

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

October 1, 2010

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Friday, October 1, 2010 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 4:30 p.m. by the Vice Chairperson, Felix Ciampa, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Mark Page and David M. Frankel. The Members absent were Rafael Cestero, Charles G. Moerdler and Denise Notice-Scott. A list of observers is appended to these minutes.

The Vice Chairperson called for the approval of the minutes of the meeting held on July 27, 2010.

Upon a motion duly made by Mr. Frankel, and seconded by Mr. Page, the Members unanimously:

**RESOLVED**, to adopt the minutes of such meeting.

The Vice Chairperson stated that the next item on the agenda would be the approval of Authorizing Resolutions relating to (i) the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2010 Series G, H, and I; and (ii) amendments of the Supplemental Resolutions relating to the Corporation's Multi-Family Housing Revenue Bonds, 2008 Series A-1-A and 2008 Series H-2-A. He called upon Joan Tally, Senior Vice President of Development for the Corporation, to advise the Members regarding this item.

Ms. Tally referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2010 Series G, H and I, Multi-Family Housing Revenue Bonds, 2008 Series A-1-A & 2008 Series H-2-A Remarketings" dated September 24, 2010 (the "Open Resolution Memorandum") and the attachments thereto including (A) (i) the Resolution Authorizing Adoption of the One Hundred Thirty-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2010 Series G, the One Hundred Thirty-Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2010 Series H, and the One Hundred Thirty-Ninth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2010 Series I and Certain Other Matters in Connection Therewith, (ii) the Resolution Authorizing Adoption of the Amendment to the Ninetieth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series A-1 and Certain Other Matters in Connection Therewith, and (iii) the Resolution authorizing Adoption of the Amendment to the One Hundred Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series H-2 and Certain Other Matters in Connection Therewith (each, an "Authorizing Resolution" and collectively, the "Authorizing Resolutions"); (B) (i) the One Hundred Thirty-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2010 Series G, (ii) the One Hundred Thirty-Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2010 Series H, (iii) the One Hundred Thirty-

Ninth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2010 Series I, (iv) the Amendment to the Ninetieth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series A-1, and (v) the Amendment to the One Hundred Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series H-2 (each a “Supplemental Resolution” and collectively, the “Supplemental Resolutions”); (C) the Preliminary Official Statement; (D) the Bond Purchase Agreement; and (E) the Placement Agent Agreement, all of which are appended to these minutes and made a part hereof.

Ms. Tally stated that she was pleased to recommend that the Members approve the issuance of the Corporation’s Multi-Family Housing Revenue Bonds, 2010 Series G, 2010 Series H and 2010 Series I (collectively, the “Bonds” or the “2010 Bonds”) in an amount not expected to exceed \$151,200,000.

Ms. Tally stated that the interest on the 2010 Series G Bonds and the 2010 Series I Bonds was expected to be exempt from Federal, state and local income tax. She said that the 2010 Series G Bonds were expected to consist mostly of recycled tax exempt bonds. She said that the 2010 Series I Bonds would be a new issuance of tax exempt bonds and would be subject to the Private Activity Bond Volume Cap. She said that interest on the 2010 Series H Bonds would not be exempt from Federal income tax, but would be exempt from state and local income tax.

Ms. Tally stated that the 2010 Series G Bonds and the 2010 Series I Bonds were each expected to be issued on a fixed-rate basis; Series G would have a final maturity of November 1, 2046 and Series I would have a final maturity of November 1, 2014. Ms. Tally stated that the 2010 Series H Bonds are expected to be issued as variable rate index bonds to be directly placed with the Federal Home Loan Bank of New York (the “FHLB NY”) at a maximum interest rate of 15% with a final maturity of November 1, 2043.

Ms. Tally stated that the Supplemental Resolutions relating to the 2010 Bonds constitute the 137<sup>th</sup> through the 139<sup>th</sup> Supplemental Resolutions to be approved under the Corporation’s Open Resolution.

Ms. Tally stated that the proceeds of the 2010 Series G Bonds would be used to refinance and restructure permanent mortgage loans and to refund bonds for two Mitchell Lama Developments, Tivoli Towers and Trinity House, under the Corporation’s Mitchell Lama Restructuring Program, and to refinance a subordinate mortgage loan for Linden Plaza, which is currently funded on a temporary basis during rehabilitation from proceeds of the Multi-Family Housing Revenue Bonds, 2008 Series K Bonds.

