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

November 26, 2019

The annual meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Tuesday, November 26, 2019, at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 3:00 p.m. by the Chairperson, Louise Carroll, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Jacques Jiha, and Charles G. Moerdler. The Members absent were Kyle Kimball, Denise Notice-Scott and Melanie Hartzog. A list of observers is appended to these minutes.

The Chairperson stated that the next item on the agenda would be the approval of the minutes of the meeting held on September 26, 2019.

Upon a motion duly made by Mr. Moerdler, and seconded by Mr. Jiha, 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 stated that in the spirit of the upcoming Thanksgiving holiday, he'd like to start by thanking the HDC staff for their incredible efforts to ensure more New Yorkers have a safe, high-quality home they can afford. He said this dedicated team continues to finance the creation and preservation of vital affordable housing under the Mayor's *Housing New York* plan, and is now ramping up to help in the preservation of the City's public housing stock through our partnership with the New York City Housing Authority ("NYCHA").

Mr. Enderlin stated that there is no more pressing housing issue in The City of New York than the need to rehabilitate the homes of New Yorkers residing in NYCHA buildings across the City—and to restore these buildings so they remain a public resource for generations to come. He said that HDC has been called upon by the City to bring its expertise in finance, lending, compliance, and asset management to assist NYCHA in this critical effort, and we could not be prouder to do so.

Mr. Enderlin stated that the NYCHA PACT program, which stands for Permanent Affordability Commitment Together, will harness effective partnerships and stable funding streams to renovate 62,000 apartments serving roughly 142,000 NYCHA residents. He said our common goal is to improve quality of life for these individuals and families, while ensuring tenant rights and protections are in place, and public control of this precious resource is maintained. He said HDC serves as the financing arm for the PACT plan, structuring the financing of each transaction, and maintaining responsibility for the long-term asset management of the properties.

Mr. Enderlin stated he would like to note that there are folks in this room and at this table who have worked for at least a generation to ensure that HDC and the City now have the wherewithal to engage in this partnership and he wanted to acknowledge everyone in this room, adding that he knows there are a number of people who have labored for years to do this work, which, he said, brings him to a happy segue. Mr. Enderlin stated that in recognizing the importance of this work, we are pleased to welcome NYCHA Chair and CEO, Gregory Russ, to this meeting to share his thoughts on this partnership. He then thanked Mr. Russ for joining us today and asked that he say a few words.

Mr. Russ thanked Mr. Enderlin and the Chairperson for inviting him here today and stated that this is historic—because what is happening now is tremendously powerful in terms of thinking about the entire portfolio of 174,000 units, all of which need the fullness of investment that properties their age would require, and added it's interesting to look at the history of public housing. He said if you go all the way back to its creation, a lot of which actually was foreshadowed here in New York even before the 1937 Housing Act was passed, it's interesting to look at that model because it did not fully envision capital reinvestment for real estate as it aged; it envisioned kind of a break-even platform where you would be doing your repairs out of your operating budget on a good day. So, he said, to be in partnership here with HDC has just been a great experience. He said as many of you know, he has worked in a lot of other cities, none, he thought, so collaboratively as what we have here today, and it is incredibly powerful and appropriate to acknowledge Mr. Enderlin's leadership, the team, and their thinking that they have brought to what is a very difficult problem. Mr. Russ stated that earlier today the Housing Authority board meeting was held and we passed our resolution at the end of that meeting that will marry up with the material you have here today and in some ways, he thought, we have two agencies pretty much on the same mission and it's just amazing when we can make it work this way and he wanted to say thank you for that and thank you for the effort here. And lastly, he said, we have another set of investments down and there is plenty more to do and we look forward to working with you and deeply appreciate the actions you are going to take today and the work that you have been doing with us, so he wanted to say thank you. Mr. Enderlin stated he thought about actually rolling up his sleeves under his jacket just to model Mr. Russ. Mr. Russ stated when he goes back it is twenty degrees colder, so he is in between and a day like today is just a luxury. He said someone in Minneapolis asked what that is like, and he said he took the job because he wanted a more tropical climate, and in fact that is true occasionally. Mr. Enderlin stated we worked together a lot over the last couple of months and the approach and the style and the sticktoitiveness and the rolling up of the sleeves shows it, and we look forward to moving forward on this.

