

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

June 5, 2018

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Tuesday, June 5, 2018 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 3:34 p.m. by the Chairperson, Maria Torres-Springer, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Kyle Kimball, Jacques Jiha and Charles G. Moerdler. The Members absent were Melanie Hartzog and Denise Notice-Scott. A list of observers is appended to these minutes.

The Chairperson welcomed all in attendance, and said in order to ensure an orderly meeting she reminded all guests present that while they were welcome at this public meeting, as in the past there would not be an opportunity for any comments from the public, and for those who submitted correspondence related to the issues of today's meeting she acknowledged that.

The Chairperson stated that the next item on the agenda would be the approval of the minutes of the meeting held on March 29, 2018.

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

RESOLVED, to approve the minutes of such meeting.

The Chairperson stated that the next item of business would be the President's Report and called upon Eric Enderlin, President of the Corporation, to make this presentation.

Mr. Enderlin thanked the Chairperson and Members in attendance today, and stated that he was proud to begin by sharing with the Board that HDC was recently recognized by the National Association of Local Housing Finance Agencies (or NALHFA) as the recipient of its Multifamily Excellence award for 2018. He said that the award recognized HDC's financing of the Alvista Towers development in Jamaica, Queens which the Board approved in June of 2016. Financed under our M-Squared Program, he said, the Alvista serves a diverse range of household incomes in an affordable development all within close proximity to transportation and access to jobs; notably, a quarter of the low-income units at this development are permanently affordable—in a neighborhood that is attracting significant new investment—thanks to the City's Inclusionary Housing Program. He said that this project was exemplary, but its recognition highlights the hard work and creativity that go into the many exceptional projects the Members have approved over the years.

Mr. Enderlin stated that he was also happy to report that Richard M. Froehlich, Chief Operating Officer, Executive Vice President and General Counsel for the Corporation, was

recently named to a leadership position on the NALHFA board. He said that this was a much-deserved honor for Mr. Froehlich that would help strengthen the role of HDC and the City in shaping NALHFA's national housing policy agenda. He said that as we congratulate Mr. Froehlich, he'd like to add that this recognition is a reflection of the talent and dedication that exists throughout the staff of HDC, and among our colleagues at HPD.

Mr. Enderlin stated that we have an agenda today that we can also take pride in. He said that after Senior Vice President for Debt Issuance and Finance, Ellen K. Duffy, confirms the Members' approval of additional firms for our roster of managing underwriters for HDC's Open Resolution, we will move on to new projects and programs that will help further the *Housing New York* plan. He said that in all, it's expected that the Board's actions today will enable HDC to close on 19 projects comprising 5,120 affordable homes later this month.

Mr. Enderlin stated that Senior Vice President for Development, Anthony R. Richardson, would present the latest proposed actions under the Open Resolution, followed by Robert Sanna, Project Manager of our Preservation Finance Department, who would request approval for an additional proposed preservation project.

Mr. Enderlin stated that finally, Luke Schray, Assistant Vice President of our Development Department, would present an exciting new program that expands HDC's collaboration with the New York City Acquisition Fund. He said that Mr. Schray would explain in detail, but the Neighborhood Pillars program was announced last Fall by Mayor de Blasio and Commissioner Torres-Springer, as one of the new initiatives in *Housing New York 2.0* that will help community-based non-profits play a greater role in the City's affordable housing industry. He said that these mission-driven organizations know their neighborhoods best, and must continue to be strong partners and stakeholders in our ongoing efforts to preserve affordable housing.

Mr. Enderlin stated that ultimately, what matters most are the lives of the many New Yorkers who will benefit from these new developments and programs—when they receive the key to a new home, or the news that they can stay in the home they already have.

Mr. Enderlin stated that we must continue to create as many affordable-housing opportunities as possible, for as many New Yorkers as possible. He said that the Members' actions today would take us steps closer to that goal.

Mr. Enderlin stated that this concludes his remarks, and if there were no questions the Chairperson could proceed with the remaining agenda.

The Chairperson stated that pursuant to the Public Authorities Accountability Act, and for purposes of discussing the next items on our 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 Additional Co-Managing Underwriters for the Corporation's Bond Issuances, 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 Additional Co-Managing Underwriters for the Corporation’s Bond Issuances” dated May 29, 2018, and the attachments thereto, which are appended to these minutes and made a part hereof (the “Co-Managing Underwriters Memorandum”).

