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

April 20, 2015

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Monday, April 20, 2015 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 10:56 a.m. by the Vice Chairperson, Harry E. Gould, Jr., who noted the presence of a quorum. The Members present were Dean Fuleihan, Jacques Jiha and Charles G. Moerdler. The Members absent were Vicki Been and Denise Notice-Scott. There is currently one vacancy. A list of observers is appended to these minutes.

The Vice Chairperson then called for the approval of the minutes of the meeting held on December 3, 2014.

Upon a motion duly made by Mr. Fuleihan, and seconded by Mr. Jiha, the Members unanimously:

RESOLVED, to adopt the minutes of such meeting.

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

Mr. Rodney thanked the Vice Chairperson and the Members in attendance. He said that since our last meeting in December, and thanks greatly to the actions approved by The Board at that time, the HDC team finished 2014 on a high note, having closed on the financing of approximately 8,000 new or preserved homes. He said that this contribution by HDC enabled The City to surpass its overall goals for the first calendar year of Mayor Bill de Blasio's *"Housing New York"* plan.

Mr. Rodney stated that with the Members' approval of the actions to be presented at this meeting and the next meeting in June, the Corporation expects to close enough units to meet the projected target at this point in the housing plan. He said that we are demanding a remarkable amount of pace and productivity of our staff in order to meet the most ambitious housing plan in the nation's history. He said that to no surprise, the HDC team has been rising to that challenge, for which they have his admiration and gratitude.

Mr. Rodney stated that the specific actions before the Members today impact not only new production and preservation projects, but also more generally the structure and procedures which form the engine that drives those achievements.

Mr. Rodney stated HDC's Senior Vice President for Debt Issuance and Finance, Ellen K. Duffy, would present the Corporation's recommendation of Jefferies, LLC as an additional co-managing underwriter for the Corporation's bond issuances. He said that this recommendation follows a thorough vetting process and is consistent with the Corporation's goal to maintain a balanced and diverse group of underwriters.

Mr. Rodney stated that Ms. Duffy would also be presenting the Corporation's 2014 annual investment report for ratification by The Board. He said that this report summarizes the Corporation's investment activity and includes its annual financial statement, all of which collectively demonstrate the continuing financial strength of the Corporation.

Mr. Rodney stated that HDC's Senior Vice President for Development, Anthony R. Richardson, would present a resolution relating to HDC's Multifamily Housing Revenue Bonds, 2015 Series A. He said if approved, Series A-1 would fund the financing for two developments in Brooklyn, one new construction and the other preservation, each of which exemplifies key principles of the housing plan as Mr. Richardson would describe in detail. He said that Series A-2 would refund a portion of an earlier bond series – 2005 Series A-1 – which would result in significant interest savings for HDC.

Mr. Rodney stated that lastly, HDC's Chief Operating Officer, Richard M. Froehlich, would present a resolution relating to the 2015 Series B Bonds. He said that if approved, a portion of the proceeds would be dedicated to a loan restructuring for a middle-income development in the HDC portfolio. He said more broadly, the approval of this resolution would authorize the purchase of an interest rate cap for certain variable rate bonds in the Corporation's Open Resolution, and would also authorize a securitization of loans supported by taxable bonds within the Open Resolution. He said that Mr. Froehlich would describe these actions in detail, but as with prior securitizations this would replenish HDC's reserves which can then be dedicated to financing new projects under The Mayor's housing plan.

Mr. Rodney stated that going forward the Corporation would strive not only to continue meeting its production goals, but to develop and refine strategies that would address the themes and principles of both the housing plan and "PlaNYC" – which is a plan being updated and refined collaboratively among all of The City's agencies to improve all facets of life in New York City. He said that as Wednesday is Earth Day, he'd like to note that one important part of PlaNYC would be ensuring a greener and more energy-efficient city. He said that HDC staff was hard at work on several programmatic and lending initiatives that would make the affordable housing we build and preserve more socially responsible and sustainable, and there would be much more to come on that issue.

