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

June 10, 2014

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Tuesday, June 10, 2014 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 10:36 a.m. by the Chairperson, Vicki Been, who noted the presence of a quorum. The Members present were Colvin W. Grannum, Jacques Jiha, Charles G. Moerdler and Denise Notice-Scott. The Members absent were Harry E. Gould, Jr. and Dean Fuleihan. A list of observers is appended to these minutes.

The Chairperson called for the approval of the minutes of the meeting held on April 10, 2014.

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

RESOLVED, to adopt the minutes of such meeting.

The Chairperson stated that the next item on the agenda would be the report of the Audit Committee, and called upon Ms. Notice-Scott to advise the Members regarding this item. Ms. Notice-Scott stated that the Audit Committee met prior to this meeting at which time the Members reviewed the Corporation's second quarter financial statements, as well as other financial and internal audit reports.

The 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 Chairperson and the Members in attendance. He said that during his last report in April he noted that the Corporation was hard at work on Mayor de Blasio's housing plan. He said that on May 5th the Chairperson and he were very proud to stand with the Mayor and other city officials as he unveiled the plan, which has been heralded as the most ambitious and comprehensive affordable housing plan in the history of not only the city but the country. He said that simply but aptly named "Housing New York: A Five Borough, Ten Year Plan" it lays the groundwork for creating or preserving 200,000 affordable housing units over the next ten years.

Mr. Rodney stated that HDC of course features prominently in the plan, committing to working with its partners to restructure existing programs and also to create new innovations in financing strategies. He said that these plans would not only create more units but ensure that those units reach more diverse levels of affordability to address New Yorkers with incomes ranging from extremely low incomes to middle incomes and everywhere in between; all of whom are struggling to find affordable places to live in a city that is one of the most expensive real estate markets in the world. He said that HDC would continue to more proactively structure developments that not only produce housing units but also provide needed community facilities and introduce necessary commercial and retail space which, together with the affordable housing, will become part of the fabric of each development's community and contribute to its overall economic empowerment.

Mr. Rodney stated that as proud as he was to stand with The Mayor on May 5th, he was just as proud to be with all of you today as the projects that will be presented for the approval of the Members each speak to various core goals and principles of the Housing New York plan. He said that included in the resolution which would be presented by the Corporation's Senior Vice President for Development, Jonathan Springer, would be projects such as 261 Hudson Street, an 80/20 development in lower Manhattan financed with an innovative bifurcated structure that would create the same number of affordable units as the standard 80/20 model while using less volume cap that can then be dedicated to other projects. He said that many of the other projects in the 2014 Series C- F bond issue which Mr. Springer would present, both new construction and preservation, also provide the kind of community and commercial resources that he noted earlier as being so critical to the plan's goal of holistic economic empowerment through housing development. He said that Mr. Springer's presentation would also include a request to approve loans from the Corporation's unrestricted reserves which would help to preserve affordable Mitchell Lama developments that might otherwise be lost to the City either because of their deteriorating conditions or in some cases because they would simply seek to exit the program at the expiration of the existing Mitchell Lama terms. He said that stemming the loss of affordable housing units is another critical component of The Mayor's plan, and so initiatives such as these Mitchell Lama preservations must remain a priority for HDC and The City.

Mr. Rodney stated that HDC's Vice President for Development, Catherine Townsend, will present a stand-alone project, Harlem Dowling, which is also an example of Housing New York's principles being fully realized. He said that this project will not only provide 58 units of low-income new construction housing in Central Harlem, but a percentage of those units will be dedicated to – and provide services for – very and extremely low-income young adults who are aging out of the foster care system. He said that the project will feature 16,000 square feet of community facility space which will provide support services to the residents and members of the surrounding community.

Mr. Rodney stated that as Ms. Notice-Scott just noted in her report of the Audit Committee, the Corporation's second quarter report demonstrates the continued strength of the Corporation's financial position; in keeping with the plan's call for financing innovation, HDC Senior Vice President for Debt Issuance and Finance, Ellen K. Duffy, will present for the Members' approval an authorization for 2014 Series A Bonds which will be structured as pass-through obligations. He said that as Ms. Duffy will explain in further detail, this structure will help broaden the Corporation's traditional investor base and should result in preferable pricing. He said that this issuance is expected to contribute to the replenishment of corporate reserves, which will then be available to other projects HDC will finance under the Mayor's plan.

