NYC HDC

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

MEMORANDUM

To: The Chairperson and Members

From: Marc Jahr
President

Date: September 20, 2012

Re: Multi-Family Housing Revenue Bonds,
2012 Series F, G, H, I, J, K and 2013 Series A

I am pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2012 Series F, 2012 Series G, 2012 Series H, 2012 Series I, 2012 Series J, 2012 Series K and 2013 Series A Bonds (the "2012 Series F Bonds", "2012 Series G Bonds", "2012 Series H Bonds", "2012 Series I Bonds", "2012 Series J Bonds," "2012 Series K Bonds," and "2013 Series A Bonds" respectively, and collectively, the "Bonds") in an amount not expected to exceed $475,595,000.

Interest on the 2012 Series F Bonds, 2012 Series G Bond, 2012 Series H Bonds, 2012 Series J Bonds, 2012 Series K Bonds and 2013 Series A Bonds is expected to be exempt from Federal, state and local income tax and will 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 ("HERA") and by refunding certain outstanding Multi-Family Housing Limited Obligation Bonds ("MFHLOB") of the Corporation. Interest on the 2012 Series I Bonds will not be exempt from Federal income tax, but will be exempt from state and local income tax. The anticipated interest rate, maturity date and other relevant terms of the Bonds are described herein.

It is anticipated that the proceeds of the 2012 Series F Bonds, 2012 Series G Bonds, 2012 Series H Bonds, 2012 Series I Bonds, 2012 Series J Bonds and 2013 Series A Bonds will be used to i) finance the construction or acquisition and rehabilitation of seven (7) developments, ii) refund certain outstanding MFHLOBs of the Corporation, iii) acquire loans previously funded with the Corporation's reserves and iv) re-leverage assets currently held under the Open Resolution. It is anticipated that 2012 Series K Bonds will be issued as a convertible option bond ("COB") to preserve "recycled" volume cap and the proceeds will be used to provide financing for the new construction or rehabilitation of developments in December of 2012 or early 2013.

Approval of the Resolution will authorize the 164^{th} through 170^{th} Supplemental Resolutions under the Corporation's Multi-Family Housing Revenue Bonds Bond Resolution originally adopted by the Members in 1993 (the "Open Resolution").

110 William Street, New York, NY 10038 tel: 212.227.5500 fax: 212.227.6865
info@nychdc.com www.nychdc.com

Following is a discussion concerning the background of the Open Resolution, the proposed uses of the Bonds and a description of their structure and security.

Background and Status of the Open Resolution

Under the Open Resolution, the Corporation has issued bonds (a) to finance or acquire mortgage loans for multi-family rental and cooperative housing developments throughout New York City, (b) to refund other bond issues of the Corporation, which had financed other multi-family developments, and (c) to acquire a 100% interest in City-owned mortgages. As of July 31, 2012 there were 974 mortgage loans (890 permanent loans and 84 construction loans) held under the Open Resolution with a total outstanding principal balance of approximately $3,381,469,000, with $2,452,252,000 of permanent loans and $929,217,000 of construction loans. These mortgage loans, together with funds in the Bond Proceeds Account and Debt Service Reserve Account total $4,089,252,000 as of July 31, 2012. There are no material monetary defaults on any of the mortgage loans other than temporary financial difficulties with respect to certain developments which are in the process of being cured. As of July 31, 2012, there were $3,512,775,000 of Open Resolution Bonds outstanding, not including bonds issued under the New Issue Bond Program.

Proposed Uses for the 2012 Series F Bond Proceeds

It is anticipated that the 2012 Series F Bond proceeds, in an amount not expected to exceed $89,665,000, will be used to finance four (4) mortgage loans for developments as described in the chart below:

Development Name	Project Type	Expected Not to Exceed Amount of 2012 Series F Mortgage Loan
Harlem RBI	LAMP	$14,960,000
Metro East 99th Street	LAMP	31,800,000
George Hardy St. Francis Apartments	LAMP Preservation	24,660,000
161st Street	New HOP	18,245,000
Total		$89,665,000

A portion of the 2012 Series F Bonds will be issued to provide financing under the LAMP and LAMP Preservation Programs for the new construction or acquisition and rehabilitation of three (3) developments with a total of 469 units located in the Bronx and Manhattan.

A portion of the 2012 Series F Bonds will be issued to provide financing for the new construction of one New HOP development with a total of 101 units located in Queens.

One (1) LAMP development and the New HOP development will receive subordinate financing from the Corporation's unrestricted reserves in an amount not to exceed $13,585,000 and one LAMP Preservation development will receive subordinate financing in an amount not to exceed $7,854,000 to be funded from the 421-a Affordable Housing Trust Fund established by the Corporation utilizing money transferred to it from the Battery Park City Authority ("421-a Affordable Housing Trust Fund").

The subordinate loans will be advanced during construction and remain in the projects as permanent loans.

For more information on the individual projects, please see Attachments "A-1" through "A-4."