Mr. Rodney stated that in other programmatic news, HDC was preparing to issue a Request for Proposals to the low income housing tax credit investment and syndication industry. He said that this RFP would seek proposals of structures that would create a vehicle for issuing tax credit guarantees for mixed-income projects, including suggestions for responsibly managed and shared risk.

Mr. Rodney stated that now that we have finally turned the corner from a brutal winter into spring, the hard work of the HDC team was taking root and would be in full bloom by the time we get to June and what is projected to be one of the most productive closing seasons in the Corporation's history. He again thanked the Members for their attendance today and also thanked them in advance for returning for the next meeting in early June. He said that he looks forward to seeing them all again at that time, when the Corporation will be asking the Members' approval of many more projects and many more units that would provide quality affordable homes for the residents of our great city. He stated that this concludes his remarks, and if there were no questions the Members could continue with the remaining agenda.

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

The Vice Chairperson stated that the next item on the agenda for consideration by the Members would be the Approval of Additional Co-Managing Underwriter for the Corporation's Bond Issuances, and called upon Ms. Duffy to advise the Members regarding this item.

Ms. Duffy first referred the Members to the memorandum before them entitled "Approval of Additional Co-Managing Underwriter for the Corporation's Bond Issuances" dated April 13, 2015 and the attachment thereto, which is appended to these minutes and made a part hereof. Ms. Duffy stated that in December 2011, the Corporation issued a Request for Proposal ("RFP") for managing underwriters and on June 11, 2012, the Members approved a diverse roster of underwriters for the Corporation's bond issuances under its various bond programs.

Ms. Duffy stated that the Review Committee at the time recommended a balanced group of underwriters ranging from small regional firms to the nation's largest investment banks. She said that Jefferies LLC requested consideration and submitted a response to the original RFP; however, at the time, the firm did not have any personnel that had worked with HDC, or had significant affordable housing experience.

Ms. Duffy stated that on March 13, 2015, Jefferies submitted a new RFP response to the Corporation. She said that Jefferies recently hired a Managing Director with over twenty years of affordable housing finance experience. She said that this banker, while serving at his prior firm, was the senior banker for HDC's first MBS pass-through bond structure in June 2014. She said that the staff at Jefferies now also includes several municipal and housing finance veterans.

Ms. Duffy stated that Jefferies was a full-service investment banking and institutional securities firm headquartered in New York City. She said that Jefferies was a well-capitalized firm with diverse investor relationships and the technical expertise necessary in the housing and mortgage securitization markets. She said that in addition, Jefferies offered a well-balanced distribution system catering to both institutional and retail investors.

Ms. Duffy stated that the Members were being requested to approve Jefferies LLC as a Co-Manager for the Corporation's bond issuances. She said that Jefferies would not be a co-manager for the bond issue the Members are being asked to approve today.

Mr. Moerdler stated that he was required by the Conflicts of Interest Board to disclose for the record that members of his firm, but not he, represent several of the entities named in the

Board Memo, including, among others, Jefferies LLC, Citibank, Goldman, Wells Fargo, Morgan and Barclays, but that does not disqualify him or require his recusal from voting.

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

RESOLVED, to approve Jefferies LLC as a Co-Manager for the Corporation's bond issuances.

The Vice Chairperson stated that the next item on the agenda would be the Ratification of the 2014 Annual Investment Report, and again called upon Ms. Duffy to advise the Members regarding this item.

