

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

December 3, 2009

The annual meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Thursday, December 3, 2009, at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 2:03 p.m. by the Chairperson, Rafael Cestero, who noted the presence of a full quorum. The Members present were Felix Ciampa, Harry E. Gould, Jr., Mark Page, David M. Frankel, Charles G. Moerdler and Denise Notice-Scott. A list of observers is appended to these minutes.

The Chairperson called for the approval of the minutes of the meeting held on September 15, 2009.

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

RESOLVED, to adopt the minutes of such meeting.

The 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 Chairperson, Members and others in attendance, and said he hoped that all had had a wonderful Thanksgiving. He stated that as the holiday season rapidly approaches, so does HDC's closing season. He said that in large part, today's agenda would be devoted to a series of resolutions that would enable the Corporation to put the final touches to a highly successful 2009, and that the Corporation would also be presenting to the Members HDC's proposed 2010 budget. He said that despite the complexity of today's agenda -- or maybe because of it -- he would attempt to keep his remarks brief, since the Chairperson, in his capacity both as Chairperson of this Board and as Commissioner of the Department of Housing Preservation and Development ("HPD"), would be making a presentation on the Mayor's New Housing Marketplace Plan ("Plan"). Mr. Jahr stated that the Chairperson and his staff at HPD had done a remarkable job reshaping the Plan to meet the demands of a dramatically changed economy, real estate market and budgetary environment, and that he was certain that all present would appreciate the Chairperson's presentation and the ambition of the Plan.

Mr. Jahr stated that there were two agenda items that he wished to quickly highlight. First, he said, under item 9, HDC would be seeking the Members' approval of an authorizing resolution which, in part, would enable the Corporation to issue what are "innocently" called the 2009 Series N and Series O Bonds. He said that Joan Tally, Senior Vice President for Development of the Corporation, would make the initial presentation of this resolution, and that Richard M. Froehlich, Executive Vice President and General Counsel of the Corporation, would amplify her presentation by providing greater color and background on the these Bond series.

Mr. Jahr stated that he didn't want steal their fire, but the Corporation's ability to issue these Bonds was the result of roughly 9 months of work with representatives from the U.S. Department of Treasury, the Department of Housing and Urban Development, the Federal Housing Finance Agency, and the two Government Sponsored Enterprises (or "GSEs")—Fannie Mae and Freddie Mac. He said that under the Temporary New Issue Bond Program ("NIBP"), Treasury allocated to housing finance agencies throughout the United States the authority to issue bonds, on favorable terms, that the GSE's would buy, securitize and sell to Treasury. He said that the Corporation was pleased that HDC received a more than half a billion dollar allocation under this program, one of the largest allocations nationally. Mr. Jahr stated that this allocation didn't occur by accident. He said that he, Mr. Froehlich and Mathew Wambua, Executive Vice President of the Corporation, devoted a substantial amount of time to this program to ensure that it met HDC's needs and the needs of other multi-family issuers. He said that they were involved in multiple conference calls with representatives from Treasury and the GSE's, and that their efforts culminated in a lengthy meeting at Fannie Mae's headquarters in Washington that he and Mr. Froehlich attended. He said that in this prolonged effort, the Corporation received great support from its senior investment bankers, as well as its bond counsel, Hawkins, Delafield & Wood LLP, and that the Corporation thanked them for that assistance. He said that the Corporation was also indebted to the many federal officials who labored to create this program; in particular, however, special credit should go to Mr. Froehlich who played a central role in assisting the federal government in shaping a program that could make a difference not only for HDC, but also for its counterparts elsewhere in the country. He said Mr. Froehlich displayed great leadership throughout this process, and deserves HDC's thanks.

Mr. Jahr stated that the second agenda item he'd like to single out for comment was HDC's proposed budget for 2010, noting that Cathleen Baumann, HDC's Treasurer, would present this budget to the Members. Mr. Jahr stated that the budget was constructed from the ground up, department by department, and then for the Corporation as a whole. He said that it reflects HDC's continued growth, and its need to manage that growth -- to allocate resources to the areas of the Corporation which would allow it to continue to prudently assume greater responsibilities. He said that the Corporation believes it is a budget that will help ensure that HDC's staffing and its infrastructure keep pace with its growth into a corporation with \$10 billion in assets, an annual budget in excess of \$23 million, a high volume of complex deals, and an asset management portfolio in excess of 125,000 apartments.

Finally, Mr. Jahr stated, the principal fuel for the Corporation's efforts was Volume Cap. He said that yesterday, the Corporation was enormously pleased to be informed by the State that it had allocated to HDC an additional \$200MM in volume cap. He said that he wanted to thank Deputy Mayor Lieber for his efforts on HDC's behalf in securing this cap, as well as Lieutenant Governor Ravitch, Nancy Reuss in the State's Division of Budget, and of course, Priscilla Almodovar, the State Housing Finance Agency's President, for their continued support for HDC's efforts. He said that the award was a nice (and necessary) way to start the closing season, and the holiday season as well.

Mr. Jahr stated that that concludes his remarks, and if there were no questions or comments, the Members could move on to the next item on the agenda, the Chairperson's presentation of the City's New Housing Marketplace Plan.

Mr. Moerdler stated that it would be nice if Mr. Jahr also thanked the distinguished Governor of the State of New York. Mr. Jahr agreed and extended those thanks, as well.

