

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

September 19, 2017

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Tuesday, September 19, 2017 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 11:18 a.m. by the Chairperson, Maria Torres-Springer, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Jacques Jiha, Charles G. Moerdler and Kyle Kimball. The Members absent were Dean Fuleihan and Denise Notice-Scott. A list of observers is appended to these minutes.

The Chairperson said that the next item on the agenda would be the appointment of a Member to the Audit Committee and called upon Eric Enderlin, President of the Corporation, to advise the Members regarding this item.

Mr. Enderlin thanked the Chairperson and gave a warm welcome to HDC's newest Board Member, Kyle Kimball. He said that as he had communicated to the Members prior to this meeting, Mayor de Blasio appointed Mr. Kimball to fill the seat on the HDC Board that had remained vacant since the departure of Colvin Grannum. He said that Mr. Kimball would also serve on the HDC Finance and Audit Committees, and on the Boards of the Corporation's HAC and REMIC subsidiaries. Mr. Enderlin stated that only his role on the HDC Audit Committee requires this additional approval by the HDC Board.

Mr. Enderlin stated that he has known and worked with Mr. Kimball for several years, including during his leadership of the New York City Economic Development Corporation – an agency to which he was appointed President by both Mayors Bloomberg and de Blasio.

Mr. Enderlin stated that in addition to his exemplary public service, Mr. Kimball brings a wealth of private sector experience, having held positions at Goldman Sachs, at J.P. Morgan, and currently in government relations at Con Ed.

Mr. Enderlin stated that he could not be happier with the Mayor's decision, as he knows Mr. Kimball will make an excellent addition to HDC's talented and dedicated Board. He said that his finance background will make him a valuable addition to the Corporation's Audit Committee, an appointment the Members are being asked to approve today.

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

RESOLVED, to approve the appointment of Kyle Kimball to the Audit Committee.

The Chairperson stated that having worked with Mr. Kimball for the better part of the decade, she was thrilled he has chosen to come back and serve in this capacity, noting that it will be an extraordinary addition, and then thanked and welcomed him.

The Chairperson called for the approval of the minutes of the meeting held on June 5, 2017.

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

RESOLVED, to approve the minutes of such meeting.

The Chairperson stated that the next item on the agenda would be the Report of the Governance Committee and called upon Mr. Gould to make this presentation.

Mr. Gould stated that the Governance Committee met prior to this meeting at which time Senior Staff raises were discussed and approved.

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

RESOLVED, to approve the Senior Staff raises that were approved by the Governance Committee.

The Chairperson stated that the next item on the agenda would be the President's Report, and called upon Mr. Enderlin to make this presentation.

Mr. Enderlin thanked the Chairperson and stated that the work that the Board guides and authorizes extends beyond this boardroom to the neighborhoods and communities of New York City. He said that on behalf of the many New Yorkers who benefit from this work, he thanked the Members for their dedication, commitment, and time.

Mr. Enderlin stated that several consecutive meetings have been scheduled for today, so he would keep his remarks brief. He said that he mentioned at the last meeting that the Corporation has been actively engaging its federal delegation in D.C., as well as officials at HUD and Treasury, and that the Corporation was also increasing its collaboration with state and local partners across the country to further its common affordable housing goals.

Mr. Enderlin stated that the results have been promising. He said that legislation that had already been introduced in both the Senate and the House to expand the Low Income Housing Tax Credit Program has been gaining support on both sides of Congress as more senators and representatives sign on. Further, he said, as a direct result of HDC efforts, the FFB Program has extended its allocation through December.

Mr. Enderlin stated that momentum was gathering for other proposals we've put forward, including a national reallocation pool that would enable tax-exempt volume cap that goes unused

by certain states to be redistributed to others—like New York—that never have enough to meet the housing demands they face.