Ms. Duffy stated that the approval of additional co-managing underwriters for the Corporation’s bond issuances was originally presented to the Members at the March 29, 2018 meeting; however, it was not approved at that time due to the lack of a quorum for this agenda item due to a recusal.

Ms. Duffy stated that as detailed in the Co-Managing Underwriters Memorandum, the Members are requested to approve each of UBS Financial Services and TD Securities as a co-manager for the Corporation’s bond issuances. She said that the Corporation was interested in adding these firms to its existing underwriting team to provide access to a greater universe of retail and institutional investors.

Mr. Jiha stated that the last time underwriters were approved, the criteria included the requirement that the firm bring some good ideas to the Corporation in order to be considered, and asked whether these firms had brought any good ideas to us about any deals.

Mr. Froehlich said yes, adding that both firms are very strong, have very good retail presence and we think would add significant value, noting that UBS at one point was one of the largest players in public finance and then they departed the field. He said that we have met with them and discussed some concepts that would be helpful, as far as deepening potential retail investing and the like, and other people that they bank with that we believe will add value to the Corporation. He said that’s true for both TD as well as UBS.

Mr. Moerdler stated that he was required by the Conflicts of Interest Board to disclose, although it does not disqualify him in any way from voting, that Members of his firm, but not he, represent from time to time Citigroup, Morgan Stanley, JP Morgan and Wells Fargo.

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

RESOLVED, to approve UBS Financial Services and TD Securities as a co-manager for the Corporation’s bond issuances.

The Chairperson stated that the next item on the agenda for approval by the Members would be the Approval of an Authorizing Resolution relating to the Multi-Family Housing Revenue Bonds, 2018 Series C, D and E, 2022 Series A, the Multi-Family Mortgage Revenue Debt Obligation (Far Rockaway Village) and Approval of Mortgage Loans, and called upon Mr. Richardson to advise the Members regarding this item.

Mr. Richardson noted that updates had been made to the Open Resolution Memorandum and referred the Members to the black-lined copy that had been placed before them.

Mr. Richardson referred the Members to the memorandum before them entitled “Multi-Family Housing Revenue Bonds, 2018 Series C, D and E, 2022 Series A, the Multi-Family Mortgage Revenue Debt Obligation (Far Rockaway Village) and Approval of Mortgage Loans” dated May 29, 2018 (the “Open Resolution Memorandum”) and the attachments thereto including (i) the Resolution Authorizing Adoption of the Two Hundred Sixty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2018 Series C-1, the Two Hundred Sixty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2018 Series C-2; the Two Hundred Sixty-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2018 Series D; the Two Hundred Sixty-Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2018 Series E, and the Two Hundred Sixty-Ninth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2022 Series A and Certain Other Matters in Connection Therewith; and the Resolution Approving the Funding Loan Agreement Authorizing the Issuance of the Multi-Family Mortgage Revenue Debt Obligation (Rockaway Village Phase I) and Certain Other Matters in Connection Therewith (each, an “Authorizing Resolution” and together, the “Authorizing Resolutions”); (ii) the Two Hundred Sixty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2018 Series C-1; the Two Hundred Sixty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2018 Series C-2; the Two Hundred Sixty-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2018 Series D; the Two Hundred Sixty-Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2018 Series E; and the Two Hundred Sixty-Ninth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2022 Series A (each, a “Supplemental Resolution” and collectively, the “Supplemental Resolutions”); (iii) the Funding Loan Agreement; (iv) the Bond Purchase Agreement; (v) the Forward Bond Purchase Agreement; and (vi) the Preliminary Official Statement, all of which are appended to these minutes and made a part hereof.

Mr. Richardson stated that he was pleased to recommend that the Members approve the issuance of the Corporation’s Multi-Family Housing Revenue Bonds, 2018 Series C-1, 2018 Series C-2, 2018 Series D-1, 2018 Series D-2, 2018 Series E (collectively, the “2018 Bonds”) and 2022 Series A (together with the 2018 Bonds, the “Bonds”), in an amount not expected to exceed \$838,345,000 to finance the construction, acquisition, rehabilitation and/or permanent financing of certain projects and other activities as described in the Open Resolution Memorandum.

Mr. Richardson stated that he was also pleased to recommend that the Members authorize the Corporation to enter into one funding loan agreement with Citibank to receive funds from Citibank which would, in turn, be loaned by the Corporation to one borrower—commonly referred to as the “back-to-back” structure—as a stand-alone financing for the Far Rockaway Village development in an amount not expected to exceed \$78,980,000 and to enter into a forward bond purchase agreement with Citibank regarding the sale of the 2022 Series A Bonds.