Proposed Uses for the 2012 Series G Bond Proceeds

It is anticipated that the 2012 Series G Bond proceeds will be used to finance a portion of a mortgage loan for the development described in the chart below:

Development Name	Project Type	Expected Not to Exceed Amount of 2012 Series G Mortgage Loan
Tracey Towers	MLRP	$35,125,000

The proceeds of the 2012 Series G Bonds, in an amount not expected to exceed $35,125,000, are expected to be utilized to restructure existing financing and provide additional financing under the Mitchell-Lama Restructuring Program ("MLRP") for a portion of the rehabilitation of the Tracey Towers project with a total of 871 units located in the Bronx. The Tracey Towers project is also expected to be financed in part with the proceeds of the 2012 Series I Bonds.

For more information on the individual project, please see Attachment "A-5."

Proposed Uses for the 2012 Series H Bond Proceeds

The 2011 Series H Bonds, in an amount not expected to exceed $21,995,000, will be used to redeem certain of the Corporation's Multi-Family Housing Limited Obligation Bonds ("MFHLOB") relating to ten (10) senior Mitchell Lama loans and the assignment of the FHA insured mortgages relating to the developments to the Open Resolution.

For more information on the individual projects being assigned, please see Attachment "B".

Proposed Uses for the 2012 Series I Bond Proceeds

It is anticipated that the 2012 Series I Bonds will be issued in an amount not to exceed $97,570,000.

A portion of the 2012 Series I Bonds will be used to restructure existing financing and provide additional financing under the MLRP for the rehabilitation of a cooperative housing development and two multi-family rental developments with a total of 2,230 units located in the Bronx and Queens, as described in the chart below:

Development Name	Project Type	Expected Not to Exceed Amount of 2012 Series I Mortgage Loan
Tilden Towers II	MLRP	$11,535,000
Ocean Village	MLRP	29,210,000
Tracey Towers	MLRP	11,210,000
Total		$52,295,000

A portion of the Ocean Village rehabilitation will also be financed with the proceeds of the 2012 Series J Bonds and 2013 Series A Bonds. The 2012 Series I mortgage loan for the Ocean Village development will be subordinate to the Ocean Village mortgage loan financed with the proceeds of the 2012 Series J Bonds and 2013 Series A Bonds. A portion of the Tracey Towers rehabilitation will also be financed in part with the proceeds of the 2012 Series G Bonds.

An additional portion of the 2012 Series I Bonds, in an amount not expected to exceed $45,275,000, will be used to acquire loans previously funded by the Corporation with its own corporate funds and re-leverage assets currently held under the Open Resolution in order to monetize such assets and lock in funding at the current low rates. The issuance of the 2012 Series I Bonds will allow for replenishment of the Corporation's Mitchell Lama Repair Loan fund which allows the Corporation to provide additional loans to aging Mitchell Lama projects in need of significant repairs and further help meet the Corporation's goals under the Mayor's New Housing Marketplace Plan.

For more information on the individual projects being financed with 2012 Series I Bond proceeds, please see Attachments "C-1" through "C-2" and "A-5". For more information on the loans requested to be acquired through the issuance of the 2012 Series I Bonds, please see Attachment "D".

Proposed Uses for the 2012 Series J Bond and 2013 Series A Bond Proceeds

It is anticipated that the 2012 Series J Bond and 2013 Series A Bond proceeds will be used to finance a mortgage loan for the Ocean Village development as described in the chart below.

Development Name	Project Type	Expected Not to Exceed Amount of Mortgage Loan
Ocean Village	MLRP	$81,240,000

The proceeds of the 2012 Series J Bonds is an amount not to exceed $35,920,000 and the 2013 Series A Bonds in an amount not to exceed to exceed $45,320,000, are expected to be utilized to restructure existing financing and provide additional financing under the MLRP for the rehabilitation of the Ocean Village development with a total of 1,093 units located in Queens. A portion of the Ocean Village rehabilitation will also be financed by a subordinate loan that will be funded with the proceeds of the 2012 Series I Bonds. Members authorized the making of both these loans with corporate reserves on August 8, 2012.

Citibank is expected to be the direct purchaser of the 2012 Series J Bonds and 2013 Series A Bonds for all or a portion of the rehabilitation period, as described below. In conjunction with the direct purchase, Citibank will be required to provide a mortgage purchase agreement that will secure the 2012 Series J Bonds and 2013 Series A Bonds from any mortgage loan payment default so long as Citibank is bondholder.

For more information on the individual project, please see Attachment "C-2".

Proposed Uses for the 2012 Series K Bond Proceeds

The proceeds of the 2012 Series K Bonds, in an amount not to exceed $150,000,000, are expected to provide first position construction and permanent financing for the new construction or rehabilitation of one or more of the developments listed in Attachment "E", all of which will reserve a minimum of 20% of the units for households earning no more than 50% of the Area Median Income ("AMI"), which is currently $41,500 for a family of four or 25% of the units for households earning no more than 60% of the AMI, which is currently $49,800 for a family of four. The mortgage loans for these projects are expected to close in December of 2012 or the first half of 2013.

Most of the projects listed in Attachment "E" will not be funded from the 2012 Series K Bond proceeds but all will be eligible for such financing.

Uses of Funds

Cost of Issuance and Underwriter's Discounts are paid by the Corporation and, as they relate to the Bonds, are to be reimbursed to the Corporation by the Borrowers or from bond proceeds, as the case may be.