Mr. Enderlin stated that those demands have never been greater, but he was happy to report that our progress has also never been greater. He said that with the projects authorized by the Members at our June meeting, the *Housing New York* plan surpassed 77,000 units of the 200,000 it is designed to create and preserve. He noted that was ahead of schedule—and an achievement in which we can all take some pride. He said that as we speak, HDC was hard at work on the next round of projects that we'll be presenting for the Members' review at year's end.

Mr. Enderlin stated that today's remaining agenda would be presented by Ellen K. Duffy, our Senior Vice President of Debt Issuance and Finance, and by Tinru Lin, Vice President of Capital Markets.

Mr. Enderlin stated that Ms. Duffy would next present the latest issuances proposed through the Corporation's Open Resolution, and then return to present the Investment Guidelines. He said that in between, Ms. Lin would present an additional issuance outside of the Open Resolution. He said that both these issuances, as Ms. Duffy and Ms. Lin would describe in detail, would provide maximum flexibility for us to leverage their proceeds in ways that would support various aspects of the Corporation's affordable housing mission.

Mr. Enderlin stated that he opened by extending his thanks to the Members, and he'd like to close by extending his thanks to the HDC staff. He said that at about a year into this job, he could not be more proud of the work that they do every day to make New York a more affordable and equitable city, now and for generations to come. He said that this concludes his remarks, and if there were no questions the Chairperson could proceed with the remaining agenda.

The Chairperson stated that she wanted to thank Mr. Enderlin for his incredible leadership of the Corporation. She said that he had mentioned our fiscal year 2017 numbers, and while they are staggering in many ways, production that is second only to the famous year of 1989 in terms of our production in the City, but really represents over the last three years the highest production in the entire history of HPD. She said that those were just numbers, they're just statistics, and we all know here as evidenced by the fact that we are starting anew with the projects for this fiscal year, they really represent the blood, sweat and tears by the staff of both agencies and also the incredible partnership of the people in this room and of so many organizations who really do come together to make sure we are doing everything that we can, using every tool that we have to address the City's housing affordability crisis. She again thanked Mr. Enderlin and the entire staff of HDC.

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 for consideration by the Members would be the Approval of an Authorizing Resolution relating to the Multi-Family Housing Revenue Bonds, 2017 Series E and F; Multi-Family Housing Revenue Bonds (Insured Mortgage Loan Pass-Through), 2017 Series A; Approval of a Mortgage Loan; and Purchase of HAC Loans, and called upon Richard M. Froehlich, Chief Operating Officer, Executive Vice President and General Counsel for the Corporation, to advise the Members regarding this item.

Mr. Froehlich stated that the transactions being proposed on today's agenda involve the securitization and movement of many assets of the Corporation. He said that we thought it would be helpful if we explained the rationale for these complicated transactions as it relates to the broader housing goals of the Corporation and the Mayor's housing plan. He said that HDC regularly refunds its debt to reduce its cost of capital as well as pooling its mortgages as a means to raise more capital. He said that securitizations and monetization of income streams is necessary for the Corporation to raise additional funds for the subsidies it provides to projects and to maintain its financial strength.

Mr. Froehlich stated that the Corporation makes money in four general ways. He said that fees, including origination and servicing have traditionally covered the Corporations' operating costs. He said that investment income from investing mortgage payments, reserves and bond proceeds had declined as a source but is now increasing as short term rates have increased. He said that spread is the differential between HDC's cost of borrowing and the loan rates it charges to its borrowers. He said that the final source of money is securitization of assets, by leveraging spread and the pledging of mortgages (including subordinate loans).

Mr. Froehlich stated that today's transactions relate to several different tools and approaches to raise additional funds. First, he said that staff was proposing the securitization of subsidy loans in a tax exempt series in the Open Resolution using recycled bond authority to make such loans tax exempt. He said that in order to cover the interest and principal due on such bonds the Corporation would pledge a large amount of one percent loans as well as some of the interest spread on other mortgages made by HDC under its Federal Financing Bank loan program. In addition, he said that the Corporation would use the principal and interest payments from the Housing Assistance Corporation mortgages that it is purchasing to support the cash flow for this series of bonds.