Mr. Richardson stated that interest on the 2018 Series C-1 Bonds and 2018 Series C-2 Bonds, the 2018 Series E Bonds, the 2022 Series A Bonds and the Funding Loan Obligations is

expected to be exempt from Federal, state and local income tax, and such bonds and obligations 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, and the refunding of certain outstanding bonds or obligations of the Corporation. He said that interest on the 2018 Series D-1 and 2018 Series D-2 Bonds is not expected to be exempt from Federal income tax, but is expected to be exempt from New York state and local income tax.

Mr. Richardson stated that additionally, he was pleased to recommend that the Members authorize the Corporation (i) to originate two taxable senior mortgage loans and fund the related subordinate mortgage loans to finance the construction of two (2) developments and (ii) to provide the permanent financing for the taxable senior mortgage loans.

Mr. Richardson stated that further, he was pleased to recommend the Members authorize the use of the Corporation’s unrestricted reserves or available funds of the Open Resolution, in a combined amount not to exceed \$52,665,000, to finance the rehabilitation and preservation of two (2) developments.

Mr. Richardson stated that lastly, he was pleased to recommend the Members approve two or more interest rate hedging instruments, in a combined notional amount not expected to exceed \$250,000,000, to manage interest rate risk relating to the variable rate bonds of the Open Resolution, and in anticipation of a refunding of certain Open Resolution tax-exempt bonds on or about February 1, 2019, to protect against potential interest rate increases by effectuating an interest rate lock.

Mr. Richardson stated that the Corporation expects to designate the 2018 Bonds and the 2022 Series A Bonds, if issued, as Sustainable Neighborhood Bonds.

Mr. Richardson stated that approval of these Resolutions would authorize the 265th through 269th Supplemental Resolutions under the Corporation’s Open Resolution and the Funding Loan Agreement.

Mr. Richardson stated that it was anticipated that the Corporation would originate certain senior taxable construction mortgage loans, and finance certain subordinate mortgage loans, for the construction of two (2) Mixed-Middle Income developments: 1618 Fulton Street, to be located in the Bedford-Stuyvesant section of Brooklyn; and The Robeson, to be located in central Harlem. Mr. Richardson stated that it was anticipated that upon origination the Corporation would sell a 100% participation interest in each of the senior construction loans to a bank and, upon construction completion and conversion to a permanent loan, the Corporation would repurchase the respective bank’s participation interest in the applicable construction loan with the Corporation’s unrestricted reserves and/or with available funds of the Open Resolution, in a combined amount not to exceed \$40,365,000 and pledge each permanent loan to the Open Resolution. He said that it was anticipated that the Corporation would use its unrestricted reserves or available funds of the Open Resolution, in a combined amount not to exceed \$19,025,000, to finance the subordinate construction loans. He said that more specific

information on each project could be found on Attachments “3 - 4” of the Open Resolution Memorandum.

Mr. Richardson stated that the Corporation expects to use the Corporation’s unrestricted reserves or available funds of the Open Resolution, in a combined amount not to exceed \$52,665,000, to finance and/or restructure mortgage loans for the rehabilitation and/or preservation of two (2) developments: Masaryk Towers, Mitchell-Lama Cooperative located on Manhattan’s Lower East Side; and the Communilife Portfolio, three buildings located in the Crotona Park and East Tremont sections for the Bronx. He said that together, the two developments would represent the preservation of over 1300 units of affordable housing. He said that the portion of the Open Resolution Bonds associated with the Mitchell-Lama Reinvestment Loan was expected to be designated Mitchell-Lama Restructuring Bonds. He said that for more information on the developments, please see Attachments “1 - 2” of the Open Resolution.

Mr. Richardson stated that it was anticipated that the proceeds of the 2018 Series C Bonds, in an amount not expected to exceed \$683,015,000, together with the Corporation’s unrestricted reserves, would be used to finance mortgage loans for up to fourteen (14) developments: five (5) Mix and Match projects and nine (9) ELLA projects that will create, in aggregate, more than 3,000 units of rental housing, to be located in the Bronx, Brooklyn, Queens, and Manhattan.

