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

December 7, 2012

The annual meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Friday, December 7, 2012 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 2:40 p.m. by the Chairperson, Mathew M. Wambua, who noted the presence of a quorum. The Members present were David M. Frankel, Mark Page and Denise Notice-Scott. The Members absent were Felix Ciampa, Harry E. Gould, Jr. and Charles G. Moerdler. A list of observers is appended to these minutes.

The Chairperson called for the approval of the minutes of the meeting held on September 27, 2012.

Upon a motion duly made by Mr. Page, and seconded by Mr. Frankel, 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 and bid a good afternoon to the Members and others in attendance. He said that there was a full agenda at what should be our last meeting of 2012. He said that we would seek the Members’ approval of our 2013 operating budget, various resolutions allowing us to issue bonds in the Open Resolution and stand-alone bonds related to a variety of proposed developments; and the launching of a new partnership and program with the New York City Energy Efficiency Corporation ("NYCEEC").

Mr. Jahr stated that before he comments on these items, he hoped that the Members would indulge him while he took a couple of minutes to talk about some aspects of the Corporation’s response to Superstorm Sandy and its impact on HDC itself. He said that all of us on the board and in the room had stories about Sandy’s impact: the unanticipated claims on the Corporation’s resources it has made, and the extraordinary efforts of our staffs to respond, but he thought Sandy’s effect on the Corporation’s operations was a business matter that the Members should be aware of, thus these remarks.

Mr. Jahr stated that what are called the “Affected Areas” battered and inundated by Sandy are comprised of over 700,000 people and 65,000 building structures—a city larger than Boston and slightly smaller than Charlotte or Detroit. He said that the storm tore apart neighborhoods on the periphery of the City, while crippling other inland areas away from its full
fury, like Lower Manhattan. He said that the Corporation had a number of its developments stricken by the storm, and the lives of their tenants brutally disrupted.

Mr. Jahr stated that the Corporation was not caught entirely flatfooted by Sandy. He said that as the storm barreled up the coast, HDC Asset Management staff contacted all of the property owners and managers of HDC-financed developments to provide Hurricane Preparedness information; additionally, owners and managers of developments in Zone A were reminded of the evacuation order, encouraged to assist tenants in complying with the order, and provided with additional information for them.

But, Mr. Jahr stated, when Sandy struck, frankly, we were knocked back on our heels. He said that power and heat were knocked out in much of Lower Manhattan, including this building. He said that the Corporation did not regain power until the following Monday, November 5 and the heat didn’t come on until Thursday, November 8. He said that for an even longer time, the Corporation’s computer systems were disabled because of a cascading series of events. He said that the cessation of subway, LIRR, and PATH services prevented staff from coming into work and combined with the collapse of the Corporation’s computer systems, forced us to communicate by text messages, conference calls, and individual phone calls as we tried to cut through the “fog of war.”

Mr. Jahr stated that despite this, on Thursday, November 1, HDC’s Finance staff, Ellen Duffy, Lisa Geary, Bharat Shah and others, with the assistance of our Trustee, The Bank of New York Mellon, using cell phones paid over $135MM in debt service on various bonds. He said that on the following day, Terry Gigliello and Jim Quinlivan dispatched six staff members, including the Corporation’s five engineers, to inspect 18 developments in affected areas in Brooklyn, Queens, Manhattan and Staten Island, and their reports back were grim: “...the first floor management office was destroyed and the lobby was in shambles; ...the building water pumps, which supply water to residents above the 7th floor, are not working...residents do not have access to any water; “...boiler room submerged, and first floor of all/most all townhouses were submerged to ceiling of first floor...” Grim and grimmer, he said.

Mr. Jahr stated that as a result of the HPD and HDC building inspections, a list of 28 publicly-financed developments damaged to a greater or lesser extent by Sandy was created, comprising 114 buildings and 28,000 units. He said that these developments included City and State-financed Mitchell Lamas, HUD-assisted 202 and Section 8 developments as well as other HDC Programs including LAMP Preservation and New HOP.

Mr. Jahr stated that these developments were tracked daily by a task force of OEM, City Hall, HPD and HDC to assist in restoring power, heat, and hot water. He said that as of Tuesday, December 4, all but 6 of the 28 developments have had power, heat and hot water restored. He said that the 6 remaining developments have been vacated or have systems partially restored.

Mr. Jahr stated that the priority developments without power, heat and hot water were also targeted for assistance in tenant relocation and, where occupants remained, assistance in
receiving supplies (deliveries of food, water, blankets, space heaters and even portable showers, were coordinated through City Hall assistance).

Mr. Jahr stated that in terms of properties financed through the Open Resolution, 7 developments (less than 2% of total portfolio) comprising 3,097 units, suffered damage, again, primarily, to power and heating systems. He said that all of these projects either have had power and heat restored or are in the final stages of completing such restoration. He said that any additional repair needs have been fully assessed and the related work would be monitored closely until completion.

Mr. Jahr stated that finally, for impacted properties in HPD’s or HDC’s portfolio, repair loan programs were available, such as the Mitchell Lama Repair and Restructuring Program. And today, he said, the Corporation was seeking authorization to establish the Energy Retrofit Loan Program. Developed in partnership with the New York City Energy Efficiency Corporation, he stated, this Program would provide low interest subordinate loans to fund building systems upgrades and clean heat conversions. He said that staff had already identified two developments damaged by Sandy that would be able to utilize this important new resource to fund new, improved energy systems.

Mr. Jahr stated that at the same time this had been going on, HDC’s Asset Management staff had been working closely with HPD staff, industry trade groups, and individual developers to develop a pool of apartments in buildings we’ve financed throughout the City as well as others that can be used for temporary housing. He said that this had been a logistically and legally complex task, but great progress had been made in bringing these apartments on-line.

Mr. Jahr stated that the lessons of Sandy have been painful ones which we’ve barely absorbed. He said that because of the remarkable strength, resilience, and commitment of HDC’s staff and our strong, collaborative relationship with HPD, with Mat and his staff, he thought we’ve done many things well, but there are systems which under the immense stress of Sandy snapped or were inadequate or were proven simply not to exist. He said that in the coming months, the Corporation would be undertaking a comprehensive review of all its internal operations as well as its relations with its external partners. He said that based upon that review, he expects we’ll change some of the ways we do things, and put in place processes and procedures that will better equip us to meet the challenge of the next Sandy, if and when it comes.