Structure of the Bonds

The Bonds are expected to be issued in the mode described below, however, the Authorizing Resolution relating to the Bonds will provide that a senior officer of the Corporation may determine to combine supplemental resolutions or issue the bonds in multiple issuances pursuant to the same supplemental resolution as long as the total amount of Bonds issued does not exceed $475,595,000.

A. **2012 Series F Bonds**

It is anticipated that the 2012 Series F Bonds, in an amount not expected to exceed $89,665,000 will be issued as fixed rate tax-exempt bonds. The Members are asked to authorize a not-to-exceed rate of 10% for fixed rate bonds; however, it is expected that the 2012 Series F Bonds will have an interest rate of 5.50% and an approximate final maturity of May 1, 2046.

B. **2012 Series G Bonds**

It is anticipated that the 2012 Series G Bonds, in an amount not expected to exceed $35,125,000 will be issued as fixed rate tax-exempt bonds. The Members are asked to authorize a not-to-exceed rate of 10% for fixed rate bonds; however, it is expected that the 2012 Series G Bonds will have an interest rate of 5.50% and an approximate final maturity of May 1, 2045. The 2012 Series G Bonds will be designated Mitchell Lama Restructuring Bonds.

C. **2012 Series H Bonds**

It is anticipated that the 2012 Series H Bonds, in an amount not expected to exceed $21,995,000 will be issued as fixed rate tax-exempt bonds. The Members are asked to authorize a not-to-exceed rate of 10% for fixed rate bonds; however, it is expected that the 2012 Series H Bonds will have an interest rate of 5.00% and an approximate final maturity of November 1, 2018. The 2012 Series H Bonds will be designated Mitchell Lama Restructuring Bonds.

D. 2012 Series I Bonds

It is anticipated that the 2012 Series I Bonds, in an amount not expected to exceed $97,570,000 will be issued as fixed rate taxable bonds. The Members are asked to authorize a not-to-exceed rate of 10% for fixed rate bonds; however, it is expected that the 2012 Series I Bonds will have an interest rate of 6.50% and an approximate final maturity of November 1, 2045. The 2012 Series I Bonds will be designated Mitchell Lama Restructuring Bonds.

E. 2012 Series J Bonds

It is anticipated that the 2012 Series J Bonds, in an amount not expected to exceed $35,920,000 will be issued as variable rate obligations initially in the Term Rate mode with an approximate final maturity of May 1, 2045. The initial Term Rate mode will begin on the date of issuance of the 2012 Series J Bonds and end approximately on November 1, 2015 ("2012 Series J Term Rate Period"). The Members are asked to authorize a not-to-exceed rate of 15% for variable rate bonds; however, it is expected that the 2012 Series J Bonds will have an interest rate of 1.25% during the initial 2012 Series J Term Rate Period.

The Corporation expects to enter into a bond purchase agreement with Citibank pursuant to which Citibank will agree to directly purchase the 2012 Series J Bonds for the initial 2012 Series J Term Rate Period. The final rate for the initial 2012 Series J Term Rate Period will be evaluated by the Corporation's Pricing Advisor, Caine Mitter & Associates Inc. and is subject to approval by the Corporation.

It is anticipated that upon the earlier of i) the conversion of the Ocean Village mortgage loan to permanent financing, ii) the date that 30-year tax-exempt municipal indicative pricing indicate that the long-term "AA" rated 30 year tax-exempt bond rates have reached approximately 4.80%, as determined by the Corporation, or iii) the end of the 2012 Series J Term Rate Period, but not expected to be earlier than approximately October 1, 2013, the Corporation will remarket the 2012 Series J Bonds to fixed rate long term bonds with an approximate final maturity of May 1, 2045.

The 2012 Series J Bonds will be designated Mitchell Lama Restructuring Bonds.

F. 2013 Series A Bonds

It is anticipated that the 2013 Series A Bonds in an amount not expected to exceed $45,320,000 will be issued as variable rate obligations initially in the Term Rate mode with an approximate final maturity of November 1, 2046. The initial Term Rate mode will begin on the date of issuance of the 2013 Series A Bonds and end approximately on November 1, 2015 ("2013 Series A Term Rate Period"). The Members are asked to authorize a not-to-exceed rate of 15% for variable rate bonds; however, it is expected that the 2013 Series A Bonds will have an interest rate of 1.50% during the initial 2013 Series A Term Rate Period. The final rate will be evaluated by the Corporation's Pricing Advisor, Caine Mitter & Associates Inc. and is subject to approval by the Corporation.

The Corporation expects to enter into a forward bond purchase agreement with Citibank pursuant to which Citibank will agree to directly purchase the 2013 Series A Bonds for the initial 2013 Series A Term Rate Period in approximately December 2013, so long as 30-year tax-exempt municipal indicative pricing has not indicated that the long-term "AA" rated 30 year tax-exempt bond rates have reached approximately 4.80%, as determined by the Corporation.

If Citibank is the direct purchaser of the 2013 Series A Bonds pursuant to a forward bond purchase agreement, it is anticipated that, upon the earlier of i) the conversion of the Ocean Village mortgage loan to permanent financing, ii) the date that 30-year tax-exempt municipal indicative pricing indicate that the long-term "AA" rated 30 year tax-exempt bond rates have reached approximately 4.80%, as determined by the Corporation, or iii) the end of the 2013 Series A Term Rate Period, but not expected to be earlier than approximately October 1, 2013, the Corporation will remarket the 2013 Series A Bonds to fixed rate long term bonds with an approximate final maturity of November 1, 2046.