Ms. Duffy referred the Members to the memorandum before them entitled "Ratification of NYCHDC's 2014 Annual Investment Report" dated April 13, 2015 and the 2014 Annual Investment Report attached thereto, which is appended to these minutes and made a part hereof. Ms. Duffy stated that the New York State Public Authorities Law (PAL) requires HDC to provide an annual investment report. She said that these requirements are met by the 2014 Annual Investment Report presented, which includes:

- Data on investments made;
- Investment earnings and fees paid;
- Copies of the Corporation's audited financial statements;
- The Investment Guidelines as approved by the Members on December 3, 2014; and
- A Report of Independent Auditors on Compliance with Investment Guidelines

Ms. Duffy stated that the 2014 Annual Investment Report was presented and approved by the Audit Committee on January 26, 2015. She said that at this time the Members were being asked to ratify the Audit Committee's approval of the Report. She said that upon ratification by the Members, the Report would be submitted to the Mayor and to both the City and State Comptrollers, as required by the Public Authorities Law.

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

RESOLVED, to ratify the Corporation's 2014 Annual Investment Report.

The Vice Chairperson stated that the next item on the agenda would be the Approval of an Authorizing Resolution relating to the Multi-Family Housing Revenue Bonds, 2015 Series A and B, and called upon Mr. Richardson to advise the Members regarding this item.

Mr. Richardson referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2015 Series A and B" dated April 13, 2015 (the "Open Resolution Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the Two Hundred Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series A-1, the Two Hundred Sixth Supplemental

Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series A-2, the Two Hundred Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series B-1, the Two Hundred Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series B-2 and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Two Hundred Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series A-1, the Two Hundred Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series A-2, the Two Hundred Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series B-1, and the Two Hundred Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series B-2 (each, a "Supplemental Resolution" and collectively, the "Supplemental Resolutions"); (iii) the Bond Purchase Agreements; and (iv) the Preliminary Official Statement, all of which are appended to these minutes and made a part hereof.

Mr. Richardson stated that he was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2015 Series A-1, A-2, B-1, and B-2, in an amount not expected to exceed $117,270,000 to finance the construction, acquisition, rehabilitation and/or permanent financing of the three projects and other activities as described in the Open Resolution Memorandum. Mr. Richardson stated that he would provide information for the Series A-1 and A-2 Bonds, and that Mr. Froehlich would provide information for the Series B Bonds.

Mr. Richardson stated that together with the issuance of the 2015 Series A and B Bonds, the Corporation expects to issue approximately $20,500,000 of its Multi-Family Revenue Bonds, 2015 Series C Bonds pursuant to a Supplemental Resolution previously adopted by the Members on December 3, 2014. He said that originally authorized as the 2014 Series J Bonds, these bonds would be re-designated the 2015 Series C Bonds in connection with the proposed issuance of the 2015 Series A and B Bonds. He said that as previously authorized, the 2015 Series C Bonds would be issued as a convertible option bond (or COB) to preserve tax-exempt "recycled" volume cap. He said that the proceeds of the 2015 Series C Bonds were expected to provide first position construction and permanent financing for the new construction of acquisition and rehabilitation of certain developments which would reserve a minimum of 20% of the units for households earning no more than 50% of Area Median Income (AMI) or 25% of the units for households earning no more than 60% of AMI. He said that Members were being asked to approve a supplemental list of projects expected to close in June 2015 and listed in Attachment A that would be eligible to use such financing. He said that while most of the projects listed would not be funded from the 2015 Series C Bond proceeds, all would be eligible for such financing.

Mr. Richardson stated that interest on the 2015 Series A-1 and A-2 Bonds was expected to be exempt from Federal, state and local income tax and would qualify as tax-exempt private activity bonds with a combination of an allocation of new private activity bond volume cap, an allocation of "recycled" volume cap in accordance with the Housing and Economic Recovery Act of 2008 and the refunding of certain outstanding bonds of the Corporation. Mr. Richardson stated that approval of Authorizing Resolution will authorize the 205th through 208th Supplemental Resolutions under the Corporation's Open Resolution.

Mr. Richardson stated that it was anticipated that the 2015 Series A-1 Bond proceeds, in an amount not expected to exceed $31,120,000, would be used to finance mortgage loans for two developments, one ELLA Program project and one Preservation project, consisting of 174 rental units located (or to be located) in the borough of Brooklyn. He said that the ELLA development would receive subordinate financing from the Corporation's unrestricted reserves in an amount not to exceed $7,365,000. He said that the subordinate loan would bear an interest rate of 1%, would be advanced during construction and remain in the project as a permanent loan. He said that the Series A-1 Bonds were expected to be issued as fixed rate tax-exempt bonds. He noted that further detail on these anticipated developments could be found in Attachments B and C of the Open Resolution Memorandum.