Mr. Jahr stated that today, we will seek the Members’ approval of the Corporation’s 2013 Operating Budget. He said that he would leave it to Cathy Baumann, Senior Vice President and Treasurer, who along with her able staff has played a significant role in crafting this budget, to present it in greater detail. However, he said, he’d like to emphasize that the Corporation remains exceptionally profitable; and in a prudent manner, we continues to manage our operating expenses, while making substantial commitments of our unrestricted reserves to financing the Mayor’s Housing Plan. He said that since 2008, HDC’s cumulative operating revenues have amounted to approximately $403.3MM, while operating expenses have totaled $115.6MM. He said that the excess revenues combined with surpluses from the
Open Resolution and proceeds from securitizations have allowed the Corporation in just these five years to commit $738MM in subsidy to the Mayor’s New Housing Marketplace Plan, substantially more than what was anticipated when the Plan was first announced.

Of course, as you know, Mr. Jahr stated, the Corporation was now in its December closing season. He said that throughout the Corporation’s efforts to respond to Sandy, portions of HDC’s staff—our development and finance staff, as well as attorneys, had continued to diligently focus their attention on HDC’s pipeline; Sandy wasn’t allowed to disrupt their work. He said that on November 28 along with HUD and the State, HDC closed on the $621.5 million refinance of Coop City, putting this 15,372 unit complex on its firmest financial and fiscal footing since New Yorkers started occupying its apartments in 1973. He said that it was an excellent start to December.

Mr. Jahr stated that on Wednesday, the Corporation was informed by the State’s Division of Budget and Empire State Development that our request for $307.49MM in cap was granted: $217.49MM for developments in the Open; $45MM for Hunters Point South’s first tranche of volume cap; and $45MM for the first tranche of volume cap for Atlantic Yards Tower 2. He said that in addition, the State agreed to forward commit approximately $187MM of volume cap for the balance of Hunters Point South and Atlantic Yards financing needs.

Mr. Jahr stated that he wanted to express his personal appreciation to Darryl Towns, Commissioner and CEO of Homes and Community Renewal and his able deputies, Mike Skrebutanas and Marian Zucker, as well as Leccia Eve and Andrew Kennedy, respectively the Governor’s Deputy Commissioner and Assistant Commissioner for Economic Development, for their support for this request. He said that their assistance has been indispensable to HDC’s efforts to secure cap.

Mr. Jahr stated that the State’s commitment, along with the City IDA’s commitment of $20MM will allow HDC to finance 16 developments containing 3,054 apartments, of which 2,556 will be newly constructed and 498 will be in preservation projects; 12 of the developments, containing 1,337 apartments will be in low-income LAMP developments, while 4 developments containing 1,717 will be in mixed-income projects, including the 925 unit, mixed income, mixed use Hunters Point South development and the 363 unit, Atlantic Yards development. He said that the sum of all of HDC’s financings will be slightly more than $643MM. He said that combined with our prior closings in calendar year 2012, we anticipate closing 47 developments, containing 11,515 apartments, and our total financing, including $163.7MM in corporate subsidy, will amount to nearly $1.47 billion. Not bad, he said, particularly in light of the events of the past month.

Finally, Mr. Jahr stated, he wanted to take note of the Energy Retrofit Loan Program, which we will be seeking the Members’ approval of, and this would allow him to loop back to Sandy and its implications for HDC’s work. He said that this was a loan program the Corporation was partnering with NYCEEC on, and reflects the City’s and HDC’s focus on promoting more energy efficient, greener development. He said that now, in the aftermath of Sandy, it would serve as a financial tool to allow HDC to get apartment buildings whose heating and electrical systems were devastated by Sandy back on their feet, hopefully though in a smarter
way; and smart means not only with state of the art heating systems but also systems that are positioned to be more resilient. He said that means, wherever possible, taking advantage of the moment to rethink where systems are located and, to the extent feasible under the building code, moving heating and electrical systems out of basements and subbasements to mezzanines, higher floors and roof tops. He said that in fact, closing on the Hunters Point South development may be pushed off into January because along with the Developer, HDC felt that its heating and electrical systems needed to be redesigned given the project’s location on the Queens waterfront.

Mr. Jahr stated that we can’t afford to ignore the implications of Sandy for the City’s future. He said that redesigning buildings is one critical way to pragmatically respond. He said that redesigning HDC’s own systems would be another way to ensure that the next time a Superstorm makes landfall in the Metropolitan area its impact on us is not as devastating as it was this time.

Mr. Jahr stated 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 stated that although Sandy has been a monumental challenge, HDC responded to the crisis with organizational skill and professionalism.

The Chairperson stated that pursuant to the Public Authorities Accountability Act, and for the 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 presentation and approval of the Fiscal Year 2013 Operating Budget. He called upon Cathleen Baumann, Senior Vice President and Treasurer for the Corporation, to advise the Members regarding this item.

Ms. Baumann referred the Members to the memorandum before them entitled “Proposed FY 2013 Budget” dated November 30, 2012 (the “2013 Budget Memorandum”), which is appended to these minutes and made a part hereof, and stated that she was pleased to present the Corporation’s proposed Fiscal Year 2013 operating budget.

Ms. Baumann stated that the Corporation experienced another year of substantial growth, despite the challenges that still exist with a slow economic recovery. She said that in the last fiscal year, HDC issued almost $1.23 Billion in bonds, while continuing to maintain the Corporation’s strong AA credit rating. She said that this brings the bonds outstanding to about $8.8 Billion, more than double the $3.3 Billion from fiscal year-ending 2003, when the Mayor’s Housing Plan was announced. Ms. Baumann stated that HDC closed fiscal year 2012 with approximately $12.3 Billion in assets, which represents a 4.82% growth from the previous year. She said that this was almost triple the $4.65 Billion from fiscal year-ending 2003.