And finally, Mr. Rodney stated, the key to HDC's success has always been the talent and dedication of its staff, and so today he was pleased to request the approval of an executive appointment that would further strengthen HDC's core leadership team. He said that the Members would be asked to appoint Paula Roy as Executive Vice President of Real Estate for the Corporation. He said that Ms. Roy brings more than 15 years of experience in areas key to the Corporation's work, including community development, strategic planning, project finance, and asset management. He said that her senior management roles at CPC Resources and Empire State Development Corporation were marked by major successes in each of those areas of expertise. He said that he was confident that her energy, creativity and leadership would similarly prove invaluable to the team at HDC as we continue and increase our productivity and innovation in providing affordable housing for all New Yorkers.

Mr. Rodney stated that the Housing Plan was written, and now it must be implemented. He said that the actions the Members were asked to approve today were early steps in achieving that mission, with many more steps – and many more projects – to follow. He thanked the Members and the HDC staff for their tremendous work and support as they endeavor to take Mayor de Blasio's housing plan off the written page and into the neighborhoods and communities of the City.

He stated that this 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 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 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 2014 Series C, D, E and F and Approval of Loans from Unrestricted Reserves, and called upon Mr. Springer to advise the Members regarding this agenda item.

Mr. Springer first noted that there was a blacklined version of the memorandum before the Members. He then referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2014 Series C, D, E and F and Approval of Loan from Unrestricted Reserves" dated June 3, 2014 (the "Open Resolution Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the One Hundred Ninety-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series C-1, the One Hundred Ninety-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series C-2, the One Hundred Ninety-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series C-3, the One Hundred Ninety-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series D-1, the One Hundred Ninety-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series D-2, the One Hundred Ninety-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series E and the One Hundred Ninety-Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series F and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the One Hundred Ninety-Second

Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series C-1, the One Hundred Ninety-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series C-2, the One Hundred Ninety-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series C-3, the One Hundred Ninety-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series D-1, the One Hundred Ninety-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series D-2, the One Hundred Ninety-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series E and the One Hundred Ninety-Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2014 Series F (each, a "Supplemental Resolution" and collectively, the "Supplemental Resolutions"); (iii) the Preliminary Official Statement; and (iv) the Bond Purchase Agreements, all of which are appended to these minutes and made a part hereof.

Mr. Springer stated that if approved, the actions requested of the Members today would facilitate the development of 2,732 units of affordable housing in seventeen developments spread across the Bronx, Brooklyn and Manhattan. He said that seven of these developments, representing 56% of total units, involved the preservation of existing affordable housing. He said that the other ten of these developments, with approximately 44% of total units would involve new construction.

Mr. Springer stated that these units would provide housing to a variety of populations in need of affordable housing. He said that nearly 60% of the units would be affordable to people at 60% of Area Median Income, currently $50,340 dollars for a family of four. He said that just under 20% of the units would be affordable to households below that level, and the remaining units would be affordable to households at incomes up to 130% of Area Median Income.

Mr. Springer stated that HDC's loans would leverage significant additional investment in these developments. He said that an anticipated $330 million dollars of senior loans were expected to leverage $77 million dollars of HDC subordinate debt, $105 million dollars of HPD subordinate debt and $406 million of other funding, of which a majority is Federal low income housing tax credit equity. He said that the total investment exceeds $900 million dollars.

Mr. Springer stated that in addition to these seventeen developments, the Members were being asked to approve refinancing for two Mitchell-Lama developments totaling 569 units and supplemental financing for the Penn South development, which he would describe momentarily.

Mr. Springer stated that in order to achieve these results, he was pleased to recommend that the Members authorize the following six actions on behalf of the Corporation.

First, Mr. Springer recommended that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2014 Series C-1, C-2, and C-3, 2014 Series D-1 and D-2, 2014 Series E and F in an amount not to exceed $607,155,000. He said that interest on all of these bonds was expected to be exempt from Federal, state and local income tax, except for 2014 Series D-1 and D-2, which would be exempt from state and local but not Federal income tax. He said that the Supplemental Resolutions relating to these Bonds constitute the 192nd through 198th Supplemental Resolutions to be approved under the Corporation's Open Resolution.