Mr. Richardson stated that Nine (9) ELLA developments and five (5) Mix and Match developments were expected to receive subordinate financing from the 2018 Series C Bonds and/or Corporation’s unrestricted reserves; the aggregate amount of such subordinate financing is not expected to exceed \$210,000,000. He said that thirteen subordinate loans were expected to have an interest rate equal to the Applicable Federal Rate as recently published by the Internal Revenue Service (“AFR”), with set lower monthly payments, to be advanced during construction and to remain in the projects as permanent loans. One subordinate loan is expected to have an interest rate of 1%, would be advanced during construction and will remain in the project as a permanent loan.

Mr. Richardson stated that one Mix and Match development, Archer Green, would receive subordinate financing from the Corporation’s unrestricted reserves in an amount not to exceed \$39,640,000. He said that pursuant to staff’s request and the Members’ approval, it was expected that this subordinate financing would be provided in an amount greater than the current programmatic guidelines for total loan size, but within the guidelines for per-unit subsidy. He said that the subordinate loan was expected to bear an interest rate equal to the Applicable Federal Rate as recently published by the Internal Revenue Service, with set lower monthly payments, would be advanced during construction and would remain in the project as a permanent loan.

Mr. Richardson stated that the Corporation intends to fund the short-term portion of each senior mortgage loan primarily with its unrestricted reserves. He said that when borrower prepayments from tax credit equity are received upon project completion, such prepayments would be available for re-lending by the Corporation to other affordable housing projects. He

said that any future lending from such prepayments will be presented to the Members for approval, with the exception of the permanent financing of the 1618 Fulton and the Robeson developments described previously and also presented in the Open Resolution Memorandum.

Mr. Richardson stated that in addition to the residential financing described in the memorandum, the Coney Island – Phase I development is expected to include a multi-use intake and office facility for the New York City Human Resources Administration (“HRA”), which would be financed with a subordinate mortgage loan in an amount not to exceed \$26,400,000 originated by the Corporation and funded by a bank pursuant to a participation agreement with the Corporation.

Mr. Richardson stated that in addition to the residential financing described in the Open Resolution Memorandum, the Archer Green development was expected to include commercial space that would be financed with a subordinate mortgage loan in an amount not to exceed \$12,000,000 to be funded by the Corporation during construction with its unrestricted reserves to be repaid within an expected five-year term.

Mr. Richardson stated that the 2018 Series C-1 and 2018 Series C-2 Bonds were expected to be issued as tax-exempt bonds in an initial Fixed Rate Term with convertible options as further described in your memorandum. He noted that more detail on the anticipated developments could be found in attachments 5 through 18 of the Open Resolution Memorandum.

Mr. Richardson stated that it was anticipated that the proceeds of the 2018 Series D Bonds, in an amount not to exceed \$100,000,000, would be used to redeem certain bonds, including certain indexed variable rate and fixed rate bonds outstanding under the Open Resolution, to re-leverage the underlying assets that are currently held under the Open Resolution and lock in funding at the current low interest rates. He said that the issuance of the 2018 Series D Bonds would allow for replenishment of the Corporation’s reserves, which could then be re-lent to new developments in furtherance of the Corporation’s commitment to the Mayor’s *Housing New York* plan. He said that the Series D Bonds were expected to be issued on a fixed rate, taxable basis.

Mr. Richardson stated that it was anticipated that the proceeds of the 2018 Series E Bonds, in an amount not to exceed \$25,425,000, would be used to refund the Corporation’s Multi-Family Housing Revenue Bonds, 2008 Series M. He said that the refunding would generate interest rate savings in the Open Resolution for the Corporation. He noted that the Series E Bonds were expected to be issued as tax-exempt bonds in an initial Fixed Rate Term with convertible options as further described in your memorandum.

Mr. Richardson stated that the Corporation expects to (a) enter into a loan agreement (“Funding Loan Agreement”) with Citibank to finance the construction of one development and issue one or more Multi-Family Housing Revenue Debt Obligations in an amount not expected to exceed \$78,980,000 (“Funding Loan Obligations”), (b) enter into a forward bond purchase agreement with Citibank regarding the sale of the 2022 Series A Bonds and (c) issue the 2022 Series A Bonds, after completion of the project or conversion of the loan, in an amount not to

exceed \$29,905,000, to refund a portion of the Funding Loan Obligations for the permanent phase financing of the project.

Mr. Richardson stated that it was anticipated that the proceeds of the Funding Loan would be used to finance the construction phase mortgage loan and that the 2022 Series A Bonds would be sold to Citibank with proceeds from such bonds used to finance the permanent phase mortgage loan.