Ms. Baumann stated that during this same time period net income continues to be significant. She said that the Corporation ended fiscal year 2012 with excess revenue over expenses, on a cash basis, of $67.56 Million, an increase of almost $12.8 Million over the budgeted amount. She said that this continues a trend that has existed throughout the years of the Mayor’s Housing Plan where net income, on a cash basis, has remained steady in the mid to high
$50 Million range each year, with some additional peaks along the way. She said that HDC’s projected revenue stream remains strong, as does the future pipeline of housing production overall.

Ms. Baumann stated that while the Corporation continues to grow, we also continue to pay close attention to managing costs, with total assets per employee around $72.2 Million in FY 2012, up from $39.4 Million in 2003. 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 2013 reflects the continuation of this effort.

Ms. Baumann stated that the Corporation is curtailing costs where possible, balancing expenses while maintaining efficiencies.

Ms. Baumann said that an important challenge for the Corporation is to ensure that our growth in assets, projects under supervision, and transactions undertaken does not outstrip our capacity to manage them.

Ms. Baumann stated that as just mentioned, the Corporation ended the fiscal year with an excess of revenues over expenses of $67.56 Million. She said that this improvement was largely due to better-than-expected performance in the Open Resolution surplus, and higher servicing fees. She said that sustaining this strong bottom line is necessary if we are to continue to provide critically needed subsidies to the affordable housing developments we finance. She said that as page 2 of the 2013 Budget Memorandum shows, the excess revenues over the years, combined with securitizations, had allowed the Corporation to pump $910 Million of the $1.3 Billion of corporate reserves into the Mayor’s Housing Plan in just the past 6 years alone, with an additional $100 Million forecasted for FY 2013.

Ms. Baumann stated that Fiscal Year 2013 revenues were budgeted to be $86.78 Million, a $6.63 million or 8.28% increase from the FY 2012 adopted budget. She said that the projected increase derives from two key factors: (1) a forecasted increase in HDC servicing fees due to more construction loans converting to permanent, thereby allowing for the collection of monthly servicing fees, as well as more loans in the portfolio; and (2) an increase in tax credit monitoring fees due to an increase in the number of tax credit projects in the portfolio.

Ms. Baumann stated that Fiscal Year 2013 expenses are budgeted to be $26.7 Million, a $1.34 Million or 5.3% increase from last year’s budget, mainly due to an increase in costs related to the implementation of a new loan servicing system and other IT technology investments, as well as an increase in fringe and rent expenses. She said that without the costs associated with the new loan servicing system and other IT costs, the 2013 budget would only increase 2.87% from the 2012 budget.

Ms. Baumann stated that the Corporation’s financial outlook for FY 2013 remains cautiously optimistic. 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. Page, and seconded by Ms. Notice-Scott, the members of the Finance Committee unanimously:

**RESOLVED, to approve the Fiscal Year 2013 Operating Budget.**

The Chairperson stated that the next item on the agenda for the Members’ consideration would be the approval of an Authorizing Resolution relating to (i) the issuance of the Corporation’s Multi-Family Housing Revenue Bonds, 2012 Series K-1, K-2, L and M and (ii) the re-designation of the 169th Supplemental Resolution as 2012 Series N. He called upon Simon A. Bacchus, Senior Vice President for Development for the Corporation, to advise the Members regarding this item.

Mr. Bacchus referred the Members to the memorandum before them entitled “Multi-Family Housing Revenue Bonds, 2012 Series K-1, K-2, L and M, and re-designation of the 169th Supplemental Resolution as 2012 Series N” dated November 30, 2012 (the “Open Resolution Memorandum”) and the attachments thereto including (i) the Resolution Authorizing Adoption of the One Hundred Seventy-First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2012 Series K-1, the One Hundred Seventy-Second Supplemental Resolution authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2012 Series K-2, the One Hundred Seventy-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2012 Series L and the One Hundred Seventy-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2012 Series M and Certain Other Matters in Connection Therewith (the “Authorizing Resolution”); (ii) the One Hundred Seventy-First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2012 Series K-1, the One Hundred Seventy-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2012 Series K-2, the One Hundred Seventy-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2012 Series L, and the One Hundred Seventy-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2012 Series M (each, a “Supplemental Resolution” and collectively, the “Supplemental Resolutions”); (iii) the Preliminary Official Statement; and (iv) the Bond Purchase Agreement, all of which are appended to these minutes and made a part hereof.

Mr. Bacchus stated that he was pleased to recommend that the Members approve the issuance of the Corporation’s Multi-Family Housing Revenue Bonds, 2012 Series K-1, 2012 Series K-2, 2012 Series L and 2012 Series M (collectively, the “Bonds” or the “2012 Bonds”) in an amount not expected to exceed $497,000,000. Mr. Bacchus stated that on September 27, 2012, the Members approved the 169th Supplemental Resolution under the Corporation’s Open Resolution. He said that it was anticipated that in connection with this December issuance, the 169th Supplemental Resolution would be re-designated as the Corporation’s Multi-Family Housing Revenue Bonds, 2012 Series N.

Mr. Bacchus stated that interest on the 2012 Series K-1, 2012 Series K-2, 2012 Series L and 2012 Series M 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 new private
activity bond volume cap, and "recycled" volume cap in accordance with the Housing and Economic Recovery Act of 2008. He said that approval of this Resolution would authorize the 171st through 174th Supplemental Resolutions under the Corporation's Open Resolution originally adopted by the Members in 1993.

Mr. Bacchus stated that it was anticipated that the 2012 Series K-1 and 2012 Series K-2 Bond proceeds, in an amount not expected to exceed $259,000,000, would be used to finance as many as thirteen (13) mortgage loans. He said that these loans would be originated to finance 11 LAMP and LAMP Preservation projects and two (2) New HOP developments consisting of more than 1,500 units of rental housing, located in the Bronx, Brooklyn and Manhattan. He said that further details on these anticipated developments can be found in attachments A-1 through A-13 of the Open Resolution Memorandum. Mr. Bacchus stated that the 2012 Series K-1 Bonds were expected to be issued at a fixed rate not anticipated to exceed 5%, while the 2012 Series K-2 Bonds were anticipated to be a variable rate issuance. Mr. Bacchus stated that six (6) LAMP developments and the two (2) New HOP developments would receive subordinate financing from the Corporation's unrestricted reserves in an amount not to exceed $72,000,000 (the "Subordinate Loans"). He said that the Subordinate Loans would be advanced during construction and would remain in the projects as permanent loans.