Mr. Springer stated that proceeds of the 2014 Series C Bonds would not exceed $321,235,000 dollars. He said that the Series C-1 bonds would be issued on a fixed rate basis. He said that the Series C-2 and C-3 Bonds would be issued as variable rate demand obligations. He said that the proceeds of these Series C Bonds would be used to provide first position construction and permanent financing for the developments listed in Attachments B-1 through B-15 of the Open Resolution Memorandum.

Mr. Springer stated that the proceeds of the 2014 Series D Bonds would not exceed $150 million dollars. He said that proceeds of these bonds would be used to (1) acquire approximately $50 million dollars of principal of mortgage loans previously funded by corporate reserves, (2) refund certain bonds in the Open Resolution in order to lock in the current low interest rates, and (3) finance the cost of issuance for these bonds.

He said that proceeds of the 2014 Series E Bonds would not exceed $39,595,000 dollars and are expected to be used to refund the Corporation's 2004 Series E-1 Bonds associated with fourteen senior Mitchell-Lama tax-exempt loans – again, taking advantage of current low interest rates.

Mr. Springer stated that proceeds of the 2014 Series F Bonds would not exceed $60 million dollars. He said that issuance of these bonds would allow the Corporation to preserve "recycled" volume cap from bonds issued previously. He said that the proceeds of these bonds would be used to fund mortgage loans for projects that were expected to close in the second half of 2014 or in early 2015, including one or more of the developments listed in Attachment D to the Open Resolution Memorandum.

Second, Mr. Springer stated that the Members were being asked to approve the origination of twelve subordinate loans, consisting of six loans from the Corporation's unrestricted reserves in an amount not to exceed $35,905,000 dollars and five loans from the 421-a Affordable Housing Trust Fund in an amount not to exceed $48,355,000 dollars. He said that these subordinate loans would be made under the Low Income Affordable Marketplace, Mixed Income and New Housing Opportunities (or "New HOP") Programs.

Third, Mr. Springer stated that the Members were being asked to approve the origination of a construction loan to finance the market rate portion of the construction of the 261 Hudson Street development and a participation agreement with TD Bank pursuant to which TD Bank and other participants would acquire a 100% interest in such loan.

Fourth, Mr. Springer stated that the Members were being asked to approve the Corporation to enter into a Purchase and Sale Agreement with the City of New York relating to the existing subordinate debt on a portfolio of projects in Manhattan with a total of 254 units, which is also being financed with proceeds of the 2014 Series C Bonds.

Fifth, Mr. Springer stated that the Members were being asked to authorize the use of the Corporation's reserves in an amount not to exceed $40 million dollars to finance senior and subordinate permanent mortgage loans for the rehabilitation and preservation of two Mitchell-Lama developments in Brooklyn – Sam Burt Houses, with 147-units and Cadman Towers Cooperative with 422 units.

Sixth and finally, Mr. Springer stated that the Members were being asked to authorize the origination of a supplemental loan and participation agreement with Wells Fargo, for the Penn South development, an affordable 2,820 unit cooperative in Manhattan that the Corporation previously financed in 2011. He said that the members were further being requested to approve the use of the Corporation's reserves in an amount not to exceed $500,000 dollars to fund the Corporation's 1% interest in such supplemental loan.

Mr. Springer stated that more detail on the developments, as well as the Bond underwriters, risks, fees and credit ratings associated with the 2014 Bonds, were outlined in the Open Resolution Memorandum.

Mr. Springer stated that in addition, together with the June issuance, the Corporation expects to remarket $9,205,000 of the 2013 Series F Bonds to finance a portion of a mortgage loan. He said that the 2013 Series F Bonds were expected to be remarketed by the same underwriting team as the 2014 Series C-1 Bonds. He added that unless there were any questions, Rich would present the Authorizing Resolution.

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 JP Morgan, Wells Fargo, Citibank and The Related Companies, but that does not disqualify him or require his recusal from voting.

Mr. Moerdler asked if all of the resolutions were going to be done all together or separately. Richard M. Froehlich, Chief Operating Officer, Executive Vice President and General Counsel for the Corporation, stated that for the Open Resolution bonds they would all be done together.