The Chairperson then stated that Mr. Jahr asked him to share with the Members some aspects of the Mayor's New Housing Marketplace Plan, as well as some of the challenges and opportunities the City sees in today's economy and how it is going to adapt its housing strategy to meet the challenges of the current economy. He said that there is a fairly extensive presentation in the Members' packages and that he would not go through each and every slide because there was quite an extensive agenda. The Chairperson then proceeded with his slide presentation, and as he did so, he stated that he would focus on two important points. The first, he said, was the extraordinary role that HDC has played in enabling the City to move forward with the New Housing Marketplace Plan in the challenged environment that we face today, and the second was to highlight some of the kinds of initiatives that the City would be taking on, together with HDC. At the conclusion of the Chairperson's slide presentation, Mr. Moerdler stated that the Chairperson of HDC's Board and the Commissioner of HPD, as well as the President of HDC, should be congratulated on a superb job – well done. Both the Chairperson and Mr. Jahr thanked Mr. Moerdler. Note that the Chairperson's slide presentation, in its entirety, has been appended to these minutes and made a part hereof.

The Chairperson then stated that the next item of business on the agenda was the Report of the Governance Committee and approval of its recommendations relating to modifications to the Corporation's By-Laws and increases to senior staff salaries. He called upon Felix Ciampa, Chairperson of the Governance Committee, to advise the Members regarding this item.

Mr. Ciampa stated that the Governance Committee had met on October 15, 2009, and that there were three recommendations from the meeting that he would be reporting on and two items that he would be bringing to the Members for approval today. Mr. Ciampa stated that the first item to report was the adoption of the Governance Committee Charter. He said that the Charter documents the role and responsibilities of the committee, including senior staff reviews, review of statutory changes and oversight of the Corporation. Mr. Ciampa stated that the second item to report was the approval of expense reimbursement for Members acting in their official capacity, provided that such approval is done on a case by case determination. Mr. Ciampa stated that the third item to report was the denial of a Member's request for reimbursement. He said that it was determined that the requested expense reimbursement was not an action performed in the context of conducting his or her Board duties.

Mr. Ciampa stated that the first item for approval was the approval of amendments to the By-Laws of the Corporation. He said that the amendments amend the duties of the Chief of Staff and the Chief Financial Officer to reflect that the positions are now vacant and the responsibilities for such positions have been reassigned. He added that attached, in the board packages before the Members, were one revised copy of the by-laws with amendments and one black-lined copy of the by-laws indicating such changes, both of which are appended to these minutes and made a part hereof.

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

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

Mr. Ciampa stated that the second item was the approval of increases to the senior staff salaries in non-compounded increases of 4% and 3% retroactive to December 1, 2008 with the exception of one Senior Vice President who receives an additional parity increase of 3% to put her salary on par with senior staff of comparable seniority. He said that these increases are generally pursuant to the schedule sent to the Committee Members, a copy of which is appended to these minutes and made a part hereof. He added that a copy of the schedule was included in the board packages.

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

RESOLVED, to approve the increases to senior staff salaries.

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

Mr. Jahr first referred the Members to the memorandum before them entitled "Appointment of Pellegrino Mariconda as Senior Vice President" dated December 3, 2009 and the resume attached thereto, which is appended to these minutes and made a part hereof. He then stated that he was pleased to recommend that the Members approve the appointment of Pellegrino Mariconda as Senior Vice President for Administration, for the Corporation. He said that Mr. Mariconda would continue as the Corporation's Chief Information Officer. He noted that Mr. Mariconda has worked for the Corporation since 2004 when he was initially hired as Deputy Chief Information Officer. He said that since that time, in recognition of his qualifications and performance, he has been successively promoted to Chief Information Officer, Vice President for Technology and Chief Administrative Officer. Mr. Jahr stated that Mr. Mariconda graduated with a B.S. from Pennsylvania State University and received his Masters in Business Administration from Montclair State University. He added that a copy of Mr. Mariconda's resume was included in the board packages.

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

RESOLVED, to approve the appointment of Pellegrino Mariconda as Senior Vice President for Administration for the Corporation effective as of December 3, 2009 at a salary of \$167,000.

The Chairperson stated that the next item on the agenda would be the approval of Authorizing Resolutions relating to the issuance of the Corporation's Multi-Family Mortgage Revenue Bonds (Via Verde Apartments), 2009 Series A and the Corporation's Cooperative Housing Mortgage Revenue Bonds (Via Verde Cooperative Apartments), 2009 Series A. He

called upon Kerry Yip, Project Manager for the Corporation, to advise the Members regarding this item.

Ms Yip referred the Members to the memorandum before them entitled “Multi-family Mortgage Revenue Bonds (Via Verde Apartments), 2009 Series A and Cooperative Housing Mortgage Revenue Bonds (Via Verde Cooperative Apartments), 2009 Series A” dated November 24, 2009 (the “Via Verde Memorandum”) and the attachments thereto including (i) the Resolution Authorizing Adoption of the Multi-Family Mortgage Revenue Bonds (Via Verde Apartments) Bond Resolution and Certain Other Matters in Connection Therewith and the Resolution Authorizing Adoption of the Cooperative Housing Mortgage Revenue Bonds (Via Verde Cooperative Apartments) Bond Resolution and Certain Other Matters in Connection Therewith (each, an “Authorizing Resolution” and together, the “Authorizing Resolutions”); (ii) the Multi-Family Mortgage Revenue Bonds (Via Verde Apartments) Bond Resolution and the Cooperative Housing Mortgage Revenue Bonds (Via Verde Cooperative Apartments) Bond Resolution (each, a “Bond Resolution” and together, the “Bond Resolutions”); (iii) the Bond Purchase Agreement; and (iv) the Official Statement, all of which are appended to these minutes and made a part hereof.