Mr. Bacchus stated that the 2012 Series L Bonds, in an amount not expected to exceed $159,000,000, would be used to redeem certain of the Corporation's NIBP Series 1 Bonds and NIBP Series 2 Bonds. He said that the tax-exempt rates currently available offer the Corporation an economic refunding opportunity for certain NIBP Bonds that were financed at higher interest rates. He said that in connection with the refunding, up to nine (9) mortgage loans relating to the NIBP Series 1 Bonds would be released from the NIBP Series 1 Resolution and would be pledged to the Open Resolution. He said that the final amount of the 2012 Series L Bonds would be determined based on the interest rate savings available by such refunding.

Mr. Bacchus stated that the 2012 Series M would be issued as Convertible Option Bonds in an amount not to exceed $80,000,000. He said that the proceeds were expected to provide first position construction and permanent financing for the new construction or rehabilitation of one or more developments. He said that the mortgage loans for these projects were expected to close in 2013.

Mr. Bacchus stated that the risks and fees associated with the 2012 bonds were outlined in the Open Resolution Memorandum and that it was expected that the Bonds would be rated AA by Standard & Poor's Ratings Services and Aa2 by Moody's Investors Service, Inc.

Richard M. Froehlich, Chief Operating Officer, Executive Vice President and General Counsel for the Corporation, 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. Page, and seconded by Mr. Frankel, the members of the Finance Committee unanimously:

**RESOLVED**, to approve (A) 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 2012 Bonds or a direct purchaser of any or all of the 2012 Bonds; (iv) the use of the Corporation’s unrestricted reserves to fund costs of issuance, capitalized interest and mortgage reserves for the 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 execution of standby bond purchase agreement(s) with respect to the Bonds; (vii) the refunding of certain NIBP Bonds including the execution or amendment of one or more Participation Agreements among the Corporation, the trustee under the Open Resolution and the trustee under the NIBP Supplemental Resolution; (viii) 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; and (B) the making of Subordinate Loans for the developments to be financed with the proceeds of the 2012 Series K-1 Bonds and the 2012 Series K-2 Bonds in an amount not expected to exceed $71,685,000 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 for consideration by the Members would be the approval of an Authorizing Resolution relating to the issuance of the Corporation’s Multi-Family Mortgage Revenue Bonds (461 Dean Street Development), 2012 Series A and 2013 Series A (collectively, also known as Atlantic Yards). He called upon Catherine Townsend, Assistant Vice President for Development of the Corporation, to advise the Members regarding this transaction.

Ms. Townsend referred the Members to the memorandum before them entitled “Multi-Family Mortgage Revenue Bonds (461 Dean Street Development), 2012 Series A and 2013 Series A” dated November 30, 2012 (the “461 Dean Street Development Memorandum”) and the attachments thereto including (i) the Resolution Authorizing Adoption of the Multi-Family Mortgage Revenue Bonds (461 Dean Street Development) Bond Resolution, the First Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (461 Dean Street Development), 2013 Series A and the Second Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (461 Dean Street Development), 2013 Series B and Certain Other Matters in Connection Therewith (the “Authorizing Resolution”); (ii) Multi-Family Mortgage Revenue Bonds (461 Dean Street Development) Bond Resolution (the “Bond Resolution”); (iii) the First Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds, (461 Dean Street Development), 2013 Series A, and the Second Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds, (461 Dean Street Development), 2013 Series B (each, a “Supplemental Resolution” and collectively, the “Supplemental Resolutions”); (iv) the Official Statement; (v) the Bond Purchase Agreement; and (vi) 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 approve the issuance of the Corporation’s Multi-Family Mortgage Revenue Bonds 2012 Series A (the “2012 Bonds”) and 2013 Series A (the “2013 Bonds” and together with the 2012 Bonds, the “Bonds”)
for the 461 Dean Street Development, in an amount not to exceed one hundred million dollars ($100,000,000). She said that interest on the Bonds was anticipated to be exempt from Federal, state and local income tax. She said that the 2012 Bonds in an approximate amount of $50,000,000 and the 2013 Bonds in an approximate amount of $50,000,000 would be subject to the Private Activity Bond Volume Cap.

Ms. Townsend stated that the borrower and mortgagor would be Atlantic Yards B2 Owner (the “Borrower”), a Delaware limited liability company of which Forest City Enterprises is both Member and Managing Member. She said that Forest City Enterprises was a publicly traded real estate company which owns and manages more than 48,000 multi-family housing units throughout the country. She said that this would be Forest City’s second project with financing from the Corporation and its third residential development in New York City. She noted the presence of Melissa Burch from Forest City who was there representing the Borrower.

Ms. Townsend stated that the Bonds would be used for the purpose of paying a portion of the costs of constructing and equipping a multi-family rental housing development to be located at 461 Dean Street in the Prospect Heights neighborhood of Brooklyn (the “Project”). She said that the Project would contain 363 rental units financed under the Corporation’s Mixed Income Program. She said that eleven of the residential units would be affordable to families earning no more than 40% of the Area Median Income or “AMI”. She said that 62 of the units would be affordable to families earning no more than 50% of AMI. She said that 108 of the units would be affordable to families earning 80% to 160% of AMI and that the remaining 181 units would be rented at market rates. She said that the Project would include approximately 3,500 square feet of net rentable retail space and 19,800 square feet of storage space which would be rented to the Barclays Arena located adjacent to the Project. She noted that the thirty-two story tower would be the largest modular building constructed in the World.

Ms. Townsend stated that the Corporation also anticipates making an additional subordinate loan from unrestricted reserves of $11,605,000 (“Subordinate Loan”) in accordance with the Corporation’s Mixed Income Program guidelines and the Atlantic Yards Development Agreement dated March 4, 2010. 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 $79,400,000 in equity during construction including the site acquisition cost recognized by the Corporation of $34,300,000. She said that it was anticipated that $10,700,000 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 Bonds would be secured by a credit facility in the form of a direct-pay credit enhancement instrument to be issued by The Bank of New York Mellon and delivered to the trustee for the bondholders concurrently with the issuance of the Bonds. She said that the Trustee would draw on the credit facility to make all payments of principal and interest due on the Bonds.
Ms. Townsend stated that the initial term of credit facility from The Bank of New York Mellon was four years. She said that it was anticipated that the Borrower would secure a long-term credit facility upon completion and stabilization from The Bank of New York Mellon or with another financial institution acceptable to the Corporation. She said that as a result, the Corporation believes that the financing is structured to effectively insulate the Corporation from credit, market and real estate risks.

