

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

June 8, 2015

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Monday, June 8, 2015 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 10:09 a.m. by the Chairperson, Vicki Been, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Jacques Jiha and Denise Notice-Scott. The Members absent were Dean Fuleihan and Charles G. Moerdler. There is currently one vacancy. A list of observers is appended to these minutes.

The Chairperson called for the approval of the minutes of the meeting held on April 20, 2015.

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

RESOLVED, to approve 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 second quarter financial statements, as well as other financial and internal audit reports. Mr. Gould stated that the Members approved a transfer of \$8 million from HDC to REMIC to increase REMIC's capital base and accommodate its robust pipeline for the next couple of years. He said that this would increase REMIC's capacity to insure by an additional \$40 million. He added that the Members also approved the Annual Audit Committee Report for 2014.

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. He said that some people have said that "if you can't be best, be first". He said that at HDC our philosophy was that you could be both and 2015 has featured many such milestones for the Corporation. He said that as he's noted in his previous reports, HDC has already been recognized for the third straight year as the nation's top municipal bond issuer in the affordable housing market, and Standard and Poor's had increased the Corporation's ratings to reflect a level of quality in HDC's work that matches its quantity. He said that he's also noted how they have had a year of firsts -- pioneering new financing innovations such as our risk sharing pilot with the Federal Financing Bank -- which are enabling us to strategically and creatively meet the goals of Mayor Bill de Blasio's housing plan.

Mr. Rodney stated that he was proud to request the Members' approval today of what would be yet another first for the Corporation. He said that today the Members were being asked to approve the first HDC projects to be financed with our new Sustainable Neighborhood Bonds. He said that while social bonds have been successfully leveraged in many other industries, these HDC bonds will be the first of their kind in the affordable housing market. He said that if approved, we are expecting to price approximately \$680 million of these bonds on or about June 15th.

Mr. Rodney stated that all of HDC's previous and other projects of course create community benefits as well, but specifically introducing the Sustainable Neighborhood Bond to the market would attract investors who may not typically be interested in housing bonds but who are otherwise seeking socially beneficial investments. He said that expanding the breadth of HDC's investor pool could only strengthen pricing and better position HDC as we continue to leverage our bond financing to maximize our production and preservation efforts.

Mr. Rodney stated that this coincides with other steps the Corporation is taking with the Administration and our colleagues at HPD, including the recent revision of all our program terms and the launch of its Green Housing Preservation Program. He said that all these steps respond directly to the Mayor's call for affordable housing that is not created in a vacuum but rather as part of an overall vision for holistic community development and empowerment. He said that each of the first projects that would be financed with Sustainable Neighborhood Bonds will accomplish that goal, bringing to our neighborhoods developments that in addition to affordable housing will also incorporate environmental benefits, commercial amenities or social services - and in some cases all of the above. He said that the Members will hear about many of them during the presentations to follow during today's meeting.

Mr. Rodney stated that HDC has continued to build on its financial strength, with net income of \$65 million through the first 6 months of the fiscal year. He said that in his audit committee presentation Mr. Gould had already noted the transfer of \$8 million to REMIC in order to increase its insurance capacity and support an ever-growing pipeline. He said that Ellen K Duffy, Senior Vice President for Debt Issuance and Finance for the Corporation, would present for the Members' approval a new co-managing underwriter for the Corporation's bond issuances, which will add to our balanced and diverse roster of partners in that important work. He said that all of these actions collectively contribute to the ability of HDC to operate with maximum efficiency and productivity.

Mr. Rodney stated that during today's presentations by Anthony R. Richardson, Senior Vice President for Development, Catherine Townsend, Vice President for Development and Jonah Lee, Vice President and Director of Preservation Department, Development, the Members will be asked to authorize actions which would collectively close on the creation or preservation of 26 affordable housing developments and more than 7,000 units this month alone.

Mr. Rodney stated that lastly, Mr. Richardson would present a declaration of intent for the Corporation's latest proposed development -- which shows that even in the midst of HDC's busiest June closing season ever, we are always keeping one eye on the future and staying one

step ahead, because that's what it takes to be first and to be best. He thanked the leadership of the HDC Board and the work of the HDC staff for constantly keeping us on track to be both.