Ms. Yip stated that she was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Mortgage Revenue Bonds (Via Verde Apartments), 2009 Series A in an amount not to exceed \$35,000,000 and Cooperative Housing Mortgage Revenue Bonds (Via Verde Cooperative Apartments), 2009 Series A in an amount not to exceed \$8,000,000 (collectively, the “Bonds”). She said that interest on the Bonds would not be exempt from Federal income tax, but would be exempt from state and local income tax. She said that the proceeds of the respective issuances of Bonds would be utilized by Via Verde Rental Associates, L.P. and Via Verde Homes, LLC (each, a “Mortgagor” and together, the “Mortgagors”). She said that both the general partner and the managing member for the respective Mortgagors were controlled by entities owned by Phipps Houses Development Group and the Affordable Housing Development Corporation, LLC, an entity controlled by Jonathan F.P. Rose. Ms. Yip stated that the Projects would be developed by the joint venture sponsors, Phipps Houses and Jonathan Rose Companies, and noted the presence at the meeting of Michael Wadman, Paul Freitag and Ari Goldstein who represented the Mortgagors. Ms. Yip stated that both Phipps Houses and Jonathan Rose Companies were repeat borrowers, and that Phipps had six HDC-financed projects and that Jonathan Rose Companies had two.

Ms. Yip stated that the Bonds would be used for the purpose of paying a portion of the costs of constructing and equipping a multi-family housing development that consists of a rental portion with 151 units (“Via Verde Apartments”) and a cooperative ownership portion with 71 units (“Via Verde Cooperative Apartments”) to be located in the Melrose section of the Bronx (together, the “Projects”). She said that Via Verde Apartments was to be developed under the Corporation’s New Housing Opportunities Program (“New HOP”) and the Via Verde Cooperative Apartments was to be developed under the Affordable Cooperative Housing Program. She said that for Via Verde Apartments, all of the one hundred fifty-one units (including the superintendent’s unit) were to be rented to households earning not more than 60% of the New York City Area Median Income (“AMI”) pursuant to requirements of the Federal Low Income Housing Tax Credit program. She said that for Via Verde Cooperative Apartments, all of

the seventy-one units would be affordable to households earning between 70% of AMI and 100% of AMI, or \$53,760 and \$76,800 for a family of four. She said it was anticipated that there would be approximately 9,000 gross square feet of commercial and community facility space on-site.

Ms. Yip stated that the proceeds of the Bonds would fund construction loans for both Projects. She said that upon construction completion and stabilization, the Bonds related to the Via Verde Apartments would be fully redeemed from the sale of 9% federal and state low-income housing tax credits, as well as from permanent financing from the Corporation. She said that the Bonds related to the Via Verde Cooperative Apartments would be fully redeemed with proceeds from the sale of shares in the cooperative corporation relating to the cooperative units, as well as from permanent financing from the Corporation.

Ms. Yip stated that in addition to providing the bond financing during constructions for both Projects, the Corporation also anticipates using approximately \$12,835,000 and \$4,615,000 of unrestricted reserves to fund subordinate construction and permanent loans. She said that the second mortgage, which would bear an interest of 1%, is being made in accordance with the New HOP guidelines at \$85,000 per affordable unit for the rental portion and \$65,000 per cooperative ownership unit. She said that the Corporation would commit to provide permanent first mortgage loans in the anticipated amounts of \$4,370,000 for the rental portion and \$1,210,000 for the cooperative ownership portion. She said that it was expected that the Corporation would initially fund the permanent loans from its unrestricted reserves and then would subsequently securitize the permanent first mortgages in a pooled financing at a later date. She said that additional financing would be provided through HPD's HOME and City Capital funds, New York State Affordable Housing Corporation, Borough President and City Council Reso A funds, the Federal Home Loan Bank, New York State Energy Research and Development Authority, and developer equity. She noted that the Projects and their principals were described further in the Via Verde Memorandum.

Ms. Yip stated that the Bonds would be secured by direct-pay credit facilities to be provided by JPMorgan Chase Bank, which was currently rated AA- by Standard & Poor's Ratings Services ("S&P"); as a result, the Corporation believes that the financing is structured to effectively insulate the Corporation from credit, market and real estate risks. Ms. Yip stated that the Bonds would initially be issued as seven-day variable-rate obligations, and that the interest rate on the Bonds would be reset weekly by JP Morgan Securities Inc. She said that the Bonds would be subject to an absolute maximum interest rate of 15%, in accordance with the provisions of the Bond Resolutions. Ms. Yip stated that all risks and fees were outlined in the Via Verde Memorandum and that it was expected that the Bonds would be rated A-1+ by S&P.

Mr. Froehlich 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. Gould, and seconded by Mr. Moerdler, the Members unanimously:

RESOLVED, to approve (A) the Authorizing Resolutions which provide for (i) the adoption of the Bond Resolutions, (ii) the execution of the Bond Purchase Agreement(s) regarding the sale of the Bonds, (iii) the distribution of the Official Statement in connection with the financing, and (iv) the execution of mortgage loan related documents and any other documents necessary to accomplish the issuance of the Bonds and the financing of each of the loans; (B) the making of a permanent loan in an amount not to exceed \$5,000,000 for the Via Verde Apartments 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 the financing; (C) the making of a permanent loan in an amount not to exceed \$6,500,000 for the Via Verde Cooperative Apartments, of which a portion shall be currently funded at construction as part of the subordinate loan, 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 the financing; and (D) the making of the subordinate loans to be funded by using the Corporation's unrestricted reserves, in an amount not expected to exceed \$12,835,000 for the Via Verde Apartments and \$4,615,000 for the Via Verde Cooperative Apartments, and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the subordinate financing.