Mr. Moerdler stated that he would like to know about three of the projects and what they are. He said that he would like to know about Albert Einstein in the Bronx, and Montefiore Hospital in the Bronx. Mr. Froehlich stated that both projects were done as staff housing under the Mitchell Lama Law in the early 70's, and were refinanced in 2004, and that we're now refinancing the underlying debt so that we can reduce the Corporation's cost of funds that would then basically be used for more Mitchell Lama loans in the future. Mr. Moerdler asked if the same were true with respect to Boriquen Court in the Bronx. Mr. Springer said that the construction closing for Boriquen Court occurred in 2013, and that this would be a refinancing.

Mr. Jiha stated that he was new to the board and that the structures of the deals were hard for him to follow since the Corporation covers so many deals in one issue. He said that he could not get to the bottom and the true structure of each one of the deals. He asked if it was possible going forward if the Corporation could more or less separate these deals. Mr. Froehlich said that actually it was hard to do, but that the Corporation would be glad to go over the structure with Mr. Jiha and explain it. He said that generally the rational for the pooling was to reduce risks. Mr. Jiha said that he understood that, and that he was talking about the presentation. Mr. Froehlich said that the Corporation could discuss that with Mr. Jiha.

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. Jiha, and seconded by Ms. Notice-Scott, the Members of the Finance Committee unanimously:

RESOLVED, (A) to approve 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 Bonds or a direct purchaser of any or all of the Bonds; (iv) the use of the Corporation's unrestricted reserves to fund costs of issuance, capitalized interest and mortgage reserves for 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 agreements with respect to the Bonds; (vii) the refunding of certain bonds of the Corporation; (viii) 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; (ix) the execution of one or more Purchase and Sale Agreements with the City of New York relating to restructuring existing mortgage loans; and (x) 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; (B) to approve the making of subordinate loans for 4 LAMP developments, one Mixed Income development and one NewHOP development from the Corporation's unrestricted reserves in an amount not expected to exceed $35,905,000 and subordinate loans for four (4) LAMP developments and one Mixed Income Development to be funded from the 421-a Affordable Housing Trust Fund in an amount not to exceed $48,355,000; (C) to approve the origination of a construction loan to finance the market rate portion of the construction of the 261 Hudson development and a participation agreement with TD Bank pursuant to which TD Bank and other participants will acquire a 100% interest in such loan; (D) to approve the Corporation to enter into a Purchase and Sale Agreement with the City of New York relating to the existing subordinate debt on a portfolio of projects in Manhattan with a total of 254 units; (E) to authorize the use of the Corporation's unrestricted reserves in an amount not to exceed $40,000,000, to finance senior and subordinate permanent mortgage loans for the rehabilitation and preservation of Sam Burt Houses, a 147-unit Mitchell-Lama development in Brooklyn, and Cadman Towers Cooperative, a 422-unit Mitchell-Lama development in Brooklyn; and (F) to approve the origination of a supplemental loan for the Penn South Development and a participation agreement with Wells Fargo pursuant to which Wells Fargo will acquire a 99% interest in such loan, and to approve the use of the Corporation's unrestricted reserves in an amount not to exceed $500,000 to fund the Corporation's 1% interest in such loan.

The Chairperson stated that the next item on the agenda would be the Approval of an Authorizing Resolution relating to the Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A, and called upon Ms. Duffy to advise the Members regarding this item.

Ms. Duffy referred the Members to the memorandum before them entitled "Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A" dated June 3, 2014 (the "Pass-Through Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the Multi-Family Housing Pass-Through Revenue Bond Resolution Authorizing the Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Multi-Family Housing Pass-Through Revenue Bond Resolution Authorizing the Multi-Family Housing Pass-Through Revenue Bonds 2014 Series A; (iii) the Preliminary Official Statement; and (iv) the Bond Purchase Agreement, all of which are appended to these minutes and made a part hereof.

Ms. Duffy stated that she was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A in an amount not expected to exceed $50,000,000. She said that interest on the Bonds was not expected to be exempt from Federal income tax, but was expected to be exempt from state and local income tax.

Ms. Duffy stated that the Bonds were expected to be structured as pass-through obligations. She said that the "pass-through" structure provides an alternative to the taxable structure utilized under the Corporation's Open Resolution and helps broaden the Corporation's traditional investor base. She said that the structure was expected to result in preferable pricing similar to other pass-through securities such as the FHA Risk-Sharing Pass-Through Securities recently executed by three State housing finance agencies. She said that the proposed pass-through financing by the Corporation would be the first one by a housing finance agency to use loans enhanced by an entity other than the Federal Housing Administration. She said that in this case all loans would be partially insured by the Corporation's subsidiary insurance corporation, REMIC.