Mr. Rodney stated that in closing, he would like to thank someone in particular who keeps that HDC engine going as both a team player and a true team leader. He said that he first worked with Melissa Barkan during his previous tenure at HDC, when she was the attorney assigned to many of his deals. He said that this time around, she's helping to shape and direct the overall business of the Corporation as one of his most trusted advisors, and still closing deals. He said that in all of the many roles she fills and will continue to fill, we are very fortunate to have Melissa on Team HDC. He stated that this concludes his remarks, and if there were no questions the Members could continue with the remaining agenda.

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 Additional Co-Managing Underwriter for the Corporation's Bond Issuances. She 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 June 2, 2015, and the attachment thereto, which is appended to these minutes and made a part hereof.

Ms. Duffy stated 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 at the time recommended a balanced group of underwriters ranging from small regional firms to the nation's largest investment banks. She said that George K. Baum & Company ("George K. Baum" or "GKB") did not submit a response to the original RFP.

Ms. Duffy stated that on May 20, 2015, George K. Baum submitted a RFP response to the Corporation. She said that GKB was recognized as a national leader in housing finance and its bankers have worked with various state and local housing issuers. She said that GKB's housing staff includes industry experts with diverse backgrounds in a wide variety of relevant fields.

Ms. Duffy stated that George K. Baum was a full-service investment banking firm with offices in New York as well as locations spanning the country. She said that GKB was a privately held firm with the technical depth and expertise necessary in the housing and mortgage securitization markets. She said that in addition, GKB offers a well-balanced distribution system catering to both institutional and retail investors.

Ms. Duffy stated that the Members were requested to approve George K. Baum & Company as a Co-Manager for the Corporation's bond issuances.

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

RESOLVED, to approve George K. Baum & Company as a Co-Manager for the Corporation's bond issuances.

The Chairperson stated that the next item on the agenda would be the Approval of the Authorizing Resolutions relating to the Multi-Family Housing Revenue Bonds, 2015 Series D, E, F and 2018 Series A and Multi-Family Mortgage Revenue Debt Obligations (La Casa del Mundo) 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, 2015 Series D, E, F and 2018 Series A, and Multi-Family Mortgage Revenue Debt Obligation (La Casa del Mundo)" dated June 2, 2015 (the "Open Resolution Memorandum" and the attachments thereto including (i) the Resolution Authorizing Adoption of the Two Hundred Ninth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series D-1, the Two Hundred Tenth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series D-2, the Two Hundred Eleventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series D-3, the Two Hundred Twelfth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series D-4, the Two Hundred Thirteenth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series E, the Two Hundred Fourteenth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series F, and the Two Hundred Fifteenth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2018 Series A and Certain Other Matters in Connection Therewith, and the Resolution Approving the Funding Loan Agreement, Authorizing the Issuance of the Multi-Family Mortgage Revenue Debt Obligation (La Casa Del Mundo) and Certain Other Matters in Connection Therewith (each, an "Authorizing Resolution" and collectively, the "Authorizing Resolutions"), (ii) the Two Hundred Ninth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series D-1, the Two Hundred Tenth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series D-2, the Two Hundred Eleventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series D-3, the Two Hundred Twelfth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series D-4, the Two Hundred Thirteenth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series E, the Two Hundred Fourteenth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series F, the Two Hundred Fifteenth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2018 Series A, (each a "Bond Resolution" and collectively, the "Bond Resolutions"), (iii) the Preliminary Official Statement, (iv) the Bond Purchase Agreements, (v) the Remarketing Agreement, (vi) the Funding Loan Agreement, and the Forward Purchase Agreement, all appended to these minutes and made a part hereof.

Mr. Richardson stated that he was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2015 Series D-1, D-2, D-3, D-4, E, and F in an amount not expected to exceed \$842,175,000 to finance the construction, acquisition, rehabilitation and/or permanent financing of the twenty-three (23) projects and other activities as described in the Open Resolution Memorandum.