At 2:32 p.m., Mr. Frankel left the meeting.

The Chairperson stated that the next item on the agenda would be the approval of an Authorizing Resolution relating to the issuance of the Corporation's Multi-Family Rental Housing Revenue Bonds (Lexington Courts), 2009 Series A. He called upon Jerry Mascuch, Assistant Vice President for Development for the Corporation, to advise the Members regarding this item.

Mr. Mascuch referred the Members to the memorandum before them entitled "Multi-Family Rental Housing Revenue Bonds (Lexington Courts), 2009 Series A Bonds" dated November 24, 2009 (the "Lexington Courts Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the Multi-Family Rental Housing Revenue Bonds (Lexington Courts) Bond Resolution and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Multi-Family Rental Housing Revenue Bonds (Lexington Courts) Bond Resolution (the "Bond Resolution"); (iii) the Bond Purchase Agreement; and (iv) the Official Statement, all of which are appended to these minutes and made a part hereof.

Mr. Mascuch stated that he was pleased to present for the Members' approval the issuance of the Corporation's Multi-Family Rental Housing Revenue Bonds (Lexington Courts), 2009 Series A (the "Bonds") in an amount not to exceed \$30 million. He said that interest on the Bonds would be exempt from Federal, state, and local income tax and the Bonds are subject to the private activity bond volume cap.

Mr. Mascuch stated that the proceeds of the Bonds would be used by East Harlem Lexington Partners L.P. (the "Borrower") to fund a portion of the acquisition and rehabilitation of a 229-unit property located in the East Harlem neighborhood of Manhattan (the "Project").

He said that the new owner would agree to an extended period of affordability for the Project's low-income residents and all of the units would be reserved for households earning less than 60% of the New York City area median income, which is currently \$46,080 for a family of four.

Mr. Mascuch stated that the Borrower is a single purpose New York limited partnership whose General Partner is EHL Management, LLC. He said that the members of the General Partner were the principals of Allied Pacific Development LLC, which is an affiliate of Pacific Housing Advisors. He said that Pacific Housing Advisors had developed over 44 affordable housing projects in nine states. He then noted the presence at the meeting of Francine Kellman and Brian Raddock representing the Borrower. Mr. Mascuch stated that the Project's low income housing tax credit investor would be an affiliate of PNC Multifamily Capital, and that the Project would also benefit from a subordinate loan from HPD.

Mr. Mascuch stated that the Bonds would be secured by a 30-year direct pay credit facility to be issued by Freddie Mac and delivered to Deutsche Bank Trust Company Americas as the trustee for the bondholders (the "Trustee") concurrently with the issuance of the Bonds. He said that the Trustee would draw on the Credit Facility to make all payments of principal and interest due on the Bonds. Mr. Mascuch stated that the Bonds would initially be issued as seven-day variable-rate obligations pursuant to the terms of the Bond Resolution. He said that the interest rate on the Bonds would be reset weekly by Bank of America Merrill Lynch in its capacity as Remarketing Agent, and that the Bonds would be subject to an absolute maximum interest rate of 15%.

Mr. Mascuch stated that the Borrower would enter into a floating to fixed-rate Swap Agreement at loan closing which would fix the permanent rate for 15 years. He said that the use of a swap as a hedging instrument mitigates the potential risk of future increases in the variable interest rate. He said that following the expiration of the swap agreement, Freddie Mac may either require the Borrower to renew the swap for an additional 15-year period or purchase an interest rate cap. He stated that it was expected that the financing would be rated AAA by Standard & Poor's Ratings Services and that all fees were outlined in the Lexington Courts Memorandum.

Mr. Moerdler then asked what the length of the extended period of affordability was. Mr. Mascuch responded that it was 30 years.

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

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

RESOLVED, to approve an Authorizing Resolution which provides for (i) the adoption of the Bond Resolution, (ii) the execution of the Bond Purchase Agreement regarding the sale of the Bonds, (iii) the distribution of the Official Statement in connection with the financing, and (iv) the execution of mortgage related documents and any other documents necessary to accomplish the issuance of the Bonds and the financing of the loan.

The Chairperson stated that the next item on the agenda for consideration by the Members would be the approval of an Authorizing Resolution relating to the issuance of the Corporation's Multi-Family Housing Revenue Bonds 2009 Series K, L, M, N and O. He called upon Joan Tally, Senior Vice President for Development of 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, 2009 Series K, L and M; Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), 2009 Series N and O" dated November 24, 2009 (the "Open Resolution Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the One Hundred Twenty-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series K, the One Hundred Twenty-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series L, the One Hundred Twenty-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series M, the One Hundred Twenty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series N (Federal New Issue Bond Program), the One Hundred Twenty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series O (Federal New Issue Bond Program) and the One Hundred Twenty-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series P (Federal New Issue Bond Program) and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the One Hundred Twenty-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series K; the One Hundred Twenty-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series L; the One Hundred Twenty-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series M; the One Hundred Twenty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series N (Federal New Issue Bond Program); the One Hundred Twenty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series O (Federal New Issue Bond Program); and the One Hundred Twenty-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series P (Federal New Issue Bond Program) (each, a "Supplemental Resolution" and collectively, the "Supplemental Resolutions"); (iii) the Bond Purchase Agreement relating to the 2009 Series K and M Bonds and the Bond Purchase Agreement relating to the 2009 Series L Bonds (together, the "Bond Purchase Agreements"); (iv) the form of Placement Agreement under the New Issue Bond Program; and (v) the Preliminary Official Statement relating to the 2009 Series K, L and M Bonds and the Preliminary Official Statement relating to the 2009 Series N and O Bonds (together, the Preliminary Official Statements"), 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, 2009 Series K ("Series K Bonds"), 2009 Series L ("Series L Bonds") and 2009 Series M ("Series M Bonds") and the Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), 2009 Series N ("Series N Bonds") and 2009 Series O ("Series O Bonds" and collectively with the Series K