Mr. Froehlich stated that second, it is proposed that the Corporation use a pass through loan structure with the backing of the excess collateral in the Open Resolution to issue taxable bonds secured by seasoned taxable mortgages previously made by the Corporation. He said that these projects have all been placed in service for over 5 years and were originally financed with floating rate bonds placed with the Federal Home Loan Bank. He said that the FHLB funding was low cost in the current rate environment. He said that staff believes that HDC can lock in low cost funding for its seasoned portfolio while making low cost financing available for projects financed under the next phase of its Mitchell Lama Restructuring Program approved by the Members at their June 2017 meeting. He said that pass through structures have become more popular for investors as it mimics an approach used in conventional mortgage backed security bonds. He said that all mortgage prepayments must be paid out to the security holder in a pass through transaction. He said that in a regular Open Resolution transaction (that is not tax

exempt) the Corporation could choose to call other debt from a prepayment or re-lend the proceeds to a new project. He said that the pass through bonds should receive a lower interest rate because of this reduction in options for the Corporation.

Mr. Froehlich stated that lastly the Corporation would like to sell some mortgages from its Open Resolution to its Secured Resolution also known as the mini-open. He said that this transaction would allow the Corporation to securitize and raise almost \$14 million. He said that as part of this transaction a large mortgage currently pledged in the mini-open would be transferred to the Open Resolution and several smaller mortgages would be moved into the mini-open. He said that the logic behind this transaction relates to accessing low cost debt in the current market for projects previously financed and for removing a large mortgage that would likely restructure or prepay out of a small program and move it to the larger Open Resolution where the Corporation can manage its risk and credit exposure with greater ease. He said that in addition, substituting several smaller mortgage loans improves the diversification of the Secured Resolution loan portfolio.

Mr. Moerdler asked who holds the security. Mr. Froehlich said it depends, as the mortgages are moved into different resolutions. Ellen K. Duffy, HDC's Senior Vice President for Debt Issuance and Finance, stated that the loans are pledged under various resolutions. Mr. Moerdler asked who has custody of the underlying bonds. Mr. Froehlich said there are different buyers, including public and institutional investors. Ms. Duffy stated that in the case of the mini-open, the bonds are being sold to the Federal Home Loan Bank, and that the other bonds are being publically offered.

Ms. Duffy then referred the Members to the Memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2017 Series E and F; Multi-Family Housing Revenue Bonds (Insured Mortgage Loan Pass-Through), 2017 Series A; Approval of a Mortgage Loan; Purchase of HAC Loans" dated September 12, 2017 (the "Open Resolution Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the Two Hundred Fifty-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2017 Series E, the Two Hundred Fifty-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2017 Series F, and the Two Hundred Fifty-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds (Insured Mortgage Loan Pass-Through), 2017 Series A and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Two Hundred Fifty-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2017 Series E, the Two Hundred Fifty-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2017 Series F, and the Two Hundred Fifty-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds (Insured Mortgage Loan Pass-Through), 2017 Series A (each, a "Supplemental Resolution" and collectively, the "Supplemental Resolutions"); (iii) the Preliminary Official Statements; and (iv) the Bond Purchase Agreements, 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 Revenue Bonds, 2017 Series E and 2017 Series F and the issuance of the Corporation's Multi-Family Housing Revenue Bonds (Insured

Mortgage Loan Pass-Through), 2017 Series A, in an amount not expected to exceed \$245,000,000 to finance the construction, acquisition, rehabilitation and/or permanent financing of certain projects and other activities as described in the Open Resolution Memorandum.

Ms. Duffy stated that the Members were further being asked to authorize the use of the Corporation's unrestricted reserves to purchase five (5) mortgage loans from its subsidiary, the New York City Housing Assistance Corporation ("HAC"), and also authorize the use of available funds of the Open Resolution to finance the rehabilitation of one Mitchell Lama development.