Ms. Townsend stated that the Bonds would initially be issued as seven-day variable-rate obligations. She said that the interest rate on the Bonds would be reset weekly by the remarketing agent which will be Morgan Stanley with respect to the 2012 Bonds and Barclays Capital with respect to the 2013 Bonds. She said that the Bonds would be subject to an absolute maximum interest rate of 15%, in accordance with the provisions of the Bond Resolution.

Ms. Townsend stated that all risks and fees were outlined in the 461 Dean Street Development Memorandum and that it was expected that the Bonds would be initially rated AA/A1+ by Standard and Poor’s Ratings Services.

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. Page, and seconded by Ms. Notice-Scott, the members of the Finance Committee unanimously:

**RESOLVED,** to approve (A) the Authorizing Resolution that provides for (i) the adoption of the Bond Resolution and the Supplemental Resolutions, (ii) the execution of the Bond Purchase Agreement regarding the sale of the 2012 Bonds and the Forward Bond Purchase Agreement regarding the sale of the 2013 Bonds, (iii) the execution of the Bond Issuance Agreement regarding the terms and conditions for the issuance of the 2013 Bonds (iv) the distribution of the Official Statements in connection with the financing of the 2012 Bonds and 2013 Bonds, (v) the execution of a participation agreement with respect to the senior loan and (vi) the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the issuance of the Bonds and the financing of the loan; and (B) the making of a subordinate loan to be funded by the Corporation’s unrestricted reserves in an amount not to exceed $11,605,000, 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 for consideration by Members would be the approval of (i) an Authorizing Resolution relating to the issuance of Multi-Family Mortgage Revenue Bonds (50th Avenue Development), 2012 Series A, 2013 Series A and 2014 Series A; and (ii) an Authorizing Resolution relating to the issuance of Multi-Family Mortgage Revenue Bonds (Borden Avenue Development), 2012 Series A, 2012 Series B, 2013 Series A and 2014 Series A (collectively, also known as Hunter’s Point South A and B). He called upon Elizabeth Oakley, Assistant Vice President for Development for the Corporation, to advise the Members regarding this item.
Ms. Oakley referred the Members to the memorandum before them entitled “Multi-Family Mortgage Revenue Bonds (50th Avenue), 2012 Series A, 2013 Series A and 2014 Series A; and Multi-Family Mortgage Revenue Bonds (Borden Avenue), 2012 Series A, 2012 Series B, 2013 Series A and 2014 Series A Collectively, also known as Hunter’s Point South A and B” dated November 30, 2012 (the “Hunter’s Point South Memorandum”) and the attachments thereto including (i) (a) the Resolution Authorizing Adoption of the Multi-Family Mortgage Revenue Bonds (50th Avenue Development) Bond Resolution, the First Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (50th Avenue Development), 2013 Series A and the Second Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (50th Avenue Development), 2014 Series A and Certain Other Matters in Connection Therewith (the “50th Avenue Authorizing Resolution”) and (b) the Resolution Authorizing Adoption of the Multi-Family Mortgage Revenue Bonds (Borden Avenue Development) Bond Resolution, the First Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (Borden Avenue Development), 2013 Series A and the Second Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (Borden Avenue Development), 2014 Series A and Certain Other Matters in Connection Therewith (the “Borden Avenue Authorizing Resolution” and together with the 50th Avenue Authorizing Resolution, the “Authorizing Resolutions”); (ii) the Multi-Family Mortgage Revenue Bonds (50th Avenue Development) Bond Resolution (the “50th Avenue Bond Resolution”) and the Multi-Family Mortgage Revenue Bonds (Borden Avenue Development) Bond Resolution (the “Borden Avenue Bond Resolution” and together with the 50th Avenue Bond Resolution, the “Bond Resolutions”); (iii) (a) the First Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (50th Avenue Development), 2013 Series A and the Second Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (50th Avenue Development), 2014 Series A and (b) the First Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (Borden Avenue Development), 2013 Series A and the Second Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (Borden Avenue Development), 2014 Series A; (iv) the Official Statement; (v) the Bond Purchase Agreements; and (vi) the Forward Bond Purchase Agreements, all of which are appended to these minutes and made a part hereof.

Ms. Oakley stated that she was pleased to recommend that the Members approve the issuance of the Corporation’s Multi-Family Mortgage Revenue Bonds (50th Avenue Development), 2012 Series A, 2013 Series A and 2014 Series A (collectively, the “50th Avenue Bonds”) in an amount not to exceed $170,000,000 and the issuance of the Corporation’s Multi-Family Mortgage Revenue Bonds (Borden Avenue Development), 2012 Series A, 2012 Series B, 2013 Series A and 2014 Series A (collectively, the “Borden Avenue Bonds”) in an amount not to exceed $80,000,000. She said that the 50th Avenue Bonds and the Borden Avenue Bonds are collectively referred to as the “Bonds”. She said that interest on the Bonds was anticipated to be exempt from Federal, state and local income tax. She said that up to $185,000,000 of the Bonds would be subject to the private activity bond volume cap, with the balance to be recycled tax-exempt bonds which were not subject to the private activity bond volume cap.

Ms. Oakley stated that as an update to the Hunter’s Point South Memorandum, the borrower and mortgagor upon construction closing for the 50th Avenue and Borden Avenue developments were expected to respectively be HPS 50th Avenue Associates, LLC and HPS Borden Avenue Associates, LLC, both Delaware limited liability companies. She said that the
borrower was a joint venture between The Related Companies, LP, Phipps Houses, and Monadnock Construction, whose individual members were listed in the Hunter’s Point South Memorandum. She noted the presence at the meeting of Francis J. Monterisi from The Related Companies, Michael Wadman from Phipps Houses and Frank Dubinsky from Monadnock Construction representing the borrower entities.