In addition, Mr. Richardson stated that he was pleased to recommend that the Members authorize the Corporation to enter into one funding loan agreement with Citibank to receive funds which would, in turn, be loaned by the Corporation to one borrower – commonly referred to as the “back-to-back” structure – as a stand-alone financing in an amount not expected to exceed \$21,320,000. He said that the funding loan would be evidenced by Funding Loan Obligation, which after completion and permanent conversion of the project would be refunded into the Open Resolution, all as described in greater detail in the Open Resolution Memorandum.

Mr. Richardson stated that interest on the 2015 Series D Bonds, Series F Bonds, the Funding Loan Obligation, and the 2018 Bonds was expected to be exempt from Federal, state and local income tax and would qualify as tax-exempt private activity bonds with a combination of an allocation of new private activity bond volume cap, and 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 interest on the 2015 Series E Bonds was not expected to be exempt from Federal income tax, but was expected to be exempt from state and local income tax.

Mr. Richardson stated that the Members were further requested to authorize the Corporation to originate a taxable loan to finance the new construction of the 145 West Street development to be funded by JPMorgan Chase and Wells Fargo N.A. pursuant to a participation agreement with the Corporation. He said that the initial loan would be made in an amount not to exceed \$280,000,000, and it was anticipated that the Corporation would purchase back a portion of the participation interest later this year with the proceeds from the issuance of the Corporation's tax-exempt bonds in an expected amount of \$32,000,000 to finance the low-income portion of the project. He said that the bond financing of this project would require further authorization by the Members at a later date. He said that more specific project information could be found in Attachment 1 of the Open Resolution Memorandum.

Mr. Richardson stated that approval of these Resolutions would authorize the 209th through 215th Supplemental Resolutions under the Corporation's Open Resolution and the Funding Loan Agreement.

Mr. Richardson stated that it was anticipated that a portion of the 2015 Series D Bond proceeds, in an amount not expected to exceed \$674,275,000, would be used to finance mortgage loans for as many as twenty-two (22) developments - 11 ELLA projects, 5 Preservation projects, 3 Mix and Match projects, 2 Bifurcated Mixed-Income projects, and one Mitchell Lama Restructuring project consisting of more than 3,600 units of rental housing, located in all five boroughs.

Mr. Richardson stated that eleven (11) ELLA developments and three (3) Mix and Match developments would receive subordinate financing from the Corporation's unrestricted reserves in an amount not to exceed \$145,880,000. He said that the subordinate loans would bear an interest rate equal to the Applicable Federal Rate published by the Internal Revenue Service for June 2015 ("AFR") with set lower monthly payments, would be advanced during construction and remain in the projects as permanent loans. He said that the two Preservation developments would receive restructured subordinate mortgage loans pursuant to a Purchase and Sale Agreement with the City of New York.

Mr. Richardson stated that a portion of the 2015 Series D Bonds in an amount not to exceed \$80,515,000 was also expected to be used to refund portions of the Corporation's Multi-Family Housing Revenue Bonds, 2005 Series E Bonds, 2005 Series F-1 Bonds, 2005 Series G Bonds, 2005 Series J-1 Bonds, and 2006 Series D-1 Bonds. He said that the refunding would create interest rate savings for the Corporation.

Mr. Richardson stated that the Series D-3 Bonds were expected to be used to provide the financing for the low-income portion of one (1) new construction mixed-income development in Manhattan with a total of 194 residential units using a Bifurcated/Mixed Income structure. He said that the low income portion of the development would consist of 53 units that would be reserved for households earning no more than 60% of the Area Median Income ("AMI"), which is currently \$51,780 for a family of four. He said that the remaining 141 units, including 45 units reserved for middle income households and 96 market-rate units, and the commercial units would be financed with a loan in an amount not to exceed \$151,578,000, originated by the Corporation and funded by Citibank, N.A. pursuant to a participation agreement with the Corporation.