Ms. Duffy stated that it was anticipated that the Bond proceeds would be used to finance the acquisition of eight (8) permanent loans (the "Mortgage Loans") currently pledged to the Corporation's Open Resolution with an aggregate outstanding principal balance of $41.8 million. She said that all of the Mortgage Loans were partially insured by REMIC.

Ms. Duffy stated that together with the proposed authorization of the Corporation's Multi-Family Housing Revenue Bonds, 2014 Series D ("2014 Series D"), the Bond proceeds were expected to be used to refund certain bonds of the Open Resolution in order to re-leverage assets currently held under the Open Resolution. She said that together with 2014 Series D, the issuance of the Bonds was expected to allow for the replenishment of the Corporation's reserves that could then be re-lent to new developments in furtherance of the Corporation's commitment to the Mayor's housing plan.

Ms. Duffy stated that the 2014 Series A Bonds would be issued as fixed rate bonds. She said that it was expected that the Bonds would have an interest rate that does not exceed 3.5% and an approximate final maturity of May 1, 2036.

Ms. Duffy stated that under the Resolution, the Corporation was obligated to pay Bond debt service consisting of interest due monthly and principal due at maturity or prior redemption. She said that all repayments and prepayments derived from the Mortgage Loans, including a payment of REMIC insurance, if any, would be passed through to the bondholders to redeem the Bonds on a monthly basis.

Ms. Duffy stated that the Bonds would be secured by the Mortgage Loans and the revenues derived therefrom and a debt service reserve fund. She said that the Mortgage Loans were expected to have a significantly higher interest rate than the interest on the Bonds. She said that the anticipated excess interest would be collected in an Excess Revenue Fund. She said that amounts in the Excess Revenue Fund in excess of one-month's debt service on the Mortgage Loans would be deposited back to the Open Resolution.

Ms. Duffy stated that to achieve an AA rating and reduce the debt service reserve fund requirement, the Bonds would also be secured by a contingent pledge of the Open Resolution in the event there is a missed Mortgage Loan payment and amounts in the Excess Revenue Fund are insufficient to pay interest and the expected monthly principal redemption of Bonds. She said that the pledge of the Open Resolution would only be available after a demonstration that there is surplus cash flow in the Open Resolution pursuant to a Cash Flow Statement.

Ms. Duffy stated that the Bonds were expected to be rated AA by Standard and Poor's Rating Service and Aa2 by Moody's Investors Service. She noted that more details on the loans being financed, as well as the Bond underwriter, risks, and fees associated with the Bonds, were outlined in the Pass-Through Memorandum. She added that unless there were any questions, Rich would present the Authorizing Resolution.

Mr. Moerdler asked when the properties listed on the final page in the Pass-Through Memorandum were last inspected either by HPD or DOB. Mr. Froehlich said that they are inspected by HDC engineers every year. Mr. Moerdler asked if they were inspected for compliance with the housing maintenance code. Jim Quinlivan, Senior Vice President for Policy Analysis and Compliance for the Corporation, said that the projects are inspected for general maintenance practices and overall conditions, and that there is a violations check with DOB and HPD. He said that if there are any outstanding violations on record they are noted in HDC's report and the owners are required to demonstrate that they are working to remove them. He said that HDC conducts a comprehensive basement to rooftop inspection and a report is issued giving owners 30 days to respond describing the actions taken, underway or planned to correct any findings. Mr. Moerdler asked if any conditions that may be found are then reported to HPD and DOB. Mr. Quinlivan noted that HDC is not an enforcement agency and its engineers do not have authority to issue violations. However, Mr. Quinlivan further confirmed that if HDC engineers identified any issue they deemed to be critical and/or warranted further attention, the engineers would immediately bring those to his attention and HDC would coordinate at a senior level with DOB and/or HPD as appropriate to ensure that proper and timely measures are taken.

Mr. Moerdler addressed the President and the Chairperson and said that he respectfully suggests that they take a good hard look and try to coordinate these inspections with the inspections done by the Department of Buildings and by HPD to make sure that they are in compliance with the Housing Maintenance Code. He said that he coincidently happened to pass one of the buildings and it raised some questions in his mind, so it may be useful to do that going forward. The Chairperson thanked Mr. Moerdler for his suggestion and said that they would certainly follow up.