Mr. Richardson stated that the Funding Loan Obligations were expected to be issued as one or multiple fixed-rate tax-exempt obligations. He said that the 2022 Series A Bonds were expected to be issued as tax-exempt bonds in 2022 at fixed rates or in an initial Fixed Rate mode with convertible options as further described in the Open Resolution Memorandum. He said that for more specific information on the project, please see Attachment 18 of the Open Resolution Memorandum.

Mr. Richardson stated that in anticipation of an increase in the short-term index rates, including the 3-month LIBOR index that is used for most of the Corporation's variable rate bonds outstanding under the Open Resolution, the Corporation is working with its Hedge Advisor, Mohanty Gargiulo LLC, to determine the appropriate hedging amount and the efficient hedging instrument, including an interest rate swap or an interest rate cap, to manage the interest rate risk associated with its variable rate portfolio and further protect itself against interest rate volatility.

Mr. Richardson stated that additionally, the Corporation expects to issue approximately \$261,195,000 in tax-exempt bonds on or around February 1, 2019, which issuance would be brought to the Members for approval prior to that time, to refund certain Open Resolution bonds that would become optionally callable on May 1, 2019. He said that given that it is currently anticipated that there would be two to three additional rate hikes from the Federal Reserve, the Corporation was working with its Hedge Advisor to lock in the favorable current financing cost and maximize the refunding savings through the facilitation of an interest rate hedging instrument including a forward-starting interest rate swap or a rate lock that could be applied to existing Open Resolution variable rate bonds if staff determined to do so based on market conditions at the time or in the event the refunding bonds are not issued.

Mr. Richardson stated that the Members were being asked to approve two or more interest rate hedging instruments, in a combined notional amount not expected to exceed \$250,000,000 and at a cost not expected to exceed \$5,000,000 to be funded with the Corporation's unrestricted reserves, to manage its interest rate risk relating to the outstanding index rate Open Resolution bonds, and to preserve a level of savings for certain refunding bonds anticipated to be issued on or about February 1, 2019. He said that more detail on the developments, as well as the Bond underwriters, Risks, Fees and Credit Ratings associated with the 2018 Bonds and 2022 Series A Bonds, are outlined in the Open Resolution Memorandum.

Mr. Moerdler asked the Chairperson if he, as a Member, was in a position where he could move or ask that one item, project number 14, be stricken or does he have to vote against the entire package. Mr. Froehlich said that it was being presented as an entire package. Mr.

Moerdler then said that he was going to have to oppose the package because of public policy. He said that the Chairperson and President would recall that the motivating force behind Moshulu Grand was the Stagg Group, an entity that has engaged in the practice of bait and switch in the borough of the Bronx for a period of time, reprimanded by the media, the New York Post, the New York Daily News, and others, condemned by Community Boards in the Bronx, because of a practice of getting 421-a allowances and then announcing a program that it's going to be residential housing whether affordable or not, and then switching it to homeless shelters without consultation with anyone, let alone the communities involved, the borough president of the Bronx, or the State of New York. He said add to that the fact that this developer has consistently, in at least one project as Mr. Weissman from HPD will tell you, has consistently engaged in work before hours and after hours in violation of the building code and in violation of building regulations. Mr. Moerdler said that there is an issue here, a fundamental issue of whether the public policy is such that it will encourage or discourage the use of public funds by people who have demonstrated that they are not fit. He said that it may be a wonderful business idea, but it is hard to reward somebody who has a demonstrated unquestioned record of doing things that shouldn't be done in a manner that makes, in his opinion, the entity not fit for public funds. He said that he would have to oppose this as long as this applicant is a part of this.

The Chairperson stated that HDC respects Mr. Moerdler's feedback so that HDC could address these issues, and added that HDC does a vigorous review of proposed projects.

Mr. Enderlin stated that he understood and respected Mr. Moerdler's position. He said that regarding this particular project, the incident that happened previously on another project (the change to a shelter) could not happen in this circumstance. He said that HDC has assurances from the developer that they will not make that change.

Mr. Moerdler said that while he accepts Mr. Enderlin's assurances that a similar switch cannot happen with this project, there is a public policy issue when a developer is prima facie a bad actor, despite the fact that the proposed project may be a good one.

Mr. Froehlich said that HDC does a thorough review, and we have to be careful about rejecting a developer who has passed the sponsor review process; what was done in the past may not have been nice, but may have been legal.

Mr. Moerdler said that when you have had a bait and switch more than once you cannot help but have a presumption that this developer is not one you want to deal with.