Mr. Richardson stated that the Series D-4 Bonds were expected to be used to provide the financing for the low-income portion of one (1) new construction mixed-income development in Manhattan with a total of 211 residential units using a Bifurcated/Mixed Income structure. He said that the low income portion of the development would consist of 59 units that would be reserved for households earning no more than 60% of AMI. He said that the remaining 152 units, including 45 units reserved for middle income households and 107 market-rate units, and the commercial units would be financed with a loan in an amount not to exceed \$100,296,000, originated by the Corporation and funded by Wells Fargo, N.A. pursuant to a participation agreement with the Corporation.

Mr. Richardson stated that the 2015 Series D-1 and 2015 Series D-2 Bonds were expected to be issued as fixed rate tax-exempt bonds. He said that the 2015 Series D-3 and 2015 Series D-4 Bonds were expected to be issued as variable rate tax-exempt bonds. He said the portion of the 2015 Series D-1 Bonds associated with the MLRP, along with the entirety of the 2015 Series D-2 Bonds would be designated Mitchell Lama Restructuring Bonds. He noted that further detail on these anticipated developments could be found in attachments 2 through 23 of the Open Resolution Memorandum.

Mr. Richardson stated that it was anticipated that a portion of the proceeds of the 2015 Series E Bonds, in an amount not to exceed \$42,385,000, would be used to finance mortgage loans for two Mitchell Lama developments. He said that the two Mitchell Lama developments being financed pursuant to the Corporation's Mitchell Lama Restructuring Program would receive additional subordinate financing funded with the Corporation's unrestricted reserves in an amount not to exceed \$8,280,000 and restructured subordinate mortgage loans pursuant to a Purchase and Sale Agreement with the City of New York. He said that the subordinate loans would bear an interest rate equal to AFR with set lower monthly payments, would be advanced during construction and remain in the projects as permanent loans.

Mr. Richardson stated that in addition and as noted in the Open Resolution Memorandum, one of the Mitchell Lama developments (known as Lindsay Park) would receive subordinate financing from the Corporation's unrestricted reserves in an amount not to exceed \$15,425,000. He said that the subordinate loan would bear an interest rate equal to that of the senior mortgage (6.45%), would be advanced during construction and would remain in the project as a permanent loan. He said that the 2015 Series E Bonds were expected to be issued as fixed-rate taxable bonds. He said that further detail on the Mitchell Lama project to be financed by the Series E bonds could be found in Attachment 25 of the Open Resolution Memorandum and that more information on the loans requested to be acquired through the issuance of the 2015 Series E Bonds could be found in Attachments 24 and 25.

Mr. Richardson stated that it was anticipated that the 2015 Series F Bonds would be issued as a convertible option bond ("COB") in the event the Corporation has tax-exempt "recycled" volume cap in excess of the amounts needed by both the Corporation and the New York State Housing Finance Agency ("HFA"). He said that the 2015 Series F Bonds were expected to be issued as term rate tax-exempt bonds.

Mr. Richardson stated that if issued, the proceeds of the 2015 Series F Bonds, in an amount not to exceed \$45,000,000, were expected to provide first position construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments, all of which are listed in Attachments 1 through 26, and which would reserve a minimum of 20% of the units for households earning no more than 50% of the AMI or 25% of the units for households earning no more than 60% of the AMI. He said that the mortgage loans for these projects were expected to close in the second half of 2015. He said that most of the projects listed would not be funded from the 2015 Series F Bond proceeds but all would be eligible for such financing.

Mr. Richardson stated that it was anticipated that the proceeds of one back-to-back Funding Loan Obligation in an amount not expected to exceed \$21,320,000 would be used to finance the construction of an ELLA development to be named La Casa del Mundo and located in the Bronx, as described in Attachment 27 of the Open Resolution Memorandum.

Mr. Richardson stated that La Casa Del Mundo would receive subordinate financing from the Corporation's unrestricted reserves in an amount not to exceed \$7,295,000. He said that the subordinate loan would have an interest rate equal to AFR, with set lower monthly payments, would be advanced during construction and would remain in the project as a permanent loan.