Ms. Duffy stated that interest on the 2017 Series E and Series F Bonds was expected to be exempt from Federal, state and local income tax, and such bonds would qualify as tax-exempt private activity bonds with an allocation of "recycled" volume cap. She said that interest on the Pass-Through 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 anticipated interest rates, maturity dates and other relevant terms of the Bonds are described in the Open Resolution Memorandum. She said that the Authorizing Resolution would authorize the 252nd through 254th Supplemental Resolutions for the issuance of Open Resolution Bonds and the Pass-Through Bonds.

Ms. Duffy stated that it is anticipated that the proceeds of the 2017 Series E Bonds, in an amount not expected to exceed \$85,000,000, would be used to finance or reimburse the Corporation for amounts previously advanced from its unrestricted reserves for certain subordinate loans by refunding certain outstanding bonds of the Corporation. She said that the Members previously approved the making of all of the senior and subordinate loans being financed which are listed in a chart in the Open Resolution Memorandum. She said that it is anticipated that the 2017 Series E Bonds would be issued as fixed rate tax-exempt bonds.

Ms. Duffy stated that it is anticipated that the 2017 Series F Bonds would be issued as a convertible option bond ("COB") to preserve tax-exempt "recycled" volume cap in excess of the amounts currently needed by the Corporation. She said that the 2017 Series F Bonds are expected to be issued as variable rate obligations initially in the Term Rate mode.

Ms. Duffy stated that the proceeds of the 2017 Series F Bonds, in an amount expected not to exceed \$80,000,000, were expected to provide first position construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments, all of which are listed on Attachment "B" in the Open Resolution Memorandum and which will meet the federal low income housing tax credit affordability requirements. She said that the mortgage loans for these developments are expected to close in 2017 or 2018 at which point the 2017 Series F Bonds would be remarketed or refunded to match the terms of the applicable mortgage loans. She added that most of the developments listed would not be funded from the 2017 Series F Bond proceeds but all would be eligible for such financing.

Ms. Duffy stated that subject to approval by the Members of HAC, the Corporation expects to use its unrestricted reserves to purchase five (5) mortgage loans with a total principal

balance of approximately \$32 million at a purchase price not expected to exceed \$26 million based on the present value calculation. She said that the HAC loans would then be pledged to the Open Resolution to further strengthen the indenture cash flows for future financings.

Ms. Duffy stated that the 2017 Pass-Through Bonds, in an amount not expected to exceed \$80 million, would be issued as pass-through obligations under the Open Resolution with a “one-way walled-off” structure as further described in the Open Resolution Memorandum. 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 approximately seven (7) seasoned mortgage loans that are partially insured by REMIC for a total principal balance of approximately \$72 million are expected to be transferred from the Open Resolution to the Pass-Through Resolution to secure the issuance of the 2017 Series A Bonds, and that the proceeds of the Pass-Through Bonds transferred to the Open Resolution would subsequently be used to finance new mortgage loans under the Open Resolution.

Ms. Duffy stated that the pass-through structure was expected to result in preferable pricing similar to the Corporation’s first issuance of pass-through bonds in 2014. She said that while the 2014 Pass-Through Bonds were issued separate from the Open Resolution, it is anticipated utilizing the “one-way walled off” structure for the 2017 Pass-Through Bonds would simplify the Corporation’s continuing disclosure requirements by making such requirements consistent with those of the Open Resolution.

Ms. Duffy stated that the Pass-Through Bonds would be issued as a fixed rate bond. She said that the interest, principal repayments and prepayments derived from the Pass-Through Mortgage Loans, including a payment of REMIC insurance, if any, would be passed through to the bondholders to redeem the Pass-Through Bonds on a monthly basis. She added that for more information on the Pass-Through Loans, please see Attachment “C” of the Open Resolution Memorandum.

Ms. Duffy stated that the Corporation expects to use available funds of the Open Resolution, in an amount not to exceed \$12,465,000, to finance the rehabilitation of Stryker’s Bay, a 234 unit Mitchell-Lama development in Manhattan. She said that the portion of the Open Resolution Bonds associated with the Mitchell Lama Restructuring Loan was expected to be designated Mitchell Lama Restructuring Bonds. She said that for more information on the Stryker’s Bay development, please see Attachment “A” of the Open Resolution Memorandum.