Mr. Kimball asked whether this project went to the community board. Mr. Richardson said yes, that there was an Article XI and local representative support at Community Board 7. Mr. Moerdler said Community Board 7 is the one that condemned them, and he would like to see the supporting letter. Mr. Richardson said he could share that letter with him.

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

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

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, including a forward bond purchase agreement with respect to the 2022 Series A 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, and (v) 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 an authorizing resolution which provides for (i) the execution of the Far Rockaway Village Funding Loan Agreement and (ii) the execution of mortgage-related documents and any other documents necessary to accomplish the issuance of the Far Rockaway Village Funding Loan Obligations and the financing of the related loan; (C) to approve the making of subordinate loans for five (5) Mix and Match developments and nine (9) ELLA developments from proceeds of the 2018 Series C Bonds and/or the Corporation's unrestricted reserves in an amount not expected to exceed \$210,000,000, the use of such amount of the Corporation's unrestricted reserves to fund a portion of the senior loans for these fourteen developments, and the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the senior and subordinate financing; (D) to approve the making of certain preservation loans for two (2) developments, in an amount not to exceed \$52,665,000, from available funds of the Open Resolution or its unrestricted reserves, and the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the financing; (E) to approve the origination of two (2) taxable construction loans in a combined amount not to exceed \$40,365,000, the subsequent purchase by the Corporation of Merchants Bank of Indiana's 100% participation interest in such loan for the 1618 Fulton development and of TD Bank's 100% participation interest in such loan for The Robeson development from its unrestricted reserves or the available funds of the Open Resolution, and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish such financings; (F) to approve the making of subordinate loans in a combined amount not to exceed \$19,025,000 for these two (2) developments from its unrestricted reserves or the available funds of the Open Resolution; (G) to approve the origination of a loan in an amount not to exceed \$26,400,000 to finance a portion of the Coney Island – Phase 1 development, and a participation agreement with the financing bank which will acquire a 100% participation interest in the loan; (H) to approve the origination of one loan in an amount not to exceed \$12,000,000 to finance a portion of the commercial space for the Archer Green development and either a participation agreement with the financing bank which will acquire a 100% participation interest in the loan or the Corporation's funding of such loan for a term of five years; and (I) to approve the execution of two or more interest rate hedging instruments in a combined notional amount not expected to exceed \$250,000,000 and/or use its unrestricted reserve for an amount not expected to exceed \$5,000,000, and the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to

enter into said hedging instruments.

The Chairperson stated that the next item on the agenda would be the Approval of a Loan for La Cabana and called upon Mr. Sanna to advise the Members regarding this transaction.

Mr. Sanna referred the Members to the memorandum before them entitled "Approval of a Loan for La Cabana" dated May 29, 2018 (the "La Cabana Memorandum") and the attachment thereto, which is appended to these minutes and made a part hereof.

Mr. Sanna stated that he was pleased to present for the Members' approval, the origination of a senior mortgage loan which is expected to be insured via the US Department of Housing and Urban Development's Section 542c risk sharing program and sold to the US Treasury's Federal Financing Bank, in an amount not to exceed \$61,501,000 to finance the rehabilitation, permanent financing, and extension of affordability for the La Cabana development.

Mr. Sanna stated that the proceeds of the loan would be used by the mortgagor, La Cabana Apartments LLC, for the purpose of paying for the costs of preserving La Cabana, an affordable housing development consisting of 167 residential units across 3 buildings in the Williamsburg neighborhood of Brooklyn. He said that the development was originally financed by HDC in 1984 and organized under Article 5 of the New York State Private Housing Finance Law. He said that upon closing, the ownership structure would be reorganized as a Housing Development Fund Company pursuant to Article 11 of the Private Housing Finance Law.

Mr. Sanna stated that it was anticipated that the proceeds of the loan would be used to refinance the development's existing debt, fund moderate rehabilitation work, recapitalize project reserves, reduce the owner's equity position in the development, and facilitate the long term preservation of affordable housing for households earning less than 50% of area median income.

Mr. Sanna stated that the loan may be initially funded with the Corporation's unrestricted reserves, and is expected to be insured under the Corporation's Risk-Sharing program with HUD. He said that a beneficial interest in such loan is expected to immediately be sold to the FFB. He said that the project, when closed would be the Corporation's eighth transaction under the FFB Program, which was previously approved by the Members in September 2014.

Mr. Sanna stated that because the loan amount exceeds the guidelines set forth in the FFB Preservation Program Pilot approved by the Members in June 2017, this loan for La Cabana was being presented to the Members for approval.