Now, Mr. Enderlin stated, he'd like to return to today's agenda.

Mr. Enderlin stated that Susannah Lipsyte, HDC's Senior Vice President and General Counsel, will present for the Members' approval the Corporation's recommendation of counsel for a new bond resolution to help finance the rehabilitation and repositioning of the City's public housing stock.

He said the next action will be presented by Hannah Blitzer, HDC's Executive Director, Public Housing Finance and Lending Strategies, for approval of a resolution to establish the new Housing Impact Bond Resolution, along with its very first transaction for financing the preservation of NYCHA's public housing, as mentioned earlier.

Next, he said, HDC's development team, led by Executive Vice President for Development Anthony Richardson, will present for the Members' approval a resolution relating to HDC's Open Resolution Bonds to support the creation of affordable multifamily rental housing. As always, he said, HDC is working to stretch limited resources to support a strong pipeline of projects. He said Mr. Richardson will describe some of the ways his team is doing this.

Mr. Enderlin stated following that discussion, there will be a presentation of a preservation loan for the Members' approval.

Next, he said, we will hear from HDC's Senior Vice President and Treasurer, Cathleen Baumann, for a presentation of the Corporation's 2020 operating budget.

Finally, he said, Richard M. Froehlich, HDC's First Executive Vice President and Chief Operating Officer, will present the Property Disposition Report.

Mr. Enderlin stated that we have a very full agenda, but he'd like to note that Item 7, regarding a planned recommendation and approval of underwriters for HDC's debt issuances, will not be presented today.

He said that if there were no questions or comments, he would turn to the Chairperson to proceed with today's important agenda.

The Chairperson thanked Mr. Enderlin and thanked Mr. Russ for being here today. She said she spent a few years in city government and under this administration the collaboration among several agencies including NYCHA has been stronger than she's ever seen it before and she thinks she speaks for all of us here in that we are committed to your mission and we're very happy today that we're going to be able to help progress that mission in this way.

Mr. Russ said thank you.

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

The Chairperson stated that the next item on the agenda would be the Approval of the Corporation's Counsel for Housing Impact Bond Resolution and called upon Ms. Lipsyte to make this presentation.

Ms. Lipsyte referred the Members to the Memorandum before them entitled "Approval of the Corporation's Counsel for Housing Impact Bond Resolution" dated November 19, 2019 (the "HIB Counsel Memorandum"), which is appended to these minutes and made a part hereof.

Ms. Lipsyte stated that she was pleased to recommend that the Members approve Hawkins Delafield & Wood LLP and Orrick, Herrington & Sutcliffe LLP as Counsel to the Corporation for bond issuances under the NYCHA Housing Impact Bond Resolution, noting that later in this meeting, the creation of the NYCHA Housing Impact Bond Resolution and the inaugural issuances will be presented for the Members' approval.

Ms. Lipsyte stated that in September 2018, the Corporation issued a Request for Proposals for recommendations from law firms for the creation of a parity bond resolution for the NYCHA Permanent Affordability Commitment Together "PACT" Initiative. She said upon receipt of three responses, the Corporation assembled a review committee, which reviewed and analyzed the written responses and selected two firms to recommend to the Members for approval to alternate as Bond Counsel and Disclosure Counsel to the Corporation in connection with the Corporation's financings under the NYCHA Housing Impact Bond Resolution.

Ms. Lipsyte stated that Hawkins has been the Corporation's bond counsel for decades providing invaluable advice and expertise with respect to stand-alone transactions and the creation and ongoing operations of the Corporation's highly successful Open Resolution. She said as part of the enormous undertaking of determining how to finance the PACT initiative in the most cost-effective way, the Corporation decided to cast out to a larger group of bond counsel to solicit innovative ideas for structuring financings for the NYCHA program.