Ms. Duffy stated that more details on the developments, as well as the Bond underwriters, Risks, Fees and Credit Ratings associated with the Bonds, were outlined in the Open Resolution Memorandum.

Mr. Moerdler stated that he was required by the Conflicts of Interest Board to disclose that Members of his firm, but not he, act for Citigroup, JP Morgan and Morgan Stanley from time to time but that does not disqualify him from voting.

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. Gould, and seconded by Mr. Kimball, the Members of the Finance Committee unanimously:

RESOLVED, (A) to approve the Authorizing Resolution that provides for (a) the adoption of Supplemental Resolutions to the Open Resolution providing for the issuance of the Open Resolution Bonds, (b) the adoption of the Pass-Through Resolution for the issuance of the Pass-Through Bonds, (c) the distribution of preliminary and final official statement(s) for the Bonds and 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 for the Bonds and to fund all or a portion of the debt service reserve account requirement in connection with any or all of the series of 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 Open Resolution Bonds, (f) 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, and (g) 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 a mortgage loan for one (1) Mitchell-Lama development from the Corporation's unrestricted funds in an amount not to exceed \$12,465,000, and the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the financing; (C) to approve entering into a Purchase and Sale Agreement with the City of New York relating to the existing subordinate debt on one Mitchell Lama development in accordance with the Mitchell Lama Restructuring Program and (D) to authorize the use of the Corporation's unrestricted funds in an amount not to exceed \$26,180,000 to purchase five (5) mortgage loans from its subsidiary, the New York City Housing Assistance Corporation (HAC").

The Chairperson stated that the next item on the agenda would be the Approval of an Authorizing Resolution relating to the Multi-Family Secured Mortgage Revenue Bonds, 2017 Series A-1 and 2017 Series A-2, and Certain Related Matters, and called upon Tinru Lin, Vice President of Capital Markets for the Corporation, to advise the Members regarding this item.

Ms. Lin referred the Members to the memorandum before them entitled "Multi-Family Secured Mortgage Revenue Bonds, 2017 Series A-1 and 2017 Series A-2, and Certain Related Matters" dated September 12, 2017 (the "Mini Open Resolution Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Secured Mortgage Revenue Bonds, 2017 Series A-1, and the Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Secured Mortgage Revenue Bonds, 2017 Series A-2 and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Secured Mortgage Revenue Bonds, 2017 Series A-1, and the Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Secured Mortgage Revenue Bonds, 2017 Series A-2, (each, a "Supplemental Resolution" and

collectively, the “Supplemental Resolutions”); (iii) the Preliminary Official Statement; and (iv) the Bond Purchase Agreement, all of which are appended to these minutes and made a part hereof.

Ms. Lin stated that she was pleased to recommend that the Members approve the issuance of the Corporation’s Multi-Family Secured Mortgage Revenue Bonds, 2017 Series A-1 and A-2, in an amount not to exceed \$70 million.

Ms. Lin stated that interest on the 2017 Series A Bonds was not expected to be exempt from Federal income tax, but was expected to be exempt from state and local income tax. She said that the 2017 Series A Bonds would constitute the sixth and seventh series of bonds to be issued under the “Secured Resolution,” adopted by the Members on May 10, 2005. She said that the Corporation expects to designate the 2017 Series A Bonds as Sustainable Neighborhood Bonds.

Ms. Lin stated that additionally, the Members were being asked to approve the purchase of an interest rate hedge in a notional amount not expected to exceed \$45 million to manage the interest rate risk relating to the variable rate 2017 Series A-2 Bonds. She added that approval of these Resolutions would authorize the 7th and 8th Supplemental Resolutions.