Ms. Oakley stated that the 50th Avenue Bonds and the Borden Avenue Bonds would be used respectively for the purpose of paying a portion of the costs of constructing and equipping a 619-unit multi-family multi-use rental housing development to be located at 1-50 50th Avenue in Queens and a 306-unit multi-family multi-use rental housing development to be located at 1-55 Borden Avenue, both of which will be developed under the Corporation’s Mixed Income Program. She said that the 50th Avenue and Borden Avenue Project sites were the first two of seven parcels referred to as Parcels A through G that will eventually comprise the Hunter’s Point South Neighborhood. Parcels A and B were the subject of a Request for Proposals (or “RFP”) issued by the New York City Department of Housing Preservation and Development (or “HPD”) on June 7th, 2010; after a competitive review the Developer was announced as the RFP winner in February 2011.

Ms. Oakley stated that the tenant income distribution would be consistent across both Projects and all of the residential units would be permanently affordable. She said that at least 3% of the residential units would be affordable to families earning no more than 40% of the Area Median Income (or “AMI”). She said that approximately 17% of the residential units would be affordable to families earning no more than 50% of AMI. She said that at least 20% of the units would be affordable to families earning up to 130% of AMI, to be rented to families earning up to 165% of AMI. She said that approximately 26% of the residential units would have rents set at between 141% and 150% of AMI, to be rented to families earning no more than 165% of AMI. She said that the remaining residential units would have rents set at between 165% and 205% of AMI, to be rented to families earning no more than 230% of AMI. She said that the 50th Avenue development would contain approximately 13,739 square feet of commercial space and approximately 53,959 square feet of parking. She said that the Borden Avenue development would contain approximately 2,937 square feet of commercial space and no parking.

Ms. Oakley stated that in addition to the bond financed loans, the Projects would also be financed with subordinate subsidy loans to be provided by HPD, borrower equity, and tax credit equity generated by the sale of Federal low-income housing tax credits. She said that during the construction and lease-up period, the 50th Avenue Bonds would be issued as variable rate bonds, secured by an irrevocable direct pay Letter of Credit to be issued by Wells Fargo, National Association and delivered to the trustee for the bondholders concurrently with the issuance of the Bonds. She said that Bank of America was expected to participate in up to 50% of the Wells Fargo Letter of Credit. She said that the trustee would draw on the Letter of Credit to make all payments of principal and interest due on the 50th Avenue Bonds. She said that the interest rate on the 50th Avenue Bonds would be reset weekly by Wells Fargo for the 2012 and 2014 tranches and by Bank of America for the 2013 tranche as the respective remarketing agents. She said that the Borden Avenue Bonds would be issued as variable rate index bonds and directly purchased by Citibank, National Association, and secured by a mortgage purchase agreement with Citibank. She said that a portion of the Borden Avenue Bonds was expected to be issued in a
draw down structure to enable cost savings. She said that both the 50th Avenue and Borden Avenue Bonds would be subject to an absolute maximum interest rate of 15%, in accordance with the provisions of the respective Bond documents.

Ms. Oakley stated that at the end of the construction and lease-up period, it was anticipated that construction period enhancement would be extended for an additional five year term. She said that alternatively, the borrower may secure permanent credit enhancement instruments acceptable to the Corporation. Ms. Oakley stated that as a result, the Corporation believes that the financing is structured to effectively insulate the Corporation from credit, market and real estate risks. She said that all risks and fees were outlined in the Hunter's Point South Memorandum and that it was expected that the 50th Avenue Bonds would be initially rated AA- by Standard and Poor's. She said that the Borden Avenue Bonds would be unrated.

Mr. Froehlich then described the provisions of the 50th Avenue Authorizing Resolution to the Members and the actions the Members were being requested to approve.

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

**RESOLVED,** to approve the 50th Avenue Authorizing Resolution which provides for (i) the adoption of the 50th Avenue Bond Resolution, the First Supplemental Resolution and the Second Supplemental Resolution, (ii) the execution of the 50th Avenue Bond Purchase Agreements and the Forward Bond Purchase Agreements regarding the sale of the 50th Avenue Bonds, (iii) the execution of a Bond Issuance Agreement in connection with the 2013 and 2014 50th Avenue Bonds; (iv) the distribution of the Official Statements and any other required offering documents in connection with the 50th Avenue financing, and (v) the execution of mortgage related documents and any other documents necessary to accomplish the issuance of the 50th Avenue Bonds and the financing of the loans.

Mr. Froehlich then described the provisions of the Borden Avenue Authorizing Resolution 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. Page, the members of the Finance Committee unanimously:

**RESOLVED,** to approve the Borden Avenue Authorizing Resolution which provides for (i) the adoption of the Borden Avenue Bond Resolution, the First Supplemental Resolution and the Second Supplemental Resolution, (ii) the execution of the Borden Avenue Bond Purchase Agreements and the Forward Bond Purchase Agreements regarding the sale of the Borden Avenue Bonds, (iii) the execution of a Bond Issuance Agreement in connection with the 2013 and 2014 Borden Avenue Bonds, and (iv) the issuance of the Borden Avenue Bonds as "draw down bonds" as set forth in the Borden Avenue Bond Resolution, (v) the execution of a Mortgage Purchase Agreement with respect to the Borden Avenue Bonds, and (vi) the execution of mortgage related documents and any other documents necessary to accomplish the issuance of the Borden Avenue Bonds and the financing of the loans.
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 Rental Housing Revenue Bonds (1133 Manhattan Avenue Development), 2012 Series A and 2013 Series A. He called upon Catherine Townsend, Assistant Vice President for Development of the Corporation, to advise the Members regarding this transaction.