Bonds, Series L Bonds, Series M Bonds and Series N Bonds, the “2009 Bonds” or “Bonds”), in a combined amount not to exceed \$850,000,000. She said that the 2009 Bonds constitute the 122nd through 127th Supplemental Resolutions approved under the Corporation’s Open Resolution originally adopted by the Members in 1993.

Ms. Tally stated that interest on the Series K, L and M Bonds was expected to be exempt from Federal, state and local income tax. She said that interest on the Series N and O Bonds would not be exempt from Federal income tax, but would be exempt from state and local income tax. She said that the Series K and Series L Bonds would be subject to the private activity bond volume cap and the Series K Bonds would additionally include an issuance of recycled private activity bond volume cap.

Ms. Tally stated that all of the 2009 Bonds were expected to be issued in the modes described; however, the Supplemental Resolutions relating to each series of 2009 Bonds would permit that a senior officer of the Corporation may determine that the 2009 Bonds be issued in one of a number of modes (including as convertible option bonds, variable rate demand obligations, fixed rate and term rate). Furthermore, Ms. Tally stated, a senior officer of the Corporation may determine to issue the 2009 Bonds in multiple issuances pursuant to the same Supplemental Resolutions and to reallocate bond amounts issued under any particular series as long as the total amount of 2009 Bonds issued does not exceed \$850,000,000.

Ms. Tally stated that the 2009 Series N and O Bonds would be issued pursuant to the Multifamily New Issue Bond Program recently announced by the United States Department of the Treasury (“Treasury”), Fannie Mae and Freddie Mac (Fannie Mae and Freddie Mac, each a United States Government-sponsored enterprise, are herein together referred to as the “GSEs”). She said that Mr. Froehlich would describe this Federal Program and the uses of the 2009 Series N and O Bonds shortly.

Ms. Tally stated that the Series K Bonds would be issued in an amount not to exceed \$150,000,000 at a fixed rate not to exceed 7% with a final maturity of May 1, 2043. She said that approximately \$115,000,000 of the Series K Bonds would be used to provide first position construction and permanent financing under the Low-income Affordable Marketplace Program (or LAMP), for the new construction or acquisition and rehabilitation of six developments with a total of approximately 800 units located in Manhattan, Brooklyn and the Bronx. She said that all of the units in the LAMP Developments are anticipated to be rented to households earning no more than 60% of the Area Median Income (“AMI”). Ms. Tally stated that approximately \$20,000,000 of the Series K Bonds would be used to provide first position construction and permanent financing under the New Housing Opportunities Program (or “New HOP”), for the new construction or acquisition and rehabilitation of two developments with a total of 230 units located in the Bronx. She said that the Series K Bond proceeds used to finance the New HOP Developments would be derived from recycled private activity bond volume cap. Ms. Tally stated that five of the LAMP and New HOP Developments would also receive subordinate financing from the Corporation (“Subordinate Loans”). She said that the Subordinate Loans would bear an interest rate of 1% and would be funded from the Corporation’s unrestricted reserves. She said that the Corporation anticipates utilizing approximately \$30,415,000 of unrestricted corporate reserves to finance these subordinate mortgages. She said that the funds

would be advanced during construction and remain in each project as a permanent loan. Finally, Ms. Tally stated, a portion of the proceeds of the Series K Bonds, in an amount not to exceed \$15,000,000, would be used to provide additional construction and permanent financing under the LAMP program for the rehabilitation of two developments with a total of 475 units located in Brooklyn that were initially financed by the Corporation in 2003 but now require additional proceeds to complete rehabilitation. She said that the 2009 Series K Bond proceeds used to finance these developments would be from a combination of new and recycled private activity bond volume cap.

Ms. Tally stated that the Series L Bonds would be issued in an amount not to exceed \$150,000,000 as variable rate obligations initially in the Term Rate mode with a final maturity of May 1, 2045. She said that the first Term Rate Term would begin on the date of issuance of the Series L Bonds and would run no later than December 30, 2010 and would bear a fixed rate not expected to exceed 3.00%. Ms. Tally stated that the proceeds of the Series L Bonds were expected to provide first position construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments, all of which would reserve a minimum of 20% of the units for low-income tenants. She said that the potential projects that may be funded from the proceeds of the Series L Bonds were listed in the Open Resolution Memorandum. She said that the mortgage loans for one or more of these projects were expected to close in 2010. She added that most of the projects listed would not be funded from the Series L Bond proceeds but all would be eligible for such financing. She stated that the specifics of the projects eventually financed from the Series L Bonds would be brought to the Members for review and approval at the time the financing is ready.