Mr. Richardson stated that it was anticipated that the proceeds of the 2015 Series A-2 Bonds would be used to refund a portion of the Corporation's Multi-Family Housing Revenue Bonds, 2005 Series A-1 Bonds. He said that the mortgage loans associated with the 2005 Series A-1 Bonds would remain pledged to the Open Resolution. He said that the Series A-2 Bonds, in an amount not expected to exceed $6,150,000, were expected to be issued as fixed-rate tax-exempt bonds and would be designated Mitchell Lama Restructuring Bonds. He added that a list of the Bond underwriters, as well as details about risks, fees and credit ratings associated with the 2015 Series A and B Bonds, were outlined in the Open Resolution Memorandum. Mr. Richardson stated that unless there were any questions, Mr. Froehlich would now describe the 2015 Series B Bonds.

Mr. Froehlich stated that he was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2015 Series B-1 and 2015 Series B-2 (collectively, the "2015 Series B Bonds") in a combined amount not expected to exceed $80,000,000.

Mr. Froehlich stated that interest on the 2015 Series B Bonds was not expected to be exempt from Federal income tax, but was expected to be exempt from state and local income tax. He said that the 2015 Series B-1 Bonds were expected to be issued on a fixed-rate basis with a rate not expected to exceed 5%. He said that the 2015 Series B-2 Bonds were expected to be issued as variable rate LIBOR-indexed bonds with an expected maximum rate of 7.5% to be purchased by the Federal Home Loan Bank of New York.

Mr. Froehlich stated that it was anticipated that a portion of the proceeds of the 2015 Series B Bonds would be used to partially restructure and finance a portion of an existing mortgage loan for one development known as 277 Gates Avenue and used to acquire mortgage loans previously funded by the Corporation, and to refund certain bonds in the Open Resolution. He said that the remaining 2015 Series B Bond proceeds were expected to be used by the Corporation to make subsidy loans pursuant to the Mayor's new housing plan, purchase an interest rate cap, fund a Debt service reserve fund, and pay costs of issuance.

Mr. Froehlich stated that the Members were also being asked to approve the purchase of an interest rate cap to manage the variable interest rate risk relating to the LIBOR-indexed rate bonds outstanding in the Open Resolution. He said that the Corporation expects to purchase a

$150,000,000 LIBOR-indexed interest rate cap from a qualified interest rate provider pursuant to the Hedge Policy that was approved by the Members. He said that it was expected that the interest rate cap would have a strike rate anticipated to be 3.50%, a ceiling rate anticipated to be 8% and a term anticipated to be five years.

Mr. Froehlich stated that the risk and fees associated with the 2015 Series B 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.

Mr. Moerdler stated that he was required by the Conflicts of Interest Board to disclose for the record that members of his firm, but not he, act on occasion as counsel for a variety of the firms identified in the Board Memo, including Wells Fargo and JPMorgan, but that does not disqualify him or require his recusal from voting.

Mr. Moerdler then stated that it was his understanding that the Greenpoint Landing project qualified for 421-a tax benefits, and asked whether that was factored into the aggregate numbers. Mr. Froehlich responded that the tax abatement was expected to be 420-c, and yes, such benefit was factored into the underwriting.