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

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

RESOLVED, (A) to approve the Authorizing Resolution which provides for (i) the adoption of the Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A Resolution (the "Pass-Through 2014 A Resolution"), (ii) the execution of the bond purchase agreement regarding the sale of the Bonds, and (iii) the execution of any other documents necessary to accomplish the issuance and securing of the Bonds; and (B) to authorize the Corporation to fund an interest account for the initial debt service payment in an amount not to exceed $150,000 and debt service reserve fund in an amount not to exceed $1,500,000 from the Corporation's unrestricted reserves.

The Chairperson stated that the next item on the agenda would be the Approval of an Authorizing Resolution relating to the Multi-Family Housing Revenue Debt Obligation (Harlem Dowling). She called upon Catherine Townsend, Vice President for Development, to advise the Members regarding this item.

Ms. Townsend noted that a blacklined version of the memorandum was in front of the Members. She then referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Debt Obligations (Harlem Dowling), dated June 3, 2014 (the "Harlem Dowling Memorandum") and the attachments thereto including (i) the Resolution Approving the Funding Loan Agreement and Authorizing the Issuance of the Multi-Family Housing Revenue Debt Obligations (Harlem Dowling) and Certain Other Matters in Connection Therewith; and (ii) the Funding Loan 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 authorize the Corporation to enter into a Funding Loan Agreement with Citibank, National Association to issue one or more of the Corporation's Multi-Family Housing Revenue Debt Obligations to finance two mortgage loans for the acquisition and construction of a 60-unit multi-family rental housing development with community facility space to be known as "Harlem Dowling" and pay certain costs related thereto, in an amount not expected to exceed $15,000,000. She said that the two mortgage loans would be comprised of a Residential Loan secured by a mortgage on the fee interest in the overall premises and a Community Loan secured by a mortgage on the leasehold interest relating to the master lease of the community facility space. She said that the Funding

Loan Agreement was being used rather than a traditional bond because of the large community facility space that could not be credit enhanced by REMIC and the desire of Citibank as the lender to structure this transaction in a manner for it to get lending credit for Community Reinvestment Act purposes.

Ms. Townsend stated that during construction, the Residential Loan and the Community Loan would be treated as one mortgage loan. She said that after conversion to the permanent phase, the Residential Borrower would be obligated solely on the Residential Loan and the Community Borrower would be obligated solely on the Community Loan. She said that interest on the Obligations was anticipated to be exempt from Federal, State and Local income tax and subject to an allocation of private activity volume cap.

Ms. Townsend stated that the Residential Borrower would be Harlem Dowling Managers, a New York Limited Liability Company of which principals of Alembic Development Company and Harlem Dowling are Managing Members. She said that the Community Borrower would be comprised of Harlem Dowling and Children's Village.

Ms. Townsend stated that Alembic was a privately owned real estate development company and would be the co-developer of the Project with Harlem Dowling. Founded in 2005, she said, Alembic has assisted in the development of affordable, special needs, and senior housing in Manhattan, Brooklyn and the Bronx, including three developments financed with the Corporation. She said that this would be Alembic's fourth project financed by the Corporation.

Ms. Townsend stated that Harlem Dowling was a not for profit organization founded in 1836 which provides services to low-income individuals including foster care, adoption, preventive services and related assistance to children and their families to enable them to live in a stable and nurturing environment. She said that active in communities throughout New York City, including Central Harlem, Washington Heights, Jamaica and Far Rockaway, Harlem Dowling's central offices have been located in Central Harlem since 1969. She said that in 2012, after a series of financial setbacks, Harlem Dowling formed a strategic partnership with The Children's Village in order to continue pursuing their goal of constructing a new office space. She said that both organizations provide supportive services for young people who are aging out of foster care.

Ms. Townsend stated that the Project consists of the new construction of a 10-story residential tower to be located at 2135 Adam Clayton Powell Jr. Boulevard in the Central Harlem neighborhood of Manhattan. She said that the Project would be comprised of 58 rental units. She said that the cellar and ground floor of the Project would include approximately 16,000 square feet of community facility space, which would be subleased by The Children's Village for use as program and administrative space for Harlem Dowling and The Children's Village.