Mr. Sanna stated that the risks and fees associated with the project were described in greater detail in the La Cabana Memorandum.

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

RESOLVED, to approve i) the making of a loan in an aggregate amount not to exceed \$61,501,000 initially funded with the Corporation's unrestricted reserves until purchase of the loan by the FFB for the preservation of La Cabana and ii) the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the financings.

The Chairperson stated that the next item of business would be the Approval of HDC Neighborhood Pillars Loan Program & New York Acquisition Fund LLC (NYCAF) Senior Term Loan and called upon Mr. Schray to advise the Members regarding this item.

Mr. Schray referred the Members to the memorandum before them entitled "HDC Neighborhood Pillars Loan Program & New York City Acquisition Fund LLC (NYCAF) Senior Term Loan" dated May 29, 2018 and the term sheet attached thereto (the "Pillars/NYCAF Memorandum"), which is appended to these minutes and made a part hereof.

Mr. Schray stated that he was pleased to present for the Members' approval two proposals related to the City's Neighborhood Pillars Program, which is a new program intended to support the Mayor's "*Housing New York 2.0*" initiative by preserving naturally occurring affordable housing units not currently regulated by City affordable housing programs.

Mr. Schray stated that first, the Members are asked to authorize the creation of an HDC Neighborhood Pillars Loan Program in which loans would be made in an aggregate amount not expected to exceed \$100,000,000 to aid in the acquisition and moderate rehabilitation of multifamily residential buildings of fewer than approximately 50 units.

Mr. Schray stated that all, or a portion, of the permanent loans may initially be funded by the unrestricted funds of the Corporation in order to provide senior secured financing to eligible projects that would be coupled with subordinate debt originated by the Corporation but funded with grants from HPD.

Mr. Schray stated that the terms of the Neighborhood Pillars Loan Program are consistent with the Corporation's conservative underwriting standards, and are detailed in the attached Pillars/NYCAF Memorandum and term sheet. He said additionally, all loans would require the Corporation's Credit Committee approval. He said that loans greater than or equal to \$25,000,000 would be presented to the Members for authorization at a later date.

Second, Mr. Schray stated, the Members were requested to authorize use of the Corporation's unrestricted reserves to make an interest-only Senior Term Loan to the New York City Acquisition Fund LLC (the "Acquisition Fund") in an amount not to exceed \$15 million for a term of up to 5 years in order to facilitate an increase in the volume of loans generated by the Acquisition Fund. Created in 2006, he said, the Acquisition Fund offers acquisition, predevelopment and moderate rehabilitation loans to experienced real estate developers of affordable housing in New York City. He said that HDC holds a seat on the Acquisition Fund's Credit Committee that reviews and approves all loan proposals.

Mr. Schray stated that Senior Term Lenders to the Acquisition Fund hold a senior position secured by the New York City Acquisition Fund LLC and its assets. He said that the money is used in conjunction with subordinate funds to finance up to 35% of each individual project, with the remainder financed by loans secured by the project's assets. He said that further details on the terms and risks of these proposals were outlined in the Pillars/NYCAF Loan Program Memorandum.

Mr. Moerdler questioned if there were other programs that the Corporation has where loans under \$25,000,000 are not subject to board approval. Mr. Froehlich said that we have been authorized under a variety of programs, in particular Mitchell Lama and other preservation areas, where within specific guidelines the board has given us the authority. Mr. Moerdler asked why that was necessary and Mr. Froehlich said that it was a timing issue so that the Corporation had the flexibility to be responsive. He said that what we've usually done is where we have made loans and come to the board generally when we issue bonds then the authorization is that we're funding those loans out of those bonds. He said the limitation that we have is there's only so much capital that the Corporation has but generally, if we're making loans pursuant to our guidelines that you approve, then we have the authority to make those loans. Mr. Moerdler said that he was not quarreling with the authority, but it seems to him that as a matter of oversight by the Members, at some point, by way of ratification or otherwise, it should come back to the Members with a report. Mr. Froehlich said we will do that. Mr. Enderlin added that as Mr. Froehlich said, the authorization provides us with the flexibility to close at any time of the year.

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

RESOLVED, to approve i) the making of senior loans to eligible projects under the terms of the HDC Neighborhood Pillars Loan Program in an aggregate amount not to exceed \$100,000,000, funded with the unrestricted reserves of the Corporation, ii) the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the financing and iii) the use of unrestricted reserves of the Corporation in order to make an interest-only Senior Term Loan to the New York City Acquisition Fund LLC ("NYCAF") not to exceed \$15 million for a term of up to 5 years.