Mr. Richardson stated that it was anticipated that the 2018 Bonds, in an amount not to exceed \$6,530,000, would be sold to Citibank, pursuant to a forward bond purchase agreement, and the proceeds from such bonds (which may be issued in one or more sub-series) would be used to refund a portion of the Funding Loan Obligation for the permanent phase financing of the development. He said that the Funding Loan Obligation and the 2018 Bonds were expected to be issued at a fixed rate. He said that for more information on the individual project, please see Attachment 27 of the Open Resolution Memorandum.

Mr. Richardson stated that more detail on the developments, as well as the Bond underwriters, Risks, Fees and Credit Ratings associated with the 2015 Bonds, are outlined in the Open Resolution Memorandum.

Richard M. Froehlich, Chief Operating Officer, Executive Vice President and General Counsel for the Corporation, then described the actions the Members were being requested to approve.

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

RESOLVED, to (A) 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) 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 the Corporation's general obligation as a "Cash Equivalent" (under the Open Resolution) to satisfy the Debt Service Reserve Account requirement with respect to the Bonds, (vi) the refunding of certain bonds of the Corporation, (vii) the execution of amendments to the existing Participation Agreement with the City of New York relating to designating certain Bonds financing mortgage loans as Mitchell-Lama Restructuring Bonds, (viii) the execution of one or more Purchase and Sale Agreements with the City of New York relating to restructuring existing mortgage loans; (ix) the execution of standby bond purchase agreements with respect to the Bonds; and (x) the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to issue the Bonds and to make the mortgage loans relating to the Bonds; (B) approve the Authorizing Resolution which provides for (i) the execution of the Funding Loan Agreement and (ii) the execution of mortgage-related documents and any other documents necessary to accomplish the issuance of the Funding Loan Obligation and the financing of the related loan; (C) approve the making of subordinate loans for eleven (11) of the ELLA developments and three (3) of the Mix & Match developments from the Corporation's unrestricted reserves in an amount not to exceed \$145,880,000, and the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the subordinate financing; (D) approve the origination of a loan in an amount not to exceed \$151,578,000 to finance the Essex Crossing Site 2 development and a participation agreement with Citibank pursuant to which Citibank will acquire a 100% interest in such loan; (E) approve the origination of a loan in an amount not to exceed \$100,296,000 to

finance the Essex Crossing Site 5 development and a participation agreement with Wells Fargo pursuant to which Wells Fargo will acquire a 100% interest in such loan; (F) approve the making of subordinate loans for two (2) Mitchell Lama developments from the Corporation's unrestricted reserves in an amount not expected to exceed \$8,280,000 and to enter into two Purchase and Sale Agreements with the City of New York relating to the existing subordinate debt on two Mitchell Lama developments in accordance with the Mitchell Lama Restructuring Program; (G) approve the making of a subordinate loan for Lindsay Park from the Corporation's unrestricted reserves in an amount not expected to exceed \$15,425,000; (H) approve entering into two Purchase and Sale Agreements with the City of New York relating to the existing subordinate debt on two (2) Preservation developments; and (I) approve the origination of a loan in an amount not to exceed \$280,000,000 to finance the 145 West Street development and a participation agreement with J.P. Morgan Chase and Wells Fargo N.A. pursuant to which J.P. Morgan Chase and Wells Fargo N.A. will acquire a 100% interest in such loan.

The Chairperson stated that the next item on the agenda would be the Approval of an Authorizing Resolution relating to the Multi-Family Mortgage Revenue Debt Obligations (38 Sixth Avenue) and Multi-Family Mortgage Revenue Bonds (38 Sixth Avenue), 2018 Series A, and called upon Ms. Townsend to advise the Members regarding this item.