Ms. Townsend stated that of the 58 rental units, 46 units would be reserved for tenants earning no more than 60% of Area Median Income ("AMI"), which was currently $50,340 for a family of four. She said that the remaining 12 units will be reserved for tenants earning no more than 40% of AMI, which was currently $33,560 for a family of four. She said that these 12 units, all of which would be studio units, were expected to be rented to young people who are aging out of foster care. She said that rents for these units were expected to be set at the greater of 30% of 15% of AMI or 30% of the tenant's income, if it is higher than 15% of AMI, up to a limit of 40% of AMI.

Ms. Townsend stated that the Corporation would also make a subordinate loan to the Project from the Corporation's unrestricted reserves in the amount of $3,835,000. She said that the Subordinate Loan would bear interest at a rate of 1%, with interest-only payments beginning at construction loan closing. She said that the Subordinate Loan would be made to the Residential Borrower only and would be secured by a mortgage on the fee interest in the premises. She added that the Subordinate Loan would not be credit enhanced.

Ms. Townsend stated that the Corporation expects to enter into a fixed-rate, pass-through Funding Loan Agreement with Citibank, as evidenced by the Obligations, the proceeds of which would be used by the Corporation for the purpose of providing funds to finance the Loans.

Ms. Townsend stated that the Members were being asked to authorize a not-to-exceed interest rate of 10% for the fixed-rate Obligations; however, during the construction period, the Residential Loan and the related Obligation are expected to bear interest at a fixed rate of approximately 4%, and the Community Loan and the related Obligation are expected to bear interest at a fixed rate of approximately 7%. She said that upon conversion to permanent financing, the Residential Loan and the related Obligation are expected to bear interest at a fixed rate of approximately 6%, and the Community Loan and the Community Obligation are also expected to bear interest at a fixed rate of approximately 6%.

Ms. Townsend stated that the Funding Loan Agreement shall provide that, if the Borrowers fail to pay any amount due and owing under the Borrower Loans or otherwise required by the Funding Loan Agreement, Citibank shall either have the option to fund such amount or the obligation to purchase the notes and mortgages relating to the Borrower Loans from the Corporation, resulting in the cancellation of the Funding Loan Agreement and the Obligations. She said that if Citibank fails to pay the purchase price, the note and mortgages would be automatically assigned to Citibank and the Obligations and Funding Loan Agreement would be cancelled.

Ms. Townsend stated that this was the first such pass through loan structure the Corporation will have financed without issuing bonds. She said that the primary risk associated with the Funding Loan is the potential failure of Citibank to honor its obligation to purchase the applicable notes and mortgages upon a payment default by the Borrowers. She said that however, Corporation staff believes that this risk is mitigated by the terms of the Funding Loan Agreement, which provide for an automatic assignment of the applicable notes and mortgages to Citibank and the cancellation of the Funding Loan Agreement and the applicable Obligations if Citibank fails to honor its obligation. She said that additionally, pursuant to the terms of the Funding Loan Agreement, the Corporation is allowed to pay off the Funding Loan at any time with the proceeds of bonds, notes or other obligations of the Corporation. She added that unless there were any questions, Rich would present the Authorizing Resolution.

Mr. Moerdler noted that 12 units would be reserved for young people aging out of foster care, and asked what that age would be. Ms. Townsend responded the age would be 18 years or older. Mr. Moerdler then asked how such young people would be expected to earn 40% of AMI. Ms. Townsend replied that the Corporation would be underwriting the rents for such units at 15% of AMI. Mr. Moerdler suggested that if the Corporation was doing that then they should say so in the Harlem Dowling Memorandum. Ms. Townsend responded that she thought that it was but she would double check and Mr. Moerdler said that he did not see it.

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. Jiha, 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 execution of the Funding Loan Agreement and (ii) the execution of mortgage-related documents and any other documents necessary to accomplish the issuance of the Obligations and the financing of the related loans; and (B) the making of a subordinate loan to be funded by the Corporation's unrestricted reserves in an amount not to exceed $4,500,000, 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 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. Moerdler, and seconded by Ms. Notice-Scott, the Members unanimously:

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

The Chairperson stated that next on the agenda would be an item of Other Business, the appointment of Executive Vice President for Real Estate for the Corporation, and called upon Mr. Rodney to advise the Members regarding this item.