If Citibank is not the direct purchaser of the 2013 Series A Bonds pursuant to a forward bond purchase agreement, it is anticipated that the Corporation will issue the 2013 Series A Bonds as fixed rate long term bonds with an approximate final maturity of November 1, 2046.

The 2013 Series A Bonds will be designated Mitchell Lama Restructuring Bonds.

G. <u>2012 Series K Bonds</u>

The 2012 Series K Bonds, in an amount not to exceed $150,000,000, will be a "recycled" bond issuance in accordance with HERA. In order to utilize the recycling authorization in HERA, the Corporation must issue refunding bonds prior to the redemption of bonds from prepayment proceeds.

The 2012 Series K Bonds are expected to be issued as variable rate obligations initially in the Term Rate mode with an approximate final maturity of November 1, 2046. The initial Term Rate mode will begin on the date of issuance of the 2012 Series K Bonds and end approximately on December 1, 2013 ("2012 Series K Term Rate Period"). The Members are asked to authorize a not-to-exceed rate of 15% for the 2012 Series K Bonds; however, it is expected that the interest rate on the 2012 Series K Bonds will be less than 1% during the initial 2012 Series K Term Rate Period.

It is anticipated that the Corporation may direct that all or a portion of the 2012 Series K Bonds be converted from time to time to another interest rate mode (including to a fixed rate to maturity) at any time from approximately December 1, 2012 to and including December 1, 2013.

The 2012 Series K Bonds or applicable portion thereof shall be subject to mandatory tender for purchase on any date on which the 2012 Series K Bonds or such portion are to be converted to a different interest rate mode and on the last day of any Term Rate period. It is expected that as mortgage loans are ready to close, a portion of the 2012 Series K Bonds will be subject to mandatory tender and converted to another interest rate mode for the financing of the applicable project. The Corporation will be obligated to pay the purchase price of those 2012 Series K Bonds subject to mandatory tender for purchase and not remarketed. No liquidity facility has been obtained to fund such obligation. However, the unexpended proceeds of the 2012 Series K Bonds are expected to be available to pay the purchase price of any 2012 Series K Bonds that are subject to mandatory tender for purchase and are not remarketed. To provide assurances to the bondholders that sufficient monies will be available to fund the purchase price for the 2012 Series K Bonds, the Corporation may covenant to maintain unencumbered cash or cash equivalents (U.S. Treasury Notes, STRIPS or Agencies) under the Open Resolution available to pay the purchase price of all un-remarketed 2012 Series K Bonds.

Security for the Bonds

The Bonds will be issued on a parity basis with all outstanding previous series of bonds issued under the Open Resolution from July 1993 to date. As a result, the Bonds will be secured on a parity basis with all the collateral currently held under the Open Resolution. As of July 31, 2012, that collateral consisted of the following:

TYPE OF COLLATERAL	# OF LOANS	$ AMOUNT	% OF TOTAL
FHA Insured Mortgage Loans	11	$ 32,629,026	0.80
Fannie Mae/Freddie Mac Insured Mortgage Loans	23	160,604,906	3.93
GNMA Mortgage Backed Securities	1	119,711,564	2.93
SONYMA Insured Mortgages	25	212,190,004	5.19
REMIC Partially Insured Mortgages	152	767,368,733	18.77
LOC Insured Mortgages	18	90,406,170	2.21
Uninsured Permanent Mortgages	287	736,748,753	18.02
Uninsured 2006 Series A Mortgages	373	332,592,706	8.13
Partially Funded Construction Loans Secured by LOC	60	531,098,531	12.99
Partially Funded Construction Loans Not Secured by LOC	24	398,118,403	9.74
Sub-Total	974	3,381,468,797	82.69
Undisbursed Funds in Bond Proceeds Account[1]		630,046,157	15.41
Debt Service Reserve Account[2]		77,736,745	1.90

Risks and Risk Mitigation

Bonds

The primary risk to the Corporation related to the 2012 Series F Bonds during the period the

[1] Undisbursed Funds in Bond Proceeds Accounts are monies held by the Trustee for construction financing of projects under the Open Resolution.

[2] Includes a payment obligation of $3,827,750 of the Corporation which constitutes a general obligation.

developments are under construction or rehabilitation is the potential failure of commercial banks to honor their obligations to pay the Corporation under their stand-by letters of credit (each an "LOC") in an event of a default by the related borrower. The ratings of banks are monitored by the Credit Risk department and the Corporation's documents require replacement of an LOC or a confirmatory letter of credit if the bank's ratings fall below investment grade.