Ms. Townsend referred the Members to the memorandum before them entitled “Multi-Family Rental Housing Revenue Bonds (1133 Manhattan Avenue Development), 2012 Series A and 2013 Series A” dated November 30, 2012 (the “1133 Manhattan Avenue Memorandum”) and the attachments thereto including (i) the Resolution Authorizing Adoption of the Multi-Family Rental Housing Revenue Bonds (1133 Manhattan Avenue Development) Bond Resolution, the First Supplemental Resolution Relating to Multi-Family Rental Housing Revenue Bonds (1133 Manhattan Avenue Development), 2013 Series A and the Second Supplemental Resolution Relating to Multi-Family Rental Housing Revenue Bonds (1133 Manhattan Avenue Development), 2013 Series B and Certain Other Matters in Connection Therewith (the “Authorizing Resolution”); (ii) the Multi-Family Rental Housing Revenue Bonds (1133 Manhattan Avenue Development) Bond Resolution (the “Bond Resolution”); the First Supplemental Resolution Relating to Multi-Family Rental Housing Revenue Bonds (1133 Manhattan Avenue Development), 2013 Series A, and the Second Supplemental Resolution Relating to Multi-Family Rental Housing Revenue bonds (1133 Manhattan Avenue Development), 2013 Series B (each, a “Supplemental Resolution” and collectively, the “Supplemental Resolutions”); (iv) the Official Statement; (v) the Bond Purchase Agreement; and (vi) 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 approve the issuance of the Corporation’s Multi-Family Rental Housing Revenue Bonds 2012 Series A and 2013 Series A for the 1133 Manhattan Avenue Development in an amount not to exceed $50,000,000. She said that interest on the Bonds was anticipated to be exempt from Federal, state and local income tax. She said that approximately $38,000,000 of the Bonds would be subject to the Private Activity Bond Volume Cap, and up to $12,000,000 would be tax-exempt recycled bonds which would not be subject to the Private Activity Bond Volume Cap.

Ms. Townsend noted that since the mailing of the board memo, the Corporation expects to receive sufficient private activity bond volume cap to finance this transaction completely in 2012. She said that therefore, the Corporation does not expect to issue the 2013 Bonds; however, they remain part of the authorization before the Members.

Ms. Townsend stated that the borrower and mortgagor would be 1133 Manhattan Avenue LLC, a New York limited liability company controlled by The Domain Companies which owns and manages more than 1,500 multi-family housing units throughout New York and Louisiana including 821 units in New York City. She said that this was Domain’s third project with financing from the Corporation, and noted the presence at the meeting of Aaron Amitin from The Domain Companies representing the borrower.
Ms. Townsend stated that the Bonds would be used for the purpose of paying a portion of the costs of constructing and equipping a multi-family rental housing development to be located at 1133 Manhattan Avenue in the Greenpoint neighborhood of Brooklyn. She said that the Project would contain 210 rental units financed under the Corporation's Mixed Income Program. She said that seven (7) of the residential units would be affordable to families earning no more than 40% of the Area Median Income or "AMI". She said that thirty-seven (37) of the units would be affordable to families earning no more than 50% of AMI and sixty-one (61) of the units would be affordable to families earning 130% to 175% of AMI in accordance with the Corporation's Middle Income Program AMI limits and marketing guidelines. She said that the remaining one hundred and five (105) units would be rented at market rates. She said that the project would include approximately 8,000 square feet of net rentable retail space and one hundred and twenty-three (123) parking spaces.

Ms. Townsend stated that the Corporation also anticipates making an additional subordinate loan from unrestricted reserves of $6,825,000 in accordance with Mixed Income Program guidelines. 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. She said that the Project would also be financed with borrower equity and tax credit equity generated by the syndication of low-income housing tax credits.

Ms. Townsend stated that the Bonds would be secured by a credit enhancement facility in the form of a direct-pay Credit Enhancement Agreement to be issued by Freddie Mac and delivered to the trustee for the bondholders concurrently with the issuance of the Bonds. She said that the trustee would draw on the credit facility to make all payments of principal and interest due on the Bonds.

Ms. Townsend stated that during the construction and rent-up periods, Freddie Mac may draw on a letter of credit provided by Goldman Sachs Bank USA in favor of Freddie Mac to reimburse itself for payments it makes on the Bonds if the mortgagor fails to reimburse Freddie Mac. She said that once the project was successfully built and has reached certain financial targets, Freddie Mac would release the Goldman Sachs letter of credit.

Ms. Townsend stated that the approximate term of the Freddie Mac credit facility was thirty-four years and would remain in effect as long as the Bonds are outstanding. She said that Freddie Mac would provide credit enhancement and liquidity for the Bonds; however, the liquidity component of the Credit Facility would be for an initial term of five years with an option to extend at the end of the five-year term. She said that this initial five-year term would commence after the Goldman Sachs letter of credit has been released. She said that as a result, the Corporation believes that the financing is structured to effectively insulate the Corporation from credit, market and real estate risks.

Ms. Townsend stated that the Bonds would initially be issued as seven-day variable-rate obligations. She said that the interest rate on the Bonds would be reset weekly by Goldman, Sachs & Co., who is the remarketing agent, and the Bonds would be subject to an absolute maximum interest rate of 15%, in accordance with the provisions of the Bond Resolution. Ms. Townsend stated that all risks and fees were outlined in the 1133 Manhattan Avenue
Memorandum and that it was expected that the Bonds would be initially rated AA+/A-1+ by Standard and Poor’s Ratings Services.

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. Frankel, and seconded by Ms. Notice-Scott, the members of the Finance Committee unanimously:

RESOLVED, to approve (A) the Authorizing Resolution which provides for (i) the adoption of the Bond Resolution and the Supplemental Resolutions, (ii) the execution of the Bond Purchase Agreement regarding the sale of the 2012 Bonds and the Forward Bond Purchase Agreement regarding the sale of the 2013 Bonds, (iii) the execution of the Bond Issuance Agreement regarding the terms and conditions for the issuance of the 2013 Bonds, (iv) the distribution of the Official Statements in connection with the financing of the 2012 Bonds and 2013 Bonds, (v) the execution of a participation agreement with respect to the 2013 Loan; and (vi) the execution of mortgage related documents and any other documents necessary to accomplish the issuance of the Bonds and the financing of the loan; and (B) the making of a subordinate loan to be funded by the Corporation’s unrestricted reserves in an amount not to exceed $6,825,000, 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 for consideration by the Members would be the approval of the Corporation’s 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 Investment Guidelines” dated November 30, 2012 (the “Investment Guidelines Memorandum”) and the Investment Guidelines attached thereto, which are appended to these minutes and made a part hereof. He stated that he was pleased to recommend that the Members approve the Investment Guidelines attached to the Investment Guidelines Memorandum. He said 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 there were no changes from the Guidelines approved last year. He said that pursuant to the Public Authorities Law the Members must annually approve the Investment Guidelines even if there are no changes.