Ms. Townsend referred the Members to the memorandum before them entitled "Multi-Family Mortgage Revenue Debt Obligations (38 Sixth Avenue) and Multi-Family Mortgage Revenue Bonds (38 Sixth Avenue), 2018 Series A" dated June 2, 2015 (the "38 Sixth Avenue Memorandum") and the attachments thereto including (i) the Resolution Approving the Funding Loan Agreement, Authorizing the Issuance of the Multi-Family Mortgage Revenue Debt Obligations (38 Sixth Avenue) and Authorizing the Adoption of the Multi-Family Mortgage Revenue Bonds (38 Sixth Avenue) Bond Resolution and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Multi-Family Mortgage Revenue Bonds (38 Sixth Avenue) Bond Resolution (the "Bond Resolution"); (iii) Funding Loan Agreement; and (iv) the Forward Bond Purchase Agreement, all of which are appended to these minutes and made a part hereof.

Ms. Townsend stated that she was pleased to recommend that the Members authorize the Corporation to enter into a Funding Loan Agreement with Citibank, N.A. ("Citibank") and to issue one or more of the Corporation's Multi-Family Mortgage Revenue Debt Obligations, the proceeds of which will be used by the Corporation to finance a mortgage loan for the construction of a 303-unit multi-family rental housing development to be located at 38 Sixth Avenue in the Prospect Heights section of Brooklyn in an amount not expected to exceed \$87,000,000.

Ms. Townsend stated that the Members were also asked to authorize the Corporation to issue Multi-Family Mortgage Revenue Bonds to refund a portion of the Funding Loan Obligations for the permanent phase financing of the Project and to enter into a forward bond purchase agreement with Citibank regarding the sale of the Bonds which are expected to be issued in 2018.

Ms. Townsend stated that interest on the Debt Obligations and Bonds was anticipated to be exempt from federal, state and local income tax. She said that the Obligations would qualify as tax-exempt private activity volume cap bonds with a combination of new private activity bond volume cap and "recycled" bond volume cap in accordance with the Housing and Economic Recovery Act of 2008. She said that the private activity volume cap and recycled volume cap are expected to be allocated in three or more tranches pursuant to a supplement to the Funding Loan Agreement for each such tranche. She said that the Bonds would also qualify as tax-exempt private activity volume cap bonds as a result of the refunding of the Obligations.

Ms. Townsend stated that in order to reduce the amount of private activity volume cap required for the Project, there will be two separate Borrowers – one for the Moderate/Middle Income portion of the Project and one for the Low Income portion of the Project. She said however, both entities would be obligated under the Mortgage Loan and would be controlled by Greenland Forest City Partners, whose two managing members are Forest City Enterprises, Inc. having a 30% interest and Greenland Holding Group Overseas Investment Company Limited having a 70% interest.

Ms. Townsend said that the Corporation had closed two previous transactions with Forest City and they were in good-standing with the Corporation. She said that this would be their fourth project in addition to 8 Spruce, 461 Dean Street and 535 Carlton Avenue.

Ms. Townsend stated that in December of 2012, the Members approved the financing of 461 Dean Street. She said that the project had since incurred significant construction delays which had led to a multi-million dollar litigation between Forest City and SKANSKA, the contractor. She said that the dispute was in large part due to factors attributed to the modular design that required greater precision than standard construction practices. She said that Forest City had successfully removed SKANSKA as construction manager through the exercise of its buy-out right under its operating agreement, and although the above described litigation will continue, it will not prevent the project from being completed. She said that to date, Forest City has control of the modular factory and the construction site and construction resumed in January of 2015. She said that The Bank of New York Mellon, who is the credit enhancer for the Corporation's Multi-Family Mortgage Revenue Bonds 2012 Series A, has entered into a forbearance agreement with Forest City and there has been no interruption in payment of debt service on the bonds. She said that a second tranche of bonds for 461 Dean Street, which was authorized by the Members in December 2012, is not expected to be issued until later this year.

Ms. Townsend stated that it should be noted that like 535 Carlton Avenue, 38 Sixth Avenue would be developed using conventional construction practices. She said that therefore, it was not expected to encounter the same issues or delays that have occurred with the modular construction at 461 Dean Street.