Mr. Rodney referred the Members to the memorandum before them entitled "Appointment of Paula Roy as Executive Vice President" dated June 5, 2014, and the resume attached thereto, which is appended to these minutes and made a part hereof. He said that he was pleased to recommend that the Members approve the appointment of Paula Roy as Executive Vice President for Real Estate for the Corporation. He said that Ms. Roy had excellent experience both in private development at CPC Resources and in government administration at both New York State at Empire State Development Corporation ("ESDC") and New York City at NYC Economic Development Corporation. He said that some highlights of her career include project management of the Domino Development for CPC Resources, overseeing the state Mitchell Lama portfolio at ESDC and then managing the consolidation of that portfolio from

ESDC to the New York State Housing Finance Agency, and that she was currently directing the State's oversight responsibility of the Atlantic Yards development.

Mr. Rodney stated that on a personal note, he's known Ms. Roy for a few years now, and he's had the opportunity to work directly with her during her time at ESDC. He said that she brings an enormous amount of energy, creativity and leadership to whatever she does. He said that she's tough when she needs to be, but most of all she's fair. He said that he has no doubt that she'll bring the same qualities here to HDC and will prove to be an asset to the amazing HDC team.

Mr. Rodney stated that the Members are asked to approve Ms. Roy with an annual salary of $187,500 and 4 weeks of annual leave.

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

RESOLVED, to appoint Paula Roy as Executive Vice President for Real Estate for the Corporation with an annual salary of $187,500 and 4 weeks of annual leave, to be effective in late June or early July on a date to be determined in consultation with Ms. Roy and the President.

At 11:11 a.m., there being no further business, upon a motion duly made by Mr. Moerdler, and seconded by Mr. Jiha, 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

June 10, 2014

ATTENDANCE LIST

Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	" "
Matt Tesseyman	Citi
Marjorie Henning	" "
William Yates	" "
Eric Velez	" "
Matt Tesseyman	" "
John Germain	Barclays
Damien Busch	" "
Albert Luong	" "
Alan Jaffe	JPMorgan
Annie Lee	" "
Howard Hong	" "
Geoff Proulx	Morgan Stanley
James McIntyre	" "
Robin Ginsburg	Wells Fargo
Peter Cannava	" "
Nick Fluehr	" "
Marvin Markus	Goldman Sachs & Co.
Ansel Caine	Caine Mitter
Michael Baumrin	RBC Capital Markets
Mitch Gallo	" "
Eileen Heitzler	Orrick, Herrington & Sutcliffe LLP
Kimberly Hancy	Ernst & Young
Rebecca Reape	Bank of America
Francis McKenna	Academy
Josue Sanchez	L&M Developers Partners
Ashley Peate	" "
Samphas Chhea	BBV
Aaron Koffman	The Hudson Companies, Inc.
Karen Hu	" "
Lee Jaffe	" "
Matt McVay	Ramirez
Robin Redford	" "
Matthew Schiller	Raymond James
Joseph Tait	" "

Inna Specter	DOI
Gary Rodney	New York City Housing Development Corporation
Richard M. Froehlich	“ ”
Paula Roy	“ ”
Ellen K. Duffy	“ “
Jonathan Springer	“ ”
Diane J. Pugacz	“ ”
Melissa Barkan	“ ”
David Knapke	“ ”
Madhvi Kulkarni	“ ”
Miram Osner	“ ”
Jeffrey Stone	“ ”
Susannah Lipsyte	“ ”
Zenaida Bhuiyan	“ ”
Mary Hom	“ ”
Urmas Naeris	“ ”
Mary John	“ ”
Bharat Shah	“ ”
Cathleen Baumann	“ ”
Jim Quinlivan	“ ”
Horace Greene	“ ”
Violine Roberty	“ ”
Lisa Geary	“ ”
Karen Santiago	“ ”
Tinru Lin	“ ”
Shira Gidding	“ ”
Moria Skeados	“ ”
Jonah Lee	“ ”
Massandge Bamba	“ ”
Jaclyn Moynahan	“ ”
Claudine Brown	“ ”
Ted Piekarski	“ ”
Chanin French	“ ”
Matthew Murphy	“ ”
Michael Gaboury	“ ”
Kate Gilmore	“ ”
Clarissa Wertman	“ ”
Jeet Gulati	“ ”
Patrick Ogoke	“ ”
April Grasso	“ ”