Ms. Lin stated that a portion of the 2017 Series A Bond proceeds were expected to be used to acquire 5 mortgage loans currently pledged to the Corporation’s Open Resolution. She said that these mortgage loans, for an aggregate outstanding balance of approximately \$45 million, are permanent mortgage loans insured by SONYMA or REMIC. She said that the sale of these mortgage loans was expected to generate approximately \$45 million for the Open Resolution, which would be used to make new mortgage loans pursuant to the Corporation’s loan programs.

Ms. Lin stated that an additional portion of the 2017 Series A Bond proceeds were expected to be used to replenish the Corporation’s reserves, which would also then be used to make new mortgage loans in furtherance of the Corporation’s programs and its commitment to the Mayor’s Housing New York plan, and for the redemption of certain prior bonds issued under the Secured Resolution.

Ms. Lin stated that it was anticipated that the mortgage loan for the Central Harlem Development, which is currently pledged to the Secured Resolution with an outstanding balance of approximately \$25 million and is insured by SONYMA, may be prepaid through a potential loan restructuring. She said that in anticipation of the restructuring, the Corporation expects to substitute the Central Harlem Mortgage Loan with 8 smaller mortgage loans from the Open Resolution and pledge the Central Harlem Mortgage Loan to the Open Resolution. She said that all of the substitute mortgage loans were insured by either SONYMA or REMIC.

Ms. Lin stated that the Corporation believes that the substitution would allow for more efficient use of the anticipated loan prepayment, given the strength and flexibility of the Open Resolution for relending and bond redemptions. She said that in addition, it is expected that substituting one large mortgage loan with several smaller mortgage loans would improve the

diversification of the Secured Resolution loan portfolio and ease the loan portfolio's continuing disclosure requirements.

Ms. Lin stated that it was anticipated that the Corporation may enter into a hedging instrument to manage the interest rate risk associated with the 2017 Series A-2 Bonds. She said that the Corporation may purchase an interest rate cap from a qualified provider pursuant to the Hedge Policy approved by the Members on April 10, 2014 and with advice from its Hedge Advisor, for a notional amount expected to be \$35 million. She said that however, the Members were being asked to authorize a not-to-exceed notional amount of \$45 million, to allow the flexibility to make adjustments based on the market conditions and the amount of the 2017 Series A-2 Bonds. She said that the interest rate cap was anticipated to be LIBOR-indexed for a term of 5 to 7 years.

Ms. Lin stated that the Members were being asked to authorize a not-to-exceed cost of \$600,000 for an interest rate cap; however, the cost of an interest rate cap for a notional amount of \$35 million with a 5 to 7 year term and a strike rate of 3.5% is anticipated to be approximately \$150,000 to \$400,000 as of September 7, 2017.

Ms. Lin stated that more details on the Bond underwriters, Risks, Fees and Credit Ratings associated with the 2017 Series A Bonds are outlined in Mini Open Resolution Memorandum.

Mr. Moerdler asked why the authorization is almost 25% in excess of the anticipated amount. Mr. Froehlich stated that there was a possibility that one project, in an amount of approximately \$12 million, may be financed in the mini-open instead of the Open Resolution, in which case the hedge amount in connection with the floating rate debt would be higher. Mr. Moerdler asked whether, after all these gyrations, we were comfortable with the status and sufficiency of the reserves. Mr. Froehlich stated that we were very comfortable that we are maintaining all our overall reserves while at the same time raising funds for the housing plan. He said that we remain conscious of our risk, and added that the whole process is reviewed quite heavily by the rating agencies, including through cash flows with different assumptions.

Mr. Gould asked who is serving as the hedge advisor. Mr. Froehlich responded Mohanty Gargiulo LLC, in accordance with a request for proposals from a few years ago and approved by the Members.

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. Gould, and seconded by Mr. Moerdler, 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 Secured Resolution providing for the issuance of the 2017 Series A Bonds; (ii) the distribution of a preliminary and final official statement for the 2017 Series A 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 for the Bonds and to fund all or a portion of the

debt service reserve account requirement in connection with any or all of the series of Bonds, as may be required; (v) the execution by an Authorized Officer of the Corporation of any and all documents necessary to issue the 2017 Series A Bonds and to acquire the mortgage loans relating to the 2017 Series A Bonds; and (B) to approve the purchase of an interest rate cap using the Corporation's unrestricted reserves in an amount not to exceed \$600,000 and the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to enter into an interest rate cap or swap agreement.