Ms. Townsend stated that the Debt Obligation would be used for the purpose of paying a portion of the costs of constructing and equipping a 23-story residential building that would contain 303 rental units financed under the Corporation's Mixed Middle Income Program. She said that all of the units in the Project would be affordable. She said that ninety of the units would be reserved for tenants earning no more than 60% of Area Median Income. She said that

fifty-nine of the units would be reserved for moderate-income households earning between 80% and 145% of AMI. She said that the remaining 152 units would be reserved for middle-income households earning up to 165% of AMI. She said that the Project was also expected to contain a fitness center, bike storage, children's play area and roof terraces, and approximately 27,600 square feet of commercial space.

Ms. Townsend stated that the Corporation also anticipates making an additional subordinate loan from unrestricted reserves of \$9,915,000. She said that the Subordinate Loan would not be credit enhanced and would bear interest at a rate of 1%, with scheduled amortization based on a 2% constant payment.

Ms. Townsend stated that the Project would benefit from the Borrower's contribution of approximately \$79,500,000 million in equity during construction including the site acquisition cost recognized by the Corporation. She said that it was anticipated that approximately \$19,700,000 of the Borrower's equity would be repaid from the proceeds generated by the syndication of Low-Income Housing Tax Credits.

Ms. Townsend stated that the Funding Loan Obligations are expected to bear interest at a floating rate expected to be re-set periodically with a not-to-exceed interest rate of 15%. She said that the approximate maturity date for the Mortgage Loan and the Obligations was expected to be June 30, 2059; however, the Obligations were expected to be refunded by the issuance of Bonds at conversion.

Ms. Townsend stated that the Bonds were expected to be issued as unrated, term rate bonds to be directly purchased by Citibank pursuant to a forward bond purchase agreement between the Corporation and Citibank. She said that the bonds would be subject to an absolute maximum interest rate of 15% and would be secured by a mortgage purchase agreement with Citibank that is expected to have an initial term equal to 10 years from construction closing. She noted that all risks and fees are outlined in the 38 Sixth Avenue Memorandum.

Mr. Froehlich then described the actions the Members were being requested to approve.

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

RESOLVED, to (A) approve the Authorizing Resolution that provides for (i) the execution of the Funding Loan Agreement, (ii) the execution of a multi-year issuance agreement in connection with the Obligations, (iii) the execution of Supplements to the Funding Loan Agreement regarding the multi-year allocation of volume cap and recycling authority, (iv) the adoption of the Bond Resolution, (v) the execution of the Forward Bond Purchase Agreement regarding the sale of the Bonds, (vi) the execution of the Mortgage Purchase Agreement with respect to the Bonds, and (vii) the execution of mortgage related documents and any other documents necessary to accomplish the issuance of the Obligations and the Bonds and the financing of the Mortgage Loan; and (B) approve the making of a subordinate loan to be funded by the Corporation's unrestricted reserves in an amount not to exceed \$9,915,000, and the

execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the subordinate financing.

The Chairperson stated that the next item on the agenda would be the Approval of Loans for 2629 Sedgwick Avenue, and called upon Mr. Lee to advise the Members regarding this item.

Mr. Lee referred the Members to the memorandum before them entitled "Approval of Loans for 2629 Sedgwick Avenue" dated June 2, 2015 (the "Sedgwick Avenue Memorandum"), which is appended to these minutes and made a part hereof.

Mr. Lee stated that he was pleased to present, for the Members' approval, the origination of loans to finance the preservation of 2629 Sedgwick Avenue, a 30-unit rental in the Bronx, in an aggregate amount not expected to exceed \$3,055,000.

Mr. Lee stated that the loan proceeds would be utilized by the Mortgagor, Sedgwick Avenue Dignity Developers, LLC, to refinance an existing bridge loan, recapitalize project reserves, pay for soft costs, and facilitate the long-term affordability and financial stability of the development.

Mr. Lee stated that the senior loan, in an approximate amount of \$2.9 million, would be initially funded from the Corporation's unrestricted reserves, and was expected to be insured by FHA Risk Sharing mortgage insurance. He said that it was anticipated that the Corporation's reserves would be replenished through a sale of the beneficial ownership interest in the loan to the Federal Financing Bank pursuant to the FFB/HUD Financing Program. He said that 2629 Sedgwick Avenue would be the Corporation's second transaction under the FFB/HUD Financing Program, which was approved by the Members in September 2014.