Ms. Tally stated that the proceeds of the 2010 Series H Bonds would be used to acquire loans previously funded by the Corporation but not currently pledged to the Open Resolution and to refund the Corporation’s 2000 Series B and 2008 Series D Bonds. She said that the issuance of the 2010 Series H Bonds would allow for replenishment of the Corporation’s reserves by up to \$80,000,000, which could then be re-lent as low interest subordinate loans to new developments in furtherance of the Corporation’s commitment to the Mayor’s New Housing Marketplace Plan.

Ms. Tally stated that the proceeds of the 2010 Series I Bonds would be used to provide a portion of the first position construction and permanent financing under the Corporation's Low-income Affordable Marketplace Program ("LAMP") for the acquisition, rehabilitation and preservation of 3 buildings, with a total of 119 units located in the Bronx. She said that the properties are part of the Ocelot portfolio which was being acquired and rehabilitated by Omni NY LLC with subordinate financing from HPD.

Ms. Tally stated that the Members were also being asked to approve the origination of one permanent mortgage loan, not to exceed \$11,000,000 from the Corporation's reserves, to finance the acquisition and rehabilitation of a low income rental development to be financed under the LAMP program located in the Bronx named Morris Heights Mews. She said that it was anticipated that the Corporation would refinance this loan with tax exempt bonds in December when it would be included in the planned second roll out of the Corporation's participation in the multifamily New Issue Bond Program ("NIBP").

Finally, Ms. Tally stated, the Corporation intends to remarket approximately \$30,205,000 in variable rate debt, originally issued in April and June 2008, as fixed rate term bonds as permitted under the supplemental resolutions previously approved by the Members. She said that the proceeds of the 2008 Bonds were used to finance a portion of seven loans for the new construction of seven developments. She said that one of these loans had been converted to a permanent mortgage loan and the other six loans, upon satisfaction of certain conditions, are expected to be converted to permanent mortgage loans under the General Resolution.

Ms. Tally stated that the risks and fees were outlined in Open Resolution Memorandum and that it was expected that the 2010 Bonds would be rated AA by S&P and Aa2 by Moody's.

Richard M. Froehlich, Executive Vice President and General Counsel for the Corporation, then described the provisions of the Authorizing Resolutions to the Members and the actions the Members were being requested to approve.

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

**RESOLVED**, to approve (A) the Authorizing Resolutions that provide for (i) the adoption of Supplemental Resolutions to the Open Resolution providing for the issuance of the 2010 Bonds; (ii) the distribution of a Preliminary and final Official Statement for the 2010 Bonds; (iii) the execution of bond purchase agreement(s) with the Underwriter(s) of the 2010 Bonds or a direct purchaser of any or all of the 2010 Bonds; (iv) the placement agreement, if required, with the FHLBNY and the Placement Agent for the 2010 Series H Bonds; (v) the use of the Corporation's unrestricted reserves to fund costs of issuance, capitalized interest and mortgage reserves for the 2010 Bonds, as may be required; (vi) 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 2010 Bonds; (vii) undertake whatever actions may be required to refund the MFHLOB, 2000 Series B Bonds and the 2008 Series D Bonds including execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to arrange and complete any related redemptions or tender offers to the current holders of such bonds; (viii) the execution of amendments to the existing Participation Agreement with the City relating to the MLRP and existing Purchase and Sale

Agreements with the City relating to the MLRP; (ix) the amendments to the Supplemental Resolutions relating to the 2008 Series A-1-A Bonds and 2008 Series H-2-A Bonds; and (x) the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to issue the 2010 Bonds and to make the mortgage loans relating to the 2010 Bonds; and (B) the making of a loan to the Morris Heights Mews development in an amount not to exceed \$11,000,000 to be funded by using the Corporation's unrestricted reserves and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish such financing.

The Vice Chairperson stated that the next item on the agenda would be the approval of a Declaration of Intent Resolution. He called upon Ms. Tally to advise the Members regarding this item.

Ms. Tally stated that the Declaration of Intent Resolution being considered was solely for tax code purposes, allowing any expenditures incurred by a project's developer within 60 days prior to the date of passage of the Declaration of Intent Resolution to be eligible for tax exempt bond financing. She said that in this case, the Corporation would be making a conventional loan from the Corporation's reserves for Morris Heights Mews, which the Members just approved; however, the loan would be refinanced with tax exempt bonds in the Corporation's December issuance under the New Issue Bond Program.

