and Women Business Enterprise ("MWBE") and Disabled Veteran's Business Enterprise firms to its underwriting team.

Ms. Duffy stated that M.R. Beal was one of the MWBE firms approved by the Members to be a rotating Senior Manager. She said that in January 2014, that firm merged with Blaylock Robert Van to create Blaylock Beal Van, LLC ("Blaylock") and appointed Bernard B. Beal, the founder of M.R. Beal, as its chairman. She said that the municipal finance team that has been working on the Corporation's issuances from M.R. Beal has also moved to Blaylock. However, she said, because neither Blaylock Beal Van nor its predecessor was previously approved as a Senior Manager or Co-Manager for the Corporation's bond issuances, Blaylock requested consideration and submitted a response to the original RFP on March 7, 2014.

Ms. Duffy stated that since 2009, the firm's municipal department has grown 41% to include 31 staff members, including Mr. Beal, a 30-year veteran of municipal and housing finance. She said that although Blaylock has not yet transacted business with the Corporation, many of its new team members have provided financing ideas and services to the Corporation in the past.

Ms. Duffy stated that the Members were requested to approve Blaylock Beal Van, LLC as a Co-Manager for the Corporation's bond issuances.

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

RESOLVED, to approve Blaylock Beal Van, LLC as a Co-Manager for the Corporation's bond issuances.

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 those items just approved by the Finance Committee.

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

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

Committee.

At 10:50 a.m., there being no further business, upon a motion duly made by Mr. Gould, 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**

April 10, 2014

ATTENDANCE LIST

Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	“ ”
Steven Turner	“ ”
Richard Van Dusen	“ ”
Shamus Lawson	Castleoak L.P.
Andrew Rothbaum	Mohanty Gargiulo LLC
Francis McKenna	Academy Securities
Matt Tesseyman	Citi
John Germain	Barclays
Barbara Feldman	BOA Merrill Lynch
Kent Hiteshew	JPMorgan
Alan Jaffe	“ ”
Peter Weiss	“ ”
Annie Lee	“ ”
Greg Baugher	Morgan Stanley
Geoff Proulx	“ ”
Robin Ginsburg	Wells Fargo
Sanna Wong-Chen	Siebert Brandford Shank & Co.
John Carter	“ ”
Marvin Markus	Goldman Sachs & Co.
Pete Vujasin	“ ”
Ansel Caine	Caine Mitter
Jeff Sula	RBC Capital Markets
Eileen Heitzler	Orrick, Herrington & Sutcliffe LLP
Inna Specter	DOI
Jennifer Steinberg	OMB
Ryan Scott	BBW
Gary Rodney	New York City Housing Development Corporation
Richard M. Froehlich	“ ”
Ellen K. Duffy	“ ”
Jonathan Springer	“ ”
Diane J. Pugacz	“ ”
Melissa Barkan	“ ”
David Knapke	“ ”
Madhvi Kulkarni	“ ”

Miram Osner	“	”
Jeffrey Stone	“	”
Susannah Lipsyte	“	”
Zenaida Bhuiyan	“	”
Catherine Foody	“	”
Shirley M. Jarvis	“	”
Mary Hom	“	”
Urmis Naeris	“	”
Mary John	“	”
Bharat Shah	“	”
Cheuk Yu	“	”
Uyen Luu	“	”
Teresa Gigliello	“	”
Cathleen Baumann	“	”
Catie Marshall	“	”
Catherine Townsend	“	”
Sonia Medina	“	”
Jim Quinlivan	“	”
Heather Laurel	“	”
Horace Greene	“	”
Mary McConnell	“	”
Lisa Geary	“	”
Henry Yee	“	”
Jin Lei	“	”
Norman Garcia	“	”
Brandon Reiner	“	”
Will Martin	“	”
Tinru Lin	“	”
Jonah Lee	“	”
Luke Schray	“	”
Jacklyn Moynahan	“	”