The Chairperson stated that the next item on the agenda would be the Approval of Investment Guidelines and called upon Ms. Duffy to advise the Members regarding this item.

Ms. Duffy referred the Members to the memorandum before them entitled "Approval of Investment Guidelines" dated September 12, 2017 (the "Investment Guidelines Memorandum") and the Investment Guidelines attached thereto, which is appended to these minutes and made a part hereof. She said that she was pleased to recommend that the Members approve the Investment Guidelines. She said that the Corporation's Investment Guidelines were drafted to correspond with statutory authority granted to the Corporation pursuant to Article XII of the Private Housing Finance Law as well as related sections of the Public Authorities Law and State Finance Law. She noted that there have been no changes since last year's revisions were approved by the Members.

Upon a motion duly made by Mr. Kimball, and seconded by Mr. Gould, the Members unanimously:

RESOVED, to approve the Investment Guidelines.

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 Mr. Gould, the Members unanimously:

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

At 11:48 a.m., there being no further business, upon a motion duly made by Mr. Moerdler, and seconded by Mr. Kimball, the meeting was adjourned.

Respectfully submitted,



Diane J. Pugacz
Assistant Secretary

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

September 19, 2017

ATTENDANCE LIST

R. Gregory Henniger	Hawkins Delafield & Wood LLP
Kevin Murphy	“ ”
John Germain	Jefferies
Alan Jaffe	“ ”
Annie Lee	J.P. Morgan
Mitchell Gallo	RBC Capital Markets
Ivan Leniski	“ ”
Nick Fluehr	Wells Fargo
Majorie Henning	Citi
Michael Barbarino	“ ”
Mike Koessel	“ ”
Jose Yandun	Siebert Branford Shank
Geoff Proulx	Morgan Stanley
Susan Jun	“ ”
Gregory Borys	“ ”
Samphas Chhea	Ramirez & Co.
Albert Luong	Barclays
Paul Haley	“ ”
Jeffrey Philp	Orrick, Herrington & Sutcliffe LLP
Andrew Rothbaum	Mohanty Gargiulo LLC
Michelle Kim	B of A Merrill Lynch
Marvin Markus	Goldman Sachs
Joe Tait	Raymond James
Roman Moser	Caine Mitter
David Womack	Blaylock
Jacqueline Gold	DOF
Eric Enderlin	New York City Housing Development Corporation
Richard M. Froehlich	“ ”
Paula Roy Carethers	“ ”
Ellen K. Duffy	“ ”
Diane J. Pugacz	“ ”
Jim Quinlivan	“ ”
Susannah Lipsytc	“ ”
Tinru Lin	“ ”
Terry Gigliello	“ ”
Yaffa Oldak	“ ”

Stephanie Mavronicolas	“	”
Mica Wilson	“	”
Kate Gilmore	“	”
Michael Gaboury	“	”
Madhavi Kulkarni	“	”
Mary Hom	“	”
Christina Mun	“	”
Libby Rohlring	“	”
Jennifer Beamish	“	”
Christopher Antonelli	“	”
Parker Rothman	“	”
Elizabeth Strojan	“	”
Mary John	“	”
Shirley Jarvis	“	”
Cheuk Yu	“	”
Horace Greene	“	”
Merin Urban	“	”
Carol Micalizzi	“	”
Robert Sanna	“	”
Christina Clarke	“	”
Amy Dehuff	“	”
Amy Boyle	“	”
Clarissa Wertman	“	”
Ruth Moreira	“	”
Justin Mathew	“	”
Patricia Halling	“	”
Claudine Brown	“	”
Jonah Lee	“	”
Moira Skeados	“	”