The primary risk associated with the 2012 Series G Bonds, the portion of the 2012 Series I Bonds financing new mortgage loans and the 2012 Series J Bonds and 2013 Series A Bonds for the period that the 2012 Series J Bonds and 2013 Series A Bonds might not be secured by a mortgage purchase agreement, is the absence of any credit facility during the construction period. As in other projects financed without a credit facility under the Corporation's MLRP, HDC's Asset Management staff will assume construction monitoring responsibilities. The primary risks faced by the Corporation are the related borrower's inability to complete the rehabilitation or pay interest on the loan during the rehabilitation period. These risks are mitigated because the developments are occupied, the related project budget includes complete capitalized interest reserves and construction retainage, HDC staff has reviewed scopes of work and bids and will monitor work progress, and the general contractor is required to have a letter of credit or a payment and performance bond. Staff believes that the Corporation's risks are also limited due to the borrower's history in operating and managing the projects and the completion and payment guaranties required of the borrower. Finally, the debt service on two mortgage loans is paid from a Section 236 subsidy from the Federal Government, which reduces the repayment risk.

The primary risk associated with the 2012 Series J Bonds and 2013 Series A Bonds for the period that each will be secured by a mortgage purchase agreement, is the absence of a traditional credit facility. In the event of a payment default on the applicable mortgage loan, the Corporation will not have the ability to draw on a bank letter of credit to satisfy the corresponding debt obligations. However, the mortgage purchase agreement will mitigate this potential risk by requiring Citibank to purchase the mortgage loan from the Corporation, which will result in the retirement of the 2012 Series J Bonds and 2013 Series A Bonds prior to any payment loss to the Open Resolution. Pursuant to the mortgage purchase agreement and applicable provisions of the supplemental resolution, if the Corporation has not received any amount due and owing under the note and mortgage or otherwise required, Citibank shall have (i) the option to pay such amount or (ii) the obligation to purchase the note and mortgage from the Corporation resulting in the redemption of the 2012 Series J Bonds and 2013 Series A Bonds. If Citibank fails to pay the purchase price, the note and mortgage will be assigned to Citibank and the 2012 Series J Bonds and 2013 Series A Bonds will be retired under the terms of the Supplemental Resolution.

An additional risk associated with the 2012 Series J Bonds and the 2013 Series A Bonds during the period the developments are under construction or rehabilitation is the potential increase in 30 year tax-exempt bond rates and the ability to remarket the bonds in a timely manner at the end of the initial term rate term. This risk is mitigated because on or after a period of approximately 12 months, the 2012 Series J Bonds and the 2013 Series A Bonds will be remarketed and/or issued as long term fixed rate serial and term bonds once the 30-year tax-exempt municipal indicative pricing indicates that the long-term "AA" rated 30 year tax-exempt bond rates have reached approximately 4.80%, as determined by the Corporation.

The primary risk associated with the Bonds for loans during the permanent phase, including the loans acquired and re-leveraged with 2012 Series I Bond proceeds and the underlying loans associated with the 2012 Series H refunding, is repayment risk from any borrower. This risk is mitigated through conservative underwriting and attention to debt service coverage, income-to-expense and loan-to-value ratios. There has never been a loan in the Open Resolution on which the Corporation has lost principal. The Corporation further believes that the repayment risk related to the loans being acquired and re-leveraged with 2012 Series I Bond proceeds and the 2012 Series H loans is further mitigated because such loans are well seasoned and have a consistent payment history. Finally, all of the senior lien new construction or rehabilitation mortgage loans and one of the loans acquired with 2012 Series I Bond proceeds are anticipated to benefit from permanent mortgage insurance coverage or long-term stand-by credit enhancement.

Deposits and Fees

With respect to the 2012 Series F Bonds the Corporation will charge the borrower an up-front commitment fee equal to 0.75% of the bond financed mortgage loan amount. In addition, the borrower will pay an amount equal to its pro-rata share of costs of issuance, including the fees of the underwriter, bond counsel, rating agencies and the Trustee plus any additional funds that are required to compensate HDC for its management of the Bonds or to reimburse the Corporation for certain costs incurred during the construction of the Project.

As with other Open Resolution transactions completed by the Corporation, the Corporation also will charge each borrower an annual servicing fee of at least .20% on the outstanding principal balance of each first permanent mortgage loan or other applicable fees.

Ratings

The 2012 Series F Bonds, 2012 Series G Bonds, 2012 Series H Bonds and 2012 Series I Bonds are expected to be rated AA by Standard and Poor's Rating Service ("S&P") and Aa2 by Moody's Investors Service ("Moody's"). The 2012 Series J Bonds, 2012 Series K Bonds and 2013 Series A Bonds are expected to be rated A-1+ by S&P and Aa2/VMIG1 by Moody's.

Underwriter/Co-Senior Manager regarding 2012 Series F Bonds, 2012 Series G Bonds and 2012 Series H Bonds

J. P. Morgan Securities LLC
Morgan Stanley & Co., LLC
Citigroup Global Markets, Inc. (Only 2012 Series G and 2012 Series H)

Co-Managing Underwriters regarding 2012 Series F Bonds, 2012 Series G Bonds and 2012 Series H Bonds

Bank of America Merrill Lynch
Morgan Stanley & Co., LLC
M.R. Beal and Company
Ramirez & Co., Inc.
Stern Brothers & Co.
Roosevelt and Cross, Incorporated
Siebert Brandford Shank & Co., LLC

Barclays Capital, Inc.
CastleOak Securities, L.P.

Underwriter/Co-Senior Manager regarding 2012 Series I Bonds

Bank of America Merrill Lynch
J. P. Morgan Securities LLC
M.R. Beal and Company
Citigroup Global Markets, Inc.