Mr. Jiha then asked Mr. Froehlich to provide a brief explanation of the interest rate cap, particularly why the term has changed from seven years to five years and the strike rate has also changed from what is in the Board Memo. Mr. Froehlich stated that when we underwrote the original bonds we assumed a higher interest rate, but since we've been in a lower interest rate environment, the differential has been spread to the Corporation, and what we'd like to be able to do is to monetize part of that spread. He said that there's a significant increase in cost between a five and seven year term, and by going with a five year cap at a slightly lower rate, we were able to monetize the same amount as we would have with a seven year cap, reducing what we think would be the outlay of the Corporation by about $1.25 million. Mr. Froehlich stated that HDC was in some discussions about the idea of having, in essence, a rolling cap. He said that when we do our cash flow underwriting for the rating agencies, they assume wild fluctuations, and Moody's has a very high assumed interest rate for our LIBOR bonds; so by having a cap, we don't have to run it at that high rate, which allows us to both raise money and reduce outstanding risk to the Corporation.

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

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

RESOLVED, (A) to approve (i) the Authorizing Resolution that provides for (a) the adoption of Supplemental Resolutions to the Open Resolution providing for the issuance of the Bonds, (b) the distribution of Preliminary and final Official Statement(s) for the Bonds, (c) the execution of bond purchase agreement(s) with the Underwriter(s) of the Bonds or a direct purchaser of any or all of the Bonds, (d) 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, (e) 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, (f) the refunding of certain bonds of the Corporation, (g) the execution of amendments to the existing Participation Agreement with the City of New York relating to designating certain Bonds financing mortgage loans as Mitchell-Lama Restructuring Bonds, (h) the purchase and the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to purchase an interest rate cap, and (i) 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) to approve the making of a subordinate loan for one ELLA development from the Corporation's unrestricted reserves in an amount not expected to exceed $7,360,000 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 Vice 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 ratify the items just approved by the Finance Committee.

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

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

At 11:15 a.m., there being no further business, upon a motion duly made by Mr. Moerdler, and seconded by Mr. Fuleihan, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz

Diane J. Pugacz
Assistant Secretary

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

April 20, 2015

ATTENDANCE LIST

Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	“ ”
Joanne Feld	Raymond James
Joe Tait	“ ”
Bianca Neumann	NYC OMB
Michael Baumrin	RBC Capital Markets
Samphas Chhea	Ramirez & Co.
Dashmir Keca	“ ”
Ryan Scott	Blaylock Beal Van
Matt Tesseyman	Citi
Jackie Gold	NYC DOF
Peter Weiss	J.P. Morgan
Vidya Rajan	“ ”
Kevin Roche	Orrick, Herrington & Sutcliffe LLP
Francis McKenna	Academy Securities
Margaret Guarino	BOA Merrill Lynch
Barbara Feldman	“ ”
Geoff Proulx	Morgan Stanley
James McIntyre	“ ”
Andrew Rothbaum	Mohanty Gargiulo LLC
Alan Jaffe	J.P. Morgan
John Germain	Jefferies LLC
Gary Rodney	New York City Housing Development Corporation
Richard M. Froehlich	“ ”
Paula Roy Carethers	“ ”
Ellen K. Duffy	“ “
Anthony R. Richardson	“ ”
Jim Quinlivan	“ “
Melissa Barkan	“ ”
Diane J. Pugacz	“ ”
Terry Gigliello	“ ”
Cathy Baumann	“ ”
Madhvi Kulkarni	“ ”
Jeffrey Stone	“ ”
Susannah Lipsyte	“ ”
Mary Hom	“ ”

Mary John	"	"
Bharat Shah	"	"
Horace Greene	"	"
Karen Santiago	"	"
Tinru Lin	"	"
Shira Gidding	"	"
Moria Skeados	"	"
Jonah Lee	"	"
Jaclyn Moynahan	"	"
Claudine Brown	"	"
Ted Piekarski	"	"
Chanin French	"	"
Kate Gilmore	"	"
Clarissa Wertman	"	"
Jeet Gulati	"	"
Shirley Jarvis	"	"
Catherine Townsend	"	"
Cheuk Yu	"	"
Uyen Luu	"	"
Hammad Graham	"	"
Libby Rohlfing	"	"
Justin Mathew	"	"
Bryson Brown	"	"