Ms. Lipsyte stated after evaluating the three respondents using the five criteria outlined in the HIB Counsel Memorandum, the Committee recommended selecting Hawkins and Orrick to serve as Bond Counsel and Disclosure Counsel in a rotating manner. She said both Hawkins and Orrick (Orrick, as underwriter's counsel) were instrumental in structuring the Corporation's Open Resolution and both firms made insightful suggestions for the NYCHA resolution based on their years of experience working with the Open Resolution. She said Hawkins also drew on its role as Bond Counsel to the Corporation for its first series of HUD public housing capital fund financings to accurately describe challenges facing NYCHA and critical constraints and risk factors for the Corporation to consider. She said Orrick's RFP response demonstrated a similar familiarity with the Corporation's financings. She said additionally, the firm demonstrated a depth of knowledge in 501(c)(3) and governmental purpose bond financings that the Committee found useful for financing NYCHA PACT over time because of concerns with the limited availability of new money and recycled volume cap.

Ms. Lipsyte stated on the first NYCHA PACT transaction, the one being presented today, it is expected that Hawkins will serve as Bond Counsel and Orrick will serve as Disclosure Counsel. She said a disclosure counsel represents the bond issuer in drafting the offering document that is distributed to bond investors. She said historically, underwriter's counsel has drafted the Corporation's offering documents. She said the Committee felt the Corporation would be well-served using the model of alternating bond counsel and disclosure counsel to launch and sustain this new, large-scale endeavor. She said this structure will ensure that the Open Resolution can continue to receive expert focus and attention.

Ms. Lipsyte stated that the Members are requested to approve the recommendation of the Committee to select Hawkins Delafield & Wood and Orrick, Herrington & Sutcliffe as alternating Bond Counsel and Disclosure Counsel, with such alternation to be determined by Staff, to represent the Corporation in bond issuances under the NYCHA Housing Impact Bond Resolution, and then asked if there were any questions.

Mr. Moerdler stated he has a question and concern respecting one word in that resolution and the word is "alternating". He said he believes an ethical conflict of interest could result by reason of that event in that, to put it in shorthand terms, it is the function of disclosure counsel to say all, to tell all, and to be as transparent as ethically and appropriately can be done, not necessarily a function of a bond counsel and therefore by alternating them one may be disclosing something the other did not want to have disclosed for whatever proper reason there is. He said he would urge that we delete the word "alternating" for the moment pending an opinion from either the Association of the Bar of the City of New York or the Corporation Counsel.

Ms. Lipsyte thanked Mr. Moerdler for raising that and stated that we have discussed whether it is appropriate to have alternating bond counsel and disclosure counsel and said we know it's a model that other issuers use. She said we also felt that disclosure counsel's role is to make sure that the Corporation's disclosure is accurate, and we felt that is also what bond counsel's interest is, so this is something that we discussed, and we did feel comfortable with the alternation. Mr. Moerdler stated his point was that he thought we need an opinion.

The Chairperson stated we have an opinion of our General Counsel and she is hearing that Mr. Moerdler would like an additional opinion from outside counsel. Mr. Moerdler stated yes, he thinks you need it from either the Corporation Counsel or the Conflicts of Interest Board, but some entity that says you are not going to have a basic conflict of interest here, an ethical conflict of interest, and he doesn't believe for a moment that either Hawkins or Orrick have in mind any such potentiality nor does he wish to in any way impugn in their integrity, which is of the highest magnitude.

Mr. Froehlich stated the Conflicts of Interest Board may not be appropriate as they really do more on the staff and other levels. Mr. Moerdler agreed. The Chairperson stated we can seek an opinion from Corporation Counsel. Mr. Enderlin asked if the agenda item could be approved with that condition. Mr. Moerdler stated he will do that subject to an opinion, and in the event the opinion is negative, the word "alternating" will be deleted.

The Chairperson then called for a motion to approve this agenda item with the caveat that we would seek an opinion from the New York City Law Department, and should that opinion be negative, we would rescind the word "alternating".

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

RESOLVED, to approve the recommendation of the Committee to select Hawkins Delafield & Wood LLP and Orrick, Herrington & Sutcliffe LLP as alternating Bond Counsel and Disclosure Counsel with such alternation to be determined by Staff to represent the Corporation in bond issuances under the NYCHA Housing Impact Bond Resolution.