Co-Managing Underwriters regarding 2012 Series I Bonds

Morgan Stanley & Co., LLC
Ramirez & Co., Inc.
Stern Brothers & Co.
Roosevelt and Cross, Incorporated
Siebert Brandford Shank & Co., LLC
Barclays Capital, Inc.
CastleOak Securities, L.P.

Pricing Advisor regarding 2012 Series J Bonds and 2013 Series A Bonds

Caine Mitter & Associates Inc.

Remarketing Agent and/or Senior Underwriter regarding 2012 Series J Bonds and 2013 Series A Bonds upon end of initial term rate term

Bank of America Merrill Lynch
Morgan Stanley & Co., LLC
J. P. Morgan Securities LLC

Underwriter/Co-Senior Manager regarding 2012 Series K Bonds

J. P. Morgan Securities LLC

Underwriter's Counsel regarding the Bonds

Orrick, Herrington & Sutcliffe LLP

Bond Trustee

The Bank of New York Mellon

Bond Counsel

Hawkins Delafield & Wood LLP

Action by the Members

The Members are requested to approve an 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) or forward 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 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; (vii) the execution of the Mortgage Purchase Agreement with respect to any or all of the Bonds (iix) whatever actions required to refund the MFHLOB, including execution by the President or any authorized officer of the Corporation of any and all documents necessary to arrange and complete any related redemptions or tender offers to the current holders of such bonds; (ix) the execution of amendments to the existing Participation Agreement with the City of New York relating to designating the Bonds financing mortgage loans under the MLRP as Mitchell Lama Restructuring Bonds; and (x) the execution of one or more Purchase and Sale Agreements with the City of New York relating to restructuring existing mortgage loans under the MLRP.

Finally, the Members are requested to approve the origination of subordinate loans for one LAMP development and one New HOP development from the Corporation's unrestricted reserves in an amount not to exceed $13,585,000 and a subordinate loan for one LAMP Preservation development to be funded from the 421-a Affordable Housing Trust Fund in an amount not to exceed $7,854,000.

Attachment "A-1"

Harlem RBI
New York, New York

Project Location:	222 East 104th Street
HDC Program:	LAMP
Project Description:	This project will consist of the new construction of an 11-story residential building totaling 82,262 SF and containing 89 units. The project is located in the East Harlem section of Manhattan, and is a part of a larger innovative mixed-use building that will also include a 55,000 SF K-8 charter school, and 6,000 SF of non-profit office space.
Total Rental Units:	88 (plus one unit reserved for the superintendent)

Apartment Distribution:

Unit Size	No. of Units
Studio	18
1 bedroom	41
2 bedroom	26
3 bedroom	4
Total Units*	89

* Total Units are inclusive of one superintendent unit

Expected HDC Permanent Financing Amount:	$2,540,000
Expected HDC Second Mortgage:	$5,785,000
Total Development Cost:	$26,807,414
Owner:	104th Street Housing, L.P., whose principal is Jonathan Rose of Jonathan Rose Companies
Developer:	Rose Capital, LLC
Investor Limited Partner:	JPMorgan Capital Corporation
Credit Enhancer:	Standby Letter of Credit provided by JPMorgan Chase, N.A.

Attachment "A-2"

Metro East 99th Street
New York, New York

Project Location:	1922 2nd Avenue
HDC Program:	LAMP
Project Description:	This project will consist of the new construction of a ten-story 176 unit apartment building designed for low income, disabled, non-elderly and elderly persons currently housed in skilled nursing facilities owned by the New York City Health and Hospitals Corporation. Total project square footage is 194,053, inclusive of 3,232 SF of community facility space; additionally there will be 18 parking spaces.
Total Rental Units:	175 (plus one unit reserved for the superintendent)
Apartment Distribution:	

Unit Size	No. of Units
Studio	82
1 bedroom	93
2 bedroom	1
Total Units*	176

* Total Units are inclusive of one superintendent unit

Expected HDC Permanent Financing Amount:	$13,950,000
Expected HDC Second Mortgage:	N/A
Total Development Cost:	$51,517,528
Owner:	Metro East 99th Street LLC whose principal is Sydelle Knepper of SKA Marin
Developer:	SKA Marin
Investor Limited Partner:	Raymond James Tax Credit Funds, Inc.
Credit Enhancer:	Standby Letter of Credit provided by Citibank, N.A. with a confirmatory letter of credit from the Federal Home Loan Bank of New York

Attachment "A-3"

George Hardy St. Francis Apartments
Bronx, New York

Project Location:	428, 440, 456 East 137th Street and 461 East 136th Street; 367, 377 Brook Avenue and 489, 499 East 142nd Street
HDC Program:	LAMP Preservation
Project Description:	The project consists of the acquisition and rehabilitation of an eight-building apartment development containing 204 units and 84 parking spaces. The development is located in the Mott Haven section of the South Bronx.
Total Rental Units:	202 (plus two units reserved for the superintendents)
Apartment Distribution:	

Unit Size	No. of Units
1 bedroom	48
2 bedroom	96
3 bedroom	36
4 bedroom	24
Total Units*	204

