

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

December 1, 2015

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Tuesday, December 1, 2015 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 4:34 p.m. by the Chairperson, Vicki Been, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Charles G. Moerdler and Dean Fuleihan. The Members absent were Denise Notice-Scott and Jacques Jiha. There is currently one vacancy. A list of observers is appended to these minutes.

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

The Chairperson stated that the next item on the agenda for the Members' consideration would be the Approval of a Loan for Stuyvesant Town-Peter Cooper Village and Transfer of Corporate Reserves to the Housing Assistance Corporation, and called upon Paula Roy Carethers, Executive Vice President for Real Estate for the Corporation, to advise the Members regarding this item.

Ms. Carethers referred the Members to the Memorandum before them entitled "Stuyvesant Town-Peter Cooper Village" dated November 24, 2015 (the "Stuyvesant Town-Peter Cooper Village Memorandum"), which is appended to these minutes and made a part hereof.

Ms. Carethers stated that she was pleased to recommend that the Members authorize the origination of a loan, transfer of funds from the Corporation to its subsidiary, the Housing Assistance Corporation ("HAC"), and the entering into of a participation agreement, all of which would support the financing and preservation of affordable housing at Stuyvesant Town-Peter Cooper Village.

Ms. Carethers stated that Stuyvesant Town-Peter Cooper Village (the "Property") is an 11,241-unit, 110-building development on the east side of Manhattan. She said that in October, the Property's current owner, CWCapital, entered into an agreement to sell the Property to a partnership of affiliates of Blackstone Property Advisors L.P. and affiliates of Caisse de dépôt et placement du Québec, a leading Canadian public pension fund (together, the "Purchaser"). She said that working in partnership with elected officials, the Tenants Association for the Property, and the Corporation, the Purchaser reached a separate agreement with The City of New York to create a new affordable housing regime at the Property. She said that the Property's existing affordability restrictions would expire in 2020 with the expiration of their J-51 tax benefits. She said that the new affordable regime would restrict 5,000 units at the Property as affordable for 20

years. She said that approximately 5,300 units would be designated initially as affordable units, with the existing tenants protected by their current leases and their rights under rent stabilization.

Ms. Carethers stated that as these initial affordable units become vacant, a regulatory agreement would obligate the Purchaser to rent the future affordable units to income-qualified tenants as follows: (1) 90% of the units must be rented to tenants with an annual household income of no more than 165% of the area median income (or "AMI"); and (2) 10% of the units must be rented to tenants with an annual household income of no more than 80% of AMI. She said that the future affordable units would be marketed pursuant to marketing guidelines approved by HDC.

Ms. Carethers stated that the regulatory agreement would further require the Purchaser to limit rent increases for in-place tenants in affordable units during a five-year "step-up" period after the expiration of the 20-year regulatory period. She said that further details on the Corporation's role in the marketing of affordable units were provided in the Stuyvesant Town-Peter Cooper Village Memorandum.

Ms. Carethers stated that to assist the City in implementing this new affordable housing regime the Corporation would originate a mortgage loan in an aggregate amount not to exceed \$3.15 billion dollars (the "Loan"), which would consist of a senior and subordinate participation. She said that the Loan would be funded pursuant to a tri-party participation agreement among Wells Fargo Bank, HDC, and HAC.

Ms. Carethers stated that the Corporation would fund a small percentage of the senior participation interest, which would be purchased and returned by Wells Fargo shortly after closing. She said that the Corporation would then assign the senior mortgage to Wells Fargo or its agent.

Ms. Carethers stated that with regard to the subordinate participation, the Corporation would originate a subordinate loan of up to \$150 million, which would be assigned to HAC. As you know, she stated, the Corporation is authorized to transfer money to HAC and the New York Private Housing Finance Law provides that HAC has all of the privileges, immunities and tax exemptions of the Corporation. She said that to reimburse the Corporation for the subordinate loan, the City (acting through its Department of Housing Preservation and Development) would provide grants in an amount equal to the Subordinate Participation to HDC to assist with the financing of other affordable projects. She added that both mortgages would be exempt from the mortgage recording tax.

Mr. Moerdler disclosed for the record that a member of his firm, but not he, was doing some zoning work in connection with the project which has no relationship to this deal, but even if it did, it was not with respect to a client of his, it was not with respect to a matter he was working on, and under the rulings of the Conflicts of Interest Board he need not recuse himself nor would he.

Upon a motion duly made by Mr. Gould, and seconded by Mr. Fuleihan, the Members of the Finance Committee unanimously:

RESOLVED, (A) to approve (i) the origination of the Loan in an aggregate principal amount not to exceed \$3.15 billion and (ii) the execution by an authorized officer of the Corporation of the Participation Agreement, mortgage-related documents and any other documents necessary to accomplish the financing and (B) to approve (i) the transfer of an amount not to exceed \$150 million of the Corporation's unrestricted reserves to HAC to provide the funds for the HAC Subordinate Participation and (ii) the execution by an authorized officer of the Corporation of any documents necessary to effect such transfer.

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 Mr. Moerdler, the Members unanimously:

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

At 4:40 p.m., there being no further business, upon a motion duly made by Mr. Moerdler, and seconded by Mr. Gould, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz
Assistant Secretary

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ATTENDANCE LIST

Howard I. Berkman	Hawkins Delafield & Wood LLP
Tara Boirard	OMB
Gary Rodney	New York City Housing Development Corporation
Richard M. Froehlich	“ ”
Paula Roy Carethers	“ ”
Ellen K. Duffy	“ ”
Anthony R. Richardson	“ ”
Diane J. Pugacz	“ ”
Susannah Lipsyte	“ ”
Mary Hom	“ ”
Madhavi Kulkarni	“ ”
Cathleen Baumann	“ ”
Horace Greene	“ ”
Will Martin	“ ”