Ms. Tally stated that the Series M Bonds would be issued in an amount not to exceed \$50,000,000 at a fixed rate not to exceed 7% with a final maturity of May 1, 2046. She said that the proceeds were expected to be used to redeem a portion of the Multi-Family Housing Revenue Bonds, 2008 Series A-1-B within ninety days of the issuance of the Series M Bonds. She said that the 2008 Series A-1-B Bonds were issued to finance nine construction mortgage loans for the acquisition and rehabilitation of three existing developments and the new construction of six developments, which loans, upon satisfaction of certain conditions, are expected to be converted to permanent mortgage loans. Ms. Tally stated that the 2008 Series A-1-B Bonds were originally issued as variable rate bonds. She said that the proceeds of the Series M Bonds would be used to refund a portion of the variable rate 2008 Series A-1-B Bonds to long term fixed rate bonds with an expected final maturity of May 1, 2046.

Ms. Tally stated that Mr. Froehlich would next describe the Federal New Issue Bond Program, as well as the uses of the Series N and O Bond proceeds.

Mr. Froehlich stated that the Federal Administration, working through Treasury, the Federal Housing Finance Agency, and the GSEs have developed a program to provide support to state and local housing finance agencies (“HFAs”). He said that using authority provided to Treasury under the Housing and Economic Recovery Act of 2008 (“HERA”), this initiative would help support low mortgage rates and expand resources for low and middle income households to purchase or rent homes that are affordable over the long term. He said that initially this program focused on first time homebuyer programs offered by each state and certain

local issuers. He said that the Corporation's senior staff, working closely with the National Association of Local Housing Finance Agencies, were effective in ensuring that the program includes support for multifamily housing.

Mr. Froehlich stated that the Temporary New Issue Bond Program ("NIBP") provides financing for HFAs to issue new housing bonds to fund new mortgage loans for single family and multifamily properties at significant discount to prevailing market rates. He said that the Treasury would purchase securities of the GSEs backed by these new housing bonds, and that any bonds issued under this program must be issued by December 31, 2009. He stated that the Corporation was allocated \$513,554,223 by Treasury for the NIBP, and that the 2009 Series N and 2009 Series O Bonds or ("Program Bonds") in an amount not to exceed \$500 million would be issued under this program.

Mr. Froehlich stated that under the NIBP, Treasury would purchase securities of the GSEs, backed by bonds issued by state and local housing finance agencies such as HDC, to finance qualifying mortgage loans. He said that in order to address Treasury's structuring issues, the Corporation will issue the Program Bonds in a way to "wall off" the mortgage loans financed with the bonds that are part of the NIBP from other bonds issued under the Open Resolution. He said that the Corporation would provide a subordinate pledge of the revenues from the Open Resolution to pay the interest on the Program Bonds to the GSE's if there were defaults on the mortgages financed by HDC under the NIBP.

Mr. Froehlich stated that the Program Bonds were expected to be issued as variable rate obligations initially in the Term Rate mode with an approximate final maturity of November 1, 2044 to finance projects that would be closed in 2010 and subject to underwriting review of Freddie Mac, as the designated GSE liaison for the Corporation. He said that the Program Bonds would initially bear interest from their dated date to but excluding December 31, 2010 at a variable rate equal to the bond equivalent yield of the 28 day Treasury Bill discount rate, anticipated to reset monthly during the initial term, and noted that such terms were not fully defined at this point and may possibly change.

Mr. Froehlich stated that the Program Bonds would be converted to tax-exempt bonds and to another interest rate mode (including to a fixed rate to maturity) on three separate occasions during 2010 as mortgage loans are ready to close, provided that the Corporation executes a Release Certificate. He said that upon each of the three conversions, a portion of the Program Bonds would bear interest at a fixed rate equal to the 10-year Constant Maturity Treasury ("10-year Treasury") rate set on a date to be determined plus 75 basis points. He said that it is likely that the Corporation would work with Treasury to set a rate during this month of December. Mr. Froehlich stated that the Corporation may choose to have a portion of the Program Bonds bear interest at a short-term construction rate equal to SIFMA (reset weekly) plus 50 basis points for 48 months followed by conversion to a fixed rate equal to the 10-year Treasury rate plus 155 basis points.

Mr. Froehlich stated that the proceeds of the Series N Bonds and a portion of the Series O Bonds are expected to provide first position construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments, all of which would reserve a minimum of 20% of the units for low income households. He said that the mortgage loans for

these projects are expected to close in 2010. Mr. Froehlich stated that a portion of the proceeds of the 2009 Series O Bonds was expected to be used to eventually redeem a portion of the Multi-Family Housing Revenue Bonds, 2008 Series A and 2008 Series H Bonds which were issued as variable rate bonds to finance mortgage loans, which loans, upon satisfaction of certain conditions, are expected to be converted to permanent mortgage loans. He said that all projects financed under the NIBP would be subject to the Corporation's regular underwriting criteria and would be brought back to the Members for their approval before such loans are originated by the Corporation.

Mr. Froehlich stated that with respect to the Open Resolution transactions, six Supplemental Resolutions are submitted for the Members' approval authorizing Bonds in an aggregate principal amount not exceeding \$850,000,000. He said that the Authorizing Resolution provides that the transactions authorized may be effected in one or more financings and that two or more of the Supplemental Resolutions may be combined into one with such changes as may be appropriate, so long as the total amount issued does not exceed \$850,000,000. He said that the approach was to have enough flexibility within the authorization to structure the most efficient transactions for the publicly sold Bonds and the Bonds sold to the GSEs. He said that this flexibility was particularly important for the federal program as it continues to evolve.

Mr. Moerdler then stated that he wanted to disclose for the record that his firm acts for Goldman, Sachs & Co. from time to time, but that he does not; accordingly, he does not see a conflict.