* Total Units are inclusive of two superintendent units

Expected HDC Permanent Financing Amount:	$13,980,000
Expected HDC Second Mortgage:	$44,447,405
Total Development Cost:	$47,471,730
Owner:	George Hardy St. Francis Apartments LLC; Housing Initiative HDFC (75%); Board of Directors: Msgr. Kevin J. Nelan, Msgr. Lawrence Connaughton, Msgr. Neil A. Connolly; Safe Haven Housing Inc. (25%); Board of Directors: Kevin Cronin, Paul Meyer, Angel Garcia
Developer:	South Bronx Housing Development Fund Company, Inc.
Investor Limited Partner:	Richman Housing Resources LLC
Credit Enhancer:	Standby Letter of Credit provided by Citibank, N.A. with a confirmatory letter of credit from the Federal Home Loan Bank of New York

Attachment "A-4"

161st Street Apartments
Queens, New York

Project Location:	90-14 161st Street
HDC Program:	Mixed Income
Project Description:	This project will consist of the new construction of two 9-story residential towers on top of a shared cellar totaling 116,992 SF and containing 101 units. The project is located in the Jamaica section of Queens and is a part of a larger mixed-use building that will include 9,850 SF of office and retail space.
Total Rental Units:	100 (plus one unit reserved for the superintendent)
Apartment Distribution:	

Unit Size	No. of Units
Studio	7
1 bedroom	72
2 bedroom	22
Total Units*	101

* Total Units are inclusive of one superintendent unit

Expected HDC Permanent Financing Amount:	$9,160,000
Expected HDC Second Mortgage:	$6,565,000
Total Development Cost:	$32,254,032
Owner:	Jamaica 161 Realty LLC whose principals are Eric Bluestone, Steven Bluestone, Sara Herbstman, Ira Lichtiger and Thomas Potvin all of The Bluestone Organization, Inc.
Developer:	The Bluestone Organization, Inc.
Investor Limited Partner:	Goldman Sachs Bank USA
Credit Enhancer:	Standby Credit Enhancement provided by Goldman Sachs Bank USA

Attachment "A-5"

Tracey Towers
Bronx, New York

Project Location: 20-40 West Mosholu Parkway South

HDC Program: Mitchell-Lama Restructuring Program

Project Description: This project consists of the rehabilitation of 871 units in one 38-story and one 42-story residential apartment tower in the Kingsbridge Heights neighborhood of the Bronx. The towers, as well as a 512-space resident parking lot, are situated on a 183,416 SF site. Together the towers contain approximately 1,074,489 SF of gross building area.

Total Rental Units: 869 (plus two units reserved for the superintendents)

Apartment Distribution:

Unit Size	No. of Units
1 bedroom	274
2 bedroom	524
3 bedroom	73
Total Units*	871

*Total Units are inclusive of two superintendent units

Expected HDC Permanent Financing Amount: $40,890,000

Expected HDC Second Mortgage: $148,000,000*
*Restructured indebtedness

Total Development Cost: $199,000,000

Owner: Tracey Towers Associates L.P.

Developer: The DeMatteis Organizations

Investor Limited Partner: N/A

Credit Enhancer: N/A

Attachment "B"

2012 Series H Loans

Project Name	Supplemental Security	Subsidy Program	Units	Outstanding Mortgage Balance (As of July 31, 2012)	Original Mortgage Amount	Mortgage Interest Rate	Final Mortgage Maturity
Bay Towers	223(f) FHA	MLRP	90	$1,898,747	$5,475,544	8.13%	07/01/2017
Beekman Staff Residence	223(f) FHA	MLRP	171	$399,229	$1,226,300	7.25%	08/01/2017
Bridgeview III	223(f) FHA	MLRP	422	$660,752	$1,950,900	7.25%	10/01/2017
Cadman Tower Coop	223(f) FHA	MLRP	118	$3,651,156	$9,487,100	7.25%	10/01/2018
Corlear Gardens Coop	223(f) FHA	MLRP	746	$374,120	$972,100	7.25%	10/01/2018
East Midtown Coop	223(f) FHA	MLRP	179	$6,603,124	$17,157,400	7.25%	10/01/2018
Essex Terrace Apart	223(f) FHA	MLRP	200	$693,666	$1,749,100	8.13%	05/01/2018
Kingsbridge Apts	223(f) FHA	MLRP	90	$693,391	$1,997,900	8.13%	07/01/2017
Ruppert House Coop	223(f) FHA	MLRP	171	$6,938,114	$16,778,000	8.13%	10/01/2018
St Martins Tower	223(f) FHA	MLRP	422	$1,102,802	$2,865,500	7.25%	10/01/2018

Attachment "C-1"

Tilden Towers II
Bronx, New York

Project Location: 801 Tilden Street

HDC Program: Mitchell-Lama Restructuring Program

Project Description: The development is located on Tilden Street in the Williamsbridge section of the Bronx. The project consists of the rehabilitation of one 30-story residential apartment buildings serviced by three elevators, containing a total of 265 low-income and middle income residential units plus one superintendent unit.