The Chairperson stated that the Members would consider the Approval of an Authorizing Resolution relating to Housing Impact Bonds, 2019 Series A and B for the NYCHA PACT Brooklyn Bundle II, and called upon Hannah Blitzer, Executive Director of Public Housing Finance for the Corporation, to advise the Members regarding this item.

Ms. Blitzer referred the Members to the memorandum before them entitled "Housing Impact Bonds, 2019 Series A and B for the NYCHA PACT Brooklyn Bundle II" dated November 21, 2019 (the "Housing Impact Bonds Memorandum") and the attachments thereto including (A) the Resolution Authorizing Adoption of the Housing Impact Bonds Bond Resolution, the First Supplemental Resolution Authorizing the Issuance of Housing Impact Bonds, 2019 Series A, and the Second Supplemental Resolution Authorizing the Issuance of Housing Impact Bonds, 2019 Series B and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"), (B) the Housing Impact Bonds Bond Resolution (the "Bond Resolution"), (C) (i) the First Supplemental Resolution Authorizing the Issuance of Housing Impact Bonds, 2019 Series A and (ii) the Second Supplemental Resolution Authorizing the Issuance of Housing Impact Bonds, 2019 Series B (each, a "Supplemental Resolution" and together, the "Supplemental Resolutions"), (D) the Bond Purchase Agreement, and (E) the Preliminary Official Statement, all of which are appended to these minutes and made a part hereof.

Ms. Blitzer stated she was pleased to recommend that the Members approve the adoption of the Housing Impact Bond Resolution and the origination of two permanent loans in an amount not to exceed $412,500,000 for the Brooklyn Bundle II development. She said Brooklyn Bundle II is part of the "Permanent Affordability Commitment Together," or "PACT" strategy outlined in the 2018 NYCHA 2.0 strategic plan, which describes how the City will reinvest and reposition public housing through Section 8 conversions.

Ms. Blitzer stated under PACT, housing operating subsidies will shift to Section 8 voucher subsidy from Section 9 public housing subsidies, enabling borrowing that will finance significant rehabilitation. She said apartments will be converted to Section 8 through various tools of the United States Department of Housing and Urban Development ("HUD"), including the Rental Assistance Demonstration ("RAD"), Section 18 of the Housing Act of 1937, and 2 CFR Part 200. She said upon conversion to Section 8, property management will transfer to a third-party management company with extensive experience managing scattered site developments. She said NYCHA will maintain control and decision rights by retaining fee ownership of the land and by acting as a member of the borrowing entities. She said NYCHA will guarantee certain resident protections and residents will pay no more than 30% of their incomes towards rent, with the balance covered by Section 8.

Ms. Blitzer stated as part of the City initiative, the Corporation has been tasked with arranging for the lending necessary to finance the significant rehabilitation necessary at the properties. She said the Corporation expects to combine its access to the capital markets with its expertise in deal structuring, lending, compliance, and asset management to benefit the PACT Program.

Ms. Blitzer stated the Corporation's oversight as a lender and asset manager will further bolster the public control of these assets while at the same time leveraging private resources necessary to rehabilitate and preserve the housing.

Ms. Blitzer stated the Housing Impact Bond Resolution is expected to be a critical tool in the Corporation's support of the PACT Program. She said it is expected that the Impact Resolution will be exclusively used to finance loans for the benefit of NYCHA and NYCHA properties.

Ms. Blitzer stated the Impact Resolution builds upon the experience and success of the Open Resolution. She said after consultation with rating agencies and our partner underwriters, the Impact Resolution has been modernized to include updates which the Corporation believes will provide extra flexibility. In addition, she said, over time, like the Open Resolution, the Impact Resolution may generate surplus revenue; in the event this happens, the surplus revenue is expected to be used to support NYCHA and the PACT program.