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

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

RESOLVED, to (A) approve an Authorizing Resolution that provides for (i) the adoption of Supplemental Resolutions to the Open Resolution providing for the issuance of the 2009 Bonds; (ii) the distribution of Preliminary and final Official Statements for the 2009 Bonds; (iii) the execution of Bond Purchase Agreement(s) with the Underwriter(s) of the 2009 Series K, 2009 Series L and 2009 Series M Bonds or a direct purchaser of any or all of the 2009 Series K, 2009 Series L and 2009 Series M Bonds and the execution of a Placement Agreement among Fannie Mae, Freddie Mac and the Corporation for the 2009 Series N and 2009 Series O Bonds; (iv) the use of the Corporation's unrestricted reserves to fund capitalized interest and mortgage reserves for 2009 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 2009 Bonds; (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 2009 Bonds; (vii) the undertaking of whatever actions are required to refund the 2008 Series A-1-B Bonds and the 2008 Series H-2-B 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 tender offers to the current holders of such bonds and (viii) the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to issue the 2009 Bonds, to make the mortgage loans relating to the 2009 Bonds and to participate in the Federal New Issue Bond Program,

including the execution of one or more Release Certificates for the 2009 Series N and 2009 Series O Bonds; and (B) approve the making of Subordinate Loans for the developments to be financed with the proceeds of the 2009 Series K Bonds in an amount not expected to exceed \$35,000,000 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 each subordinate financing.

The Chairperson stated that the next item on the agenda would be the presentation and approval of the Fiscal Year 2010 Operating Budget. He called upon Cathleen Baumann, Treasurer of the Corporation, to advise the Members regarding this item.

Ms. Baumann referred the Members to the memorandum before them entitled "Proposed FY 2010 Budget" dated December 3, 2009 (the "Budget Memorandum"), which is appended to these minutes and made a part hereof. Ms. Baumann stated that she was pleased to present the Corporation's proposed Fiscal Year 2010 Operating Budget. She said that the Corporation had experienced yet another year of substantial growth, despite the financial crisis and market turbulences of the past year and a half. She said that in the last fiscal year, HDC issued \$1.43 Billion in bonds, an increase from fiscal year 2008's issuance of \$1.12 Billion, while continuing to maintain the Corporation's strong AA credit rating.

Ms. Baumann stated that the Corporation had closed fiscal year 2009 with approximately \$9.97 Billion in assets, which she said represents a 9.2% growth from the previous year. She said that as the charts in the Budget Memorandum indicate, total assets have more than doubled since fiscal year end 2003, when assets were \$4.65 Billion.

Ms. Baumann stated that the Corporation continues to pay close attention to managing its costs. She said that during this same six year period, the Corporation has kept the ratio of operating expenses to total assets at a steady rate of about a quarter of a percent. She said that this increased efficiency stems from the Corporation's long term plan to invest in its employees, physical plant, and information systems. She said that the Corporation's budget for 2010 reflects the continuation of this effort. She said that the Corporation's projected revenue stream remains strong, as does the future pipeline of housing production overall. She said that an important challenge for the Corporation is to ensure that our growth in assets, projects under supervision, and the velocity of transactions does not outstrip our capacity to manage them.

Ms. Baumann stated that the Corporation's dedicated and hardworking staff remains the foundation of our success. She said that careful attention would continue to be paid to ensure that hiring meets the strategic needs of the Corporation for today, and for the future. She said that during the last three years, the Corporation had increased the budget relating to staff expenditures across a wide variety of job functions to enhance HDC's performance, which has been reflected in its financial results. Ms Baumann stated that this year's proposal provides for an increase of just two positions or 1.3% over fiscal year-end 2009. She said that this small addition to personnel was required to keep pace with the continued growth across the Corporation.

Ms. Baumann stated that the Corporation also remains focused on ensuring that its employees have the tools they need to accomplish their work. She said that with this in mind, its Equipment and Maintenance budget includes important investments in technologies that will strengthen HDC's information system capabilities in years to come. She said that this includes the purchase of a new software geared towards meeting the needs of HFAs in terms of their debt service, investment, and cash management functions. She said that the staff believes that it will improve efficiencies, productivity, and reporting within the Finance department area. Ms. Baumann stated that without this software and the other new IT initiatives outlined in the Budget Memorandum, our proposed budget shows an increase of 5.7% from our 2009 budget. She said that if the Corporation includes these enhancements, the budget increase is a reasonable 7.4%. She added that while HDC had made every effort to cut expenses where possible, the ongoing health of the Corporation must be assured.

Ms. Baumann stated that the Corporation ended FY 2009 with an excess of revenues over expenses, on a cash basis, of \$50.7 Million, an increase of \$895,000 over the budgeted amount of \$49.8 Million. She said that this improvement was largely due to better-than-expected performance in the Open Resolution surplus, higher loan origination fees and higher loan servicing fees. She said that sustaining this strong bottom line is necessary if the Corporation is to continue to provide critically needed subsidies to the affordable housing developments it finances.

Ms. Baumann stated that the Corporation's financial outlook for FY 2010 remains cautiously optimistic. She said that even though the proposed FY 2010 development demand pipeline appears strong, with unabated interest in the Corporation's programs, the effects of the market turbulence over the past 18 months resonate. She said that while the Corporation has stood up to the challenges encountered thus far, its budget reflects a conservative expectation of future income, balanced against the needs of a strong and growing organization.

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

RESOLVED, to approve the Fiscal Year 2010 Operating Budget.