Total Rental Units: 265 (plus one unit reserved for a superintendent)

Apartment Distribution:

Unit Size	No. of Units
1 bedroom	116
2 bedroom	119
3 bedroom	31
Total Units*	266

*Total Units are inclusive of one superintendent unit

Expected HDC Corporate Reserves Permanent Financing Amount: $10,180,000

Expected HDC Permanent Total Financing Amount: $10,180,000

Total Development Cost: $10,227,749

Owner: Tilden Towers Housing Co. Section II Inc. whose principals are Nathaniel Adams Jr., Toyin Ajasin, Seneca Williams, and Judith Benitez

Developer: Tilden Towers Housing Co. Section II Inc. whose principals are Nathaniel Adams Jr., Toyin Ajasin, Seneca Williams, and Judith Benitez

Investor Limited Partner: N/A

Credit Enhancer: REMIC

Attachment "C-2"

Ocean Village
Queens, New York

Project Location:	57-17 Shore Front Parkway; 57-07 Shore Front Parkway; 146 Beach 59th St.; 141 Beach 56th St.; 132-138 Beach 59th St.; 129-135 Beach 56th Pl.; 122-130 Beach 59th St.; 119-125 Beach 56th Pl.; 116-118 Beach 59th St.; 105-115 Beach 56th Pl.; 102-112 Beach 59th St.;
HDC Program:	Mitchell-Lama Restructuring Program
Project Description:	This project consists of a two-phase rehabilitation and refinancing of 11 buildings with 1,093 residential rental units. Residential SF: 876,431; Commercial SF: 40,000; Basement SF: 165,745
Total Rental Units:	1,089 (plus four units reserved for the superintendents)

Apartment Distribution:

Unit Size	No. of Units
Studios	108
1 bedroom	268
2 bedroom	411
3 bedroom	258
4 bedroom	24
5 bedroom	24
Total Units*	1,093

*Total Units are inclusive of two 2 bedroom and two 3 bedroom superintendent units

Expected HDC Permanent Financing Amount:	$98,705,000
Expected HDC Subordinate Mortgage:	$112,677,023* *Restructured Indebtedness
Total Development Cost:	$226,800,846** **Includes Restructured Indebtedness
Owner:	Arverne Preservation, LLC
Developer:	L&M Development
Investor Limited Partner:	N/A
Credit Enhancer:	N/A

Attachment "D"

2012 Series I Loans

	Lien Position/ Supplemental Security	Subsidy Program(s)	Number of Mortgage Loans	Number of Units	Aggregate Outstanding Mortgage Balance (As of 7/31/2012)	Weighted Average Mortgage Interest Rate	Weighted Average Maturity (in years)
PURCHASED LOANS	**SUBORDINATE LOANS:**						
	N/A	ML Repair Loan	1	2,585	15,225,000	1.00 %	36.67
	N/A	LAMP	1	107	5,885,000	1.00%	29.58
	N/A	New HOP	1	173	14,705,000	1.00%	29.75
	TOTAL†		*3*	*2,865*	*35,815,000*	*1.00%*	*32.59*

† May not add due to rounding.

Attachment "E"

Development Name	Borough	Number of Units	Anticipated Initial Mortgage Loan Amount
Pelham Parkway	Bronx	90	$13,000,000
1038 Boston Road	Bronx	148	$10,000,000
Park West Apartments	Bronx	129	$15,290,000
Fulton Park / Smith Woodward Plaza	Brooklyn	141	$16,000,000
Castleton Apartments	Staten Island	454	$51,750,000
Tweemill House	Manhattan	40	$8,000,000
Tracey Towers	Bronx	871	$34,500,000
Lincoln Road Apartments	Brooklyn	141	$40,000,000
Fulton Houses	Manhattan	101	$19,000,000
482 Franklin Avenue	Brooklyn	92	$25,000,000
Webster Village	Bronx	92	$11,000,000
Scheuer Plaza	Bronx	99	$12,000,000
Scheuer Gardens	Bronx	116	$12,000,000
270 Saint Nicholas Avenue	Manhattan	77	$4,000,000
Crossroads Plaza	Bronx	126	$17,500,000
Tivoli Towers	Brooklyn	320	$2,000,000
Capitol Hall	Manhattan	197	$24,000,000
East 99th Street	Manhattan	176	$30,000,000
George Hardy & St. Francis Apartments	Bronx	204	$30,000,000
City Point	Brooklyn	254	$71,000,000
Albert Goodman Apartments	Bronx	252	$27,500,000
Utica Place	Brooklyn	87	$14,500,000
Harlem RBI Housing	Manhattan	89	$17,400,000
1133 Manhattan Avenue	Brooklyn	210	$49,000,000

Park West Apartments	Bronx	134	$27,000,000
Hunter's Point South Parcels A and B	Queens	925	$280,000,000
Ocean Village (aka Arverne Houses)	Queens	1,093	$110,000,000
Sinclair Apartments	Manhattan	81	$15,500,000
Barrier Free Living	Bronx	120	$19,700,000
Atlantic Yards – Building 2	Brooklyn	363	$91,960,000
161st Street	Queens	101	$18,000,000
Webster Building A	Bronx	135	$26,000,000
The Woodlands	Bronx	101	$25,000,000
Council Towers VII	Bronx	79	$14,000,000
Westchester Point	Bronx	141	$25,000,000
Gateway Elton II	Brooklyn	175	$35,000,000
Beekman Staff Residence	Manhattan	90	$440,000
Bridgeview III	Queens	207	$730,000