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

RESOLVED, to approve the Investment Guidelines attached to the Investment Guidelines Memorandum.

The Chairperson stated that the next item on the agenda for consideration by the Members would be the approval of the Energy Retrofit Loan Program. He called upon Diana
Glanternik, Vice President of Asset Management for the Corporation, to advise the Members regarding this item.

Ms. Glanternik referred the Members to the memorandum before them entitled “HDC Energy Retrofit Loan Program ("ERLP")” dated November 29, 2012 (the “ERLP Memorandum”).

Ms. Glanternik stated that she was pleased to recommend that the Members approve the Corporation’s Energy Retrofit Loan Program with funding of up to $17.5 million from the Corporation’s unrestricted reserves. She said that the Program would fund subordinate loans that finance energy improvements and clean heat conversions in eligible projects currently in the Corporation’s portfolio or that of the New York City Department of Housing Preservation and Development. She said that the Program had been developed in conjunction with the New York City Energy Efficiency Corporation, or NYCEEC, an independent, non-profit financial corporation established by the City of New York to assist in implementing its Greener, Greater Buildings Plan, a key component of PlaNYC.

Specifically, Ms. Glanternik stated, the Program would provide financing to enable building owners to comply with two essential components of the Greener, Greater Buildings Plan, Local Law 87 and Local Law 43. She said that these laws require multi-family buildings to commission energy audits, upgrade their base building systems and to convert any heating systems that burn No. 6 or No. 4 oil, to the cleaner No. 2 oil or natural gas.

Ms. Glanternik stated that Energy efficiency loans financed under the Program would also more generally support retrofits designed to reduce energy usage by a minimum of 15%.

Ms. Glanternik stated that staff had identified an initial pipeline that includes more than sixty properties financed under the Corporation’s Affordable Housing Permanent Loan Program, Low-Income Affordable MarketPlace Program and Mitchell-Lama Restructuring Program. She said that additionally, staff had identified several priority projects whose base energy systems were affected by Superstorm Sandy that would benefit from loans conveyed through the Program.

Ms. Glanternik stated that to support the Program, NYCEEC had established a $2.5 million dollar top-loss debt service reserve fund to be held by the Corporation, subject to the Corporation’s Investment Guidelines. She said that the $2.5 million in NYCEEC funds would be leveraged at a ratio of 7:1 to create the total Program funding of $17.5 million.

Ms. Glanternik stated that the Corporation’s staff believes that the establishment of the Reserve would enable the Corporation to mitigate the risk of the Program’s subordinate loans while also leveraging the funds available to NYCEEC to support the City’s energy efficiency goals. She said that once a sufficient number of loans are made under the Program, the Corporation expects to issue taxable bonds to replenish the Corporation’s reserves; the Members’ approval for such bonds would be sought at the time of bond issuance.
Ms. Glanternik stated that Eligible costs under the Program include, but are not limited to:

- Energy audits
- Residual fuel conversions
- Heating and cooling systems upgrades and replacement
- Lighting replacement
- Cogeneration facilities
- Ventilation, Insulation and
- Installation of building management systems

She said that loans made under the Program would typically have a maximum term of 10 years, would be self-amortizing and have an estimated all-in rate of 4%.

Ms. Glanternik stated that the risks and fees were outlined in the ERLP Memorandum.

Mr. Page questioned whether the idea of the 4% actually covered the cost of the fund. He asked whether, when we got to the financing point, we would be fixed by the 4% or by what the program is actually costing us. Mr. Froehlich stated that the 4% was an estimate, but that the rate would be determined by the actual cost.

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

Upon a motion duly made by Mr. Frankel, and seconded by Mr. Page, the members of the Finance Committee unanimously:

**RESOLVED**, to (i) approve the funding of the Energy Retrofit Loan Program from the Corporation's unrestricted reserves in an amount not to exceed $17.5 million, (ii) authorize the President of HDC to make repair loans subject to HDC’s Credit Committee Approval, and (iii) authorize any authorized officer of the Corporation to execute any document necessary to effectuate the making of the Energy Retrofit Loan Program and Loans thereby advanced.

The Chairperson stated that at this time, he would like to close the meeting of the Finance Committee and call for a motion of the HDC board to approve the recommendations of the Finance Committee.

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

**RESOLVED**, to ratify and adopt each of the preceding approvals of the Finance Committee.
At 3:21 p.m., there being no further business, upon a motion duly made by Mr. Frankel, and seconded by Mr. Page, 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 7, 2012

ATTENDANCE LIST

Howard I. Berkman
R. Gregory Henniger
Margaret Guarino
Inna Spector
Joshua T. Richardson
Frank Monterisi
Aaron Koffman
Matt Bissonette
Kent Hiteshew
Annie Lee
Marvin Markus
Pete Vajasin
Joe Tait
Thomas Caine
Geoff Proulx
James McIntyre
Eileen Heitzler
John Germain
B. Beal
Amy Bartoletti
Ted Sobel
Jennifer Steinberg
Michael Wadman
Melissa Burch
Brian Moriarty
Frank Dubinsky
Peter Cannava
Michael Baumrin
Eli Weiss
Thomas Mead
Aaron Amitin
Allan Arker
Daniel Moritz
Brian Anthony Richardson

Hawkins Delafield & Wood LLP
BOA Merrill Lynch
NYC Department of Investigation
The Related Companies
The Hudson Companies
Citigroup
JPMorgan
Goldman Sachs
Raymond James
Caine Mitter & Associates Inc.
Morgan Stanley
Orrick, Herrington & Sutcliffe LLP
Barclays Capital, Inc.
M.R. Beal
Ramirez & Co.
OMB
Phipps Houses
Forest City Ratner Companies
Monadnock Construcion
Wells Fargo Securities
RBC
Joy Construction
Drexel Hamilton
The Domain Cos.
The Arker Companies
NYC Department of Housing Preservation & Development