The Chairperson stated that the next item on the agenda would be the approval of the Corporation's revised Investment Guidelines. He called upon Mr. Froehlich to advise the Members regarding this item.

Mr. Froehlich referred the Members to the memorandum before them entitled "Approval of Revised Investment Guidelines" dated November 24, 2009 (the "Investment Guidelines Memorandum") and the attachments thereto, which is appended to these minutes and made a part hereof. Mr. Froehlich stated that he was pleased to recommend that the Members approve the revised Investment Guidelines which are attached to the Investment Guidelines Memorandum included in the Members' packages. He stated that the Corporation's Investment Guidelines are drafted to correspond with statutory authority granted to the Corporation pursuant to Article XII of the Private Housing Finance Law, as well as related sections of the Public Authorities Law and State Finance Law. He noted that the only changes relate to changes in the officers on the

Corporation's investment committee. He said that staff requests that the Members approve the revised Investment Guidelines as submitted.

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

RESOLVED, to approve the Corporation's revised Investment Guidelines in the form attached to the Investment Guidelines Memorandum.

The Chairperson stated that the final item on the agenda would be the approval of two Declaration of Intent Resolutions. He called upon Ms. Tally to advise the Members regarding this agenda item.

Ms. Tally stated that the two Declaration of Intent Resolutions being considered were solely for tax code purposes, allowing any expenditures incurred by a project's developer within 60 days prior of the date of the passage of the Declaration of Intent Resolution to be eligible for tax-exempt bond financing. She said that before HDC were to actually finance these projects, the specifics of each transaction would be presented to the Members for review and approval.

Ms. Tally then referred the Members to the memorandum before them entitled "Resolution of Declaration of Intent, St. Ann's F&G, 759 and 779 Eagle Avenue, Bronx, NY, Block: 2618, Lots 43 and 47" dated November 24, 2009 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof. She stated that the first project being considered for a Declaration of Intent was a proposed 161-unit LAMP development utilizing approximately \$32 million in tax exempt bonds to be located at 759 and 779 Eagle Avenue in the Bronx to be developed by a single purpose entity to be formed by the principals of Jackson Development Group.

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

RESOLVED, to adopt the Declaration of Intent Resolution for 759 and 779 Eagle Avenue, Bronx, NY, Block: 2618, Lots: 43 and 47.

Ms. Tally then referred the Members to the memorandum before them entitled "260 West 26th Street, New York, NY, Block 775, Lots: 4, 69, 77, 78, 79 and 80" dated November 24, 2009 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof. She stated that the next property being considered was a proposed 180-unit Mixed-Income project utilizing approximately \$70 million in tax-exempt bonds to be located at 260 West 26th Street in Manhattan to be developed by an entity to be formed by Fred Spindler, Gary Spindler and Roy Schoenberg.

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 260 West 26th Street, New York, NY, Block: 775, Lots: 4, 69, 77, 78, 79 and 80.

At 2:52 p.m., there being no further business, upon a motion duly made by Mr. Page, and seconded by Ms. Notice-Scott, the meeting was adjourned.

Respectfully Submitted

Diane J. Pugacz
Assistant Secretary

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

December 3, 2009

ATTENDANCE LIST

<u>NAME</u>	<u>AFFILIATION</u>
Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	“ ”
Kent Hiteshew	JP Morgan Chase
Emily Heller	“ ”
Annie Lee	“ ”
Diana Glanternik	Office of Management & Budget
Eileen Heitzler	Orrick, Herrington & Sutcliffe LLP
Marvin Markus	Goldman Sachs & Co.
Alan Jaffe	“ ”
Margaret Guarino	Bank of America/Merrill Lynch
Randy Nelson	Ernst & Young
Kim Hancy	“ ”
Robin Ginsburg	MR Beal & Company
Doron Bar-Levav	Harris Beach PLLC
Kaye Matheny	NYC Department of Housing Preservation
Brian Raddock	Pacific Housing Advisors
Francine Kellman	“ ”
Michael Wadman	Phipps Houses Development Group
Ari Goldstein	Jonathan Rose Companies
Paul Freitag	“ ”
Julie Burger	Ramirez & Co., Inc.
Nick Flueh	“ ”
Mike Koessel	Citi
Lisa Gomez	L&M Development Partners
Anne Carson Blair	“ ”
Joeseeph Piazza	NYC Department of Investigation
Inna Spector	“ ”
Marc Jahr	New York City Housing Development Corporation
Richard M. Froehlich	“ ”
Mathew M. Wambua	“ ”
Joan Tally	“ ”
Diane J. Pugacz	“ ”
Melissa Barkan	“ ”

Terry Gigliello	“	”
Cathleen Baumann	“	”
Jeffrey Stone	“	”
Susannah Lipsyte	“	”
Claudine Brown	“	”
Chanin French	“	”
Jessie Infeld	“	”
Urmias Naeris	“	”
Ellen K. Duffy	“	”
Eileen M. O’Reilly	“	”
Bharat Shah	“	”
Kristen Smith	“	”
Mary John	“	”
Shirley Jarvis	“	”
Mary Hom	“	”
Jonah Lee	“	”
Ruth Moreira	“	”
Marcus Randolph	“	”
Jerry Mascuch	“	”
Sonia Medina	“	”
Dwan Daniels	“	”
Rashida McGhie	“	”
Liz Oakley	“	”
Kerry Yip	“	”
Simon Bacchus	“	”
Pellegrino Mariconda	“	”
Mary McConnell	“	”
Joshua Weisstuch	“	”
Tinru Lin	“	”
Jackie Moynahan	“	”