Ms. Tally then referred the Members to the memorandum before them entitled "Resolution of Declaration of Intent, 1695 Grand Avenue; 44 and 47 West 175th Street, Bronx, New York, Block 2866 / Lots 80, 45, 86" dated September 24, 2010 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof.

Ms. Tally stated that Morris Heights Mews involves the acquisition, rehabilitation and preservation of a 111-unit multi-family development utilizing approximately \$11 million in tax exempt bonds located at 1695 Grand Avenue and 44-47 West 175<sup>th</sup> Street in the Morris Heights neighborhood of the Bronx. She said that the project was being undertaken by a single purpose entity formed by Stephen Whyte and Francine Kellman, the principals of Vitus Development (formerly known as Pacific Housing Advisors). She said that this was the Corporation's second financing with the developers.

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

**RESOLVED**, to adopt the Declaration of Intent Resolution for 1695 Grand Avenue; 44 and 47 West 175th Street, Bronx, New York, Block 2866 / Lots 80, 45, 86.

The Vice Chairperson stated that the next item on the agenda would be the President's Report. He called upon Marc Jahr, President of the Corporation, to make this presentation.

Mr. Jahr thanked the Vice Chairperson and greeted the Members and others in attendance. He said that given that it was late on a Friday afternoon, he would spare the Members, as well as others in attendance, his usual prepared remarks. Mr. Jahr stated that he could not resist, however, mentioning the fact that the Ocelot transaction which the Members approved today was the result of an enormous amount of work on the part of HDC's

Chairperson, Rafael Cestero, and his staff at HPD, and part of a broader preservation strategy. He said that absent his efforts, these properties would have continued to languish and decay, putting at risk the buildings' tenants and the real estate and neighborhood surrounding the properties. He said that unfortunately, because of a serious family matter, the Chairperson was unable to join the meeting today. Mr. Jahr stated that he knew that if the Chairperson were here today, he would express great pleasure at this next step in the effort to rescue these buildings from near abandonment.

Mr. Jahr stated that early in December he anticipates the Corporation will schedule another meeting with a very full agenda as it attempts to close a substantial number of deals before the end of the calendar year. He said that in addition, his expectation is that the Corporation will make a substantive presentation on its Asset Management group, which is charged with overseeing approximately 145,000 units of housing, a nice sized city anywhere else in the country. He said that was for later; for now, he wished all a relaxing weekend, and stated that he looks forward to seeing them in December.

At 4:38 p.m., there being no further business, upon a motion duly made by Mr. Page, and seconded by Mr. Frankel, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz  
Assistant Secretary

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

October 1, 2010

**ATTENDANCE LIST**

Howard I. Berkman	Hawkins Delafield & Wood LLP
Jeff Philp	“ ”
Robin Ginsburg	MR Beal & Company
Marvin Markus	Goldman Sachs & Co.
Julie Burger	Ramirez & Co. Inc.
Amy Bartoletti	“ ”
Nick Fluehr	“ ”
Kent Hiteshew	JPMorgan
Annie Lee	“ ”
Ken Schneider	Loop Capital Markets
Patrice Mitchell	Morgan Stanley
Geoff Proulx	“ ”
James McIntrye	“ ”
Peter Zanolin	NYC Department of Investigation
Eileen Heitzler	Orrick, Herrington & Sutcliffe, LLP
Margaret Guarino	BOA Merrill Lynch
Michael Baumrin	RBC Capital Markets
Mitchell Gallo	“ ”
Diana Glanternik	Office of Management & Budget
Aram Weitzman	“ ”
William Yates	Citi
Marc Jahr	New York City Housing Development Corporation
Richard M. Froehlich	“ ”
Mathew M. Wambua	“ ”
Joan Tally	“ ”
Diane J. Pugacz	“ ”
Melissa Barkan	“ ”
Chanin French	“ ”
Claudine Brown	“ ”
Jesse Infeld	“ ”
Susannah Lipsyte	“ ”
Eileen M. O'Reilly	“ ”
Rashida McGhie	“ ”
Kerry Yip	“ ”
Moira Skeados	“ ”

Mary McConnell	“	”
Mary Hom	“	”
Bharat Shah	“	”
Cathleen Baumann	“	”
Teresa Gigliello	“	”
Tinru Lin	“	”
Liz Oakley	“	”
Mary John	“	”
Ruth Moreira	“	”
Cheuk Yu	“	”
Uyen Luu	“	”
Shirley Jarvis	“	”
Marcus Randolph	“	”
Jerry Mascuch	“	”