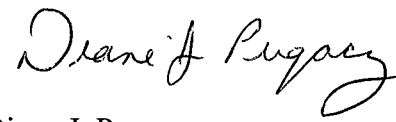
The Chairperson stated that at this time, she would like to close the meeting of the Finance Committee and call for a motion of the HDC Board to ratify those items just approved by the Finance Committee.

Upon a motion duly made by Mr. Kimball, and seconded by Mr. Gould, and with Mr. Moerdler voting in the affirmative except for agenda item number 5 (which is the Open Resolution), the Members:

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

At 4:18 p.m., there being no further business, upon a motion duly made by Mr. Kimball, and seconded by Mr. Jiha, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in black ink, reading "Diane J. Pugacz". The signature is written in a cursive style with a large, looping initial "D" and a long, sweeping tail on the "z".

Diane J. Pugacz
Assistant Secretary

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

June 5, 2018

ATTENDANCE LIST

R. Gregory Henniger	Hawkins Delafield & Wood LLP
Kevin Murphy	“ ”
Susan Jun	Morgan Stanley
Gregory Borys	“ ”
Joe Monitto	BofA Merrill Lynch
Jim Stretz	George K. Baum & Company
Casey Biegelsen	“ ”
Mitchell Gallo	RBC Capital Markets, LLC
Annie Lee	JPMorgan
Peter Weiss	“ ”
Tim Sullivan	UBS
Nicole Pey	UBS
Alan Jaffe	Jefferies
Jeff Philp	Orrick, Herrington & Sutcliffe LLP
Sally Goldenberg	Politico
Cathy Bell	Stern Brothers
Joe Tait	Raymond James
Seema Mohanty	Mohanty Gargiulo LLC
Andrew Rothbaum	“ ”
Nick Fluehr	Wells Fargo
Peter Cannava	“ ”
Matt McVay	Ramirez
Ken Gambone	TD Securities
Albert Luong	Barclays
Vihran Shah	“ ”
Marjorie Henning	Citi
William Yates	“ ”
Chrysonthia Horne	HPD
Quinn Mayberry	HPD
Lydor Sleeper	HPD
Jessie Towsen	Council Member Ben Kallos
Jonathan Hogstad	32BJ
Safat Gidign	“ ”
Altagracia Mayi	“ ”
Patrick Walsh	“ ”
Filje Veeljay	“ ”
Aleena Kaim	“ ”

Apaza Nested	“	”
Francis Martinez	“	”
Janet Burghori	“	”
Carman Cecilio	“	”
Wanda Guntor	“	”
Brian Raso	“	”
Shane Williams	“	”
Richford Stewart	“	”
Alex Hecht	“	”
Merline Badine	“	”
Wanda Siverbi	“	”
Nesen Tabacu	“	”
Manuel Gumbs	“	”
Roberto Hart	“	”
Jhoan Bonett	32 BJ/Palladium	
Robert Hart	Palladium	
Angel Caine	Caine Mitter	
Peter Boboris	Azimuth Development Group	
G. Subotovsky	“	”
Eli Weiss	Watson LLC	
Jacqueline Gold	NYC DOF	
Jamie Androde	QBS	
Gilbert Garcia	Up Grade	
Christian Zarcono	Up Grade	
Eric Enderlin	New York City Housing Development Corporation	
Richard M. Froehlich	“	”
Paula Roy Carethers	“	”
Ellen K. Duffy	“	”
Anthony R. Richardson	“	”
Diane J. Pugacz	“	”
Jim Quinlivan	“	”
Susannah Lipsyte	“	”
Mary Hom	“	”
Robert Sanna	“	”
Luke Schray	“	”
Cathleen Baumann	“	”
Teresa Gigliello	“	”
Yaffa Oldak	“	”
Asia Riddick	“	”
Ruth Moreira	“	”
Madhavi Kulkarni	“	”
Elizabeth Strojan	“	”
Elizabeth Rohlfing	“	”
Isaac Guttman	“	”
Emma Ellis	“	”

Shira Gidding	“	”
Sarah Leitson	“	”
Amy Boyle	“	”
Christina Mum	“	”
Tinru Lin	“	”
Chris Antonelli	“	”
Justin Mathew	“	”
Stephanie Mavronicolas	“	”