Mr. Lee stated that the subordinate loan, in an amount not to exceed \$110,000, would be funded from the Corporation's Repair Revolving Fund, and would be uninsured. He said that since 2009, when the fund was approved by the Members, the Corporation had utilized approximately \$5 million in RRF financing to preserve over 700 units of affordable, government-assisted housing. He added that the risks associated with the project were described in greater detail in the Sedgwick Avenue Memorandum.

Mr. Jiha asked what the risks are to the project with respect to the litigation mentioned in the Sedgwick Avenue Memorandum. Mr. Froehlich stated that there was a suit going on that did not deal specifically with this project, rather it relates to the partners. He said that although it was a concern for the Corporation he believed this was separately insulated so that it won't be an issue for this particular development but it is something that they are monitoring and conscious of, and noted that we have one other project with them and that the City has projects with them. Mr. Rodney stated that it was a dispute between partners, and while it's something that HDC is conscious of, HDC believes that the partnership itself operates the properties in a correct way, but since HDC was monitoring the situation, we wanted to make the Members aware of it, but he believes that the project will be okay.

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

RESOLVED, to approve (i) the making of senior and subordinate loans in an aggregate amount not to exceed \$3,055,000 from the Corporation's unrestricted reserves and the RRF to refinance 2629 Sedgwick Avenue, and ii) the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the financing.

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

Mr. Richardson reminded the Members that Declaration of Intent Resolutions were 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, 85 Commercial Street, Brooklyn, New York, Block 2472, Lot 410" dated June 2, 2015 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 85 Commercial Street development would consist of the new construction of a rental building to contain 200 residential units, ground-floor commercial space, and residential parking in the Greenpoint section of Brooklyn using approximately \$50 million in tax-exempt bonds. He said that the project was to be developed by a single purpose entity to be formed by a joint venture between the Chetrit Group and Clipper Equity.

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

RESOLVED, to approve the Declaration of Intent Resolution for 85 Commercial Street, Brooklyn, New York.

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 10:41 a.m., there being no further business, upon a motion duly made by Ms. Notice-Scott, and seconded by Mr. Jiha, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz
Assistant Secretary

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

June 8, 2015

ATTENDANCE LIST

| | |
|---------------------|------------------------------------|
| Howard I. Berkman | Hawkins Delafield & Wood LLP |
| R. Gregory Henniger | “ ” |
| Joe Tait | Raymond James |
| Michael Baumrin | RBC Capital Markets |
| Mitch Gallo | “ ” |
| Jeff Sula | “ ” |
| Samphas Chhea | Ramirez & Co. |
| Dashmir Keca | “ ” |
| Matt Tesseyman | Citi |
| Matt Bisonette | “ ” |
| Mike Koessel | “ ” |
| William Yates | “ ” |
| Jacqueline Gold | NYC DOF |
| Alan Jaffe | J.P. Morgan |
| Vidya Rajan | “ ” |
| Marilyn Ceci | “ ” |
| Eileen Heitzler | Orrick, Herrington & Sutcliffe LLP |
| Susan Jun | BOA Merrill Lynch |
| Barbara Feldman | “ ” |
| Geoff Proulx | Morgan Stanley |
| Greg Baugher | “ ” |
| James McIntyre | “ ” |
| John Germain | Jefferies LLC |
| Ken Schneider | Loop Capital |
| Joe Monitto | Barclays |
| Matt Engler | “ ” |
| Damian Busch | “ ” |
| Paul Burton | The Bond Buyer |
| Marvin Markus | Goldman, Sachs & Co. |
| Robin Ginsburg | Wells Fargo |
| Nick Fluehr | “ ” |
| Ansel Caine | Caine Mitter |
| Allan Arker | The Arker Companies |
| Dan Moritz | “ ” |
| Russell Zuckerman | Forest City Ratner Companies |
| Howard Klein | “ ” |
| Yuejuan (Jane) Weng | Greenland Forest City Partners |

Justin Mathew
Patton Johnson

“ ”
“ ”