Ms. Blitzer stated subject to HUD and Freddie Mac approval, the Housing Impact Bond proceeds are expected to fund two mortgage loans not to exceed $412,500,000. She said the Mortgage Loans will be comprised of the "Freddie Mac Enhanced Mortgage Loan", representing 90% of the Mortgage Loans, and the "HDC Enhanced Mortgage Loan", representing 10% of the Mortgage Loans. She said the Freddie Mac Enhanced Mortgage is expected to be secured by supplemental security in the form of a standby credit enhancement agreement issued by Freddie Mac, and the HDC Enhanced Mortgage Loan will be subordinate and is expected to be secured by supplemental security in the form of an HDC Loan Funding Agreement to be provided by the Corporation that will be a general obligation of the Corporation. She said the Loans are expected to have a 30-year term and will be interest-only for two years, after which they will amortize over a 40-year amortization schedule, with a blended interest rate of 4.68%.

Ms. Blitzer stated the proceeds of the loans will be used for the acquisition, rehabilitation, and permanent mortgage for a 2,625-unit multifamily rental housing development known as Brooklyn Bundle II, consisting of thirty-nine (39) buildings located at nine New York City Housing Authority owned properties in the Williamsburg, Bedford-Stuyvesant, Cobble Hill, and Weeksville neighborhoods of Brooklyn. She said the nine component developments that comprise Brooklyn Bundle II will all convert to Section 8 operating subsidy, through a variety of conversion methods, all mentioned previously. She said the combined development will include approximately 15 long term project-based Section 8 Housing Assistance Payment Contracts. She said as a requirement of the HAP contract, residential units will be reserved for households earning no more than 50% of area median income.

Ms. Blitzer stated that in December 2018, NYCHA issued a request for proposal for a co-developer partner for the Project and in April 2019, a joint committee of NYCHA and HDC selected Brooklyn Housing Preservation Experience LLC, a joint venture between The Arker Companies, Omni New York, Dabar Development, and Bedford Stuyvesant Restoration Corporation. She said it is expected that there will be two newly formed beneficial leasehold owners who will each be a co-borrower. She said the two borrowers are needed to facilitate the contribution of Opportunity Zone equity to the portion of the Project that is located within a qualified Opportunity Zone. She said each borrowing entity will split ownership between Brooklyn

Housing Preservation Experience LLC as the managing member and NYCHA as the non-managing member. She said in the partnership agreement, Brooklyn Housing Preservation Experience LLC will provide day to day decision making and NYCHA will receive various financial benefits, including an acquisition payment, development fee, and cash flow.

Ms. Blitzer stated NYCHA will continue to hold fee title to the development, with the Borrower as Lessee under a 99-year ground lease. She said upon conversion, the property management duties will be divided among affiliates of Omni and Arker per an agreement between the two entities acceptable to the Corporation and NYCHA. She said the general contractor of the rehabilitation work will be a joint venture between an affiliate of Omni and an affiliate of Arker.

Ms. Blitzer stated the proposed rehabilitation work consists of an extensive rehabilitation program that is expected to bring significant quality of life improvements to residents, promote energy efficiency, and enhance the development's physical appearance. She said the comprehensive scope will address the development's 20-year capital needs as required by HUD, including, among other items: upgraded kitchens and baths, mechanical and electrical upgrades; lead testing and abatement; and roof and façade repair. She said the tenant-in-place rehabilitation period is anticipated to be 24 months.

Ms. Blitzer stated that at closing, HDC will fund two mortgage loans in an amount not expected to exceed $412,500,000. She said the loans will be secured by the leasehold mortgage and will be subordinate to the annual payments of the senior unenhanced non-accelerating, or "SUN" Loan in an amount not to exceed $135,850,000. She said the SUN Loan is non-accelerating, with only the annual amount due in senior position, and will be evidenced by a separate mortgage for each of the 40 years in the term. She said the SUN Loan will not require external credit enhancement because of its high debt service coverage and particularly low repayment risk. She said the SUN Loan is described in detail in the Open Resolution Memorandum and will be presented for the Members' approval later in this meeting. She said the risks and fees associated with the development are described in greater detail in the Housing Impact Bonds Memorandum, and then asked if there were any questions.

Mr. Moerdler stated that he first wanted to thank the President, as over the course of the recent past he has pondered to him the questions and concerns he has with this, and Mr. Enderlin's answers have been complete, total, forthcoming, and completely transparent, and he thanks him for it.

Mr. Moerdler stated he has a number of concerns here and will deal with them one by one. He said the first deals with the economics; as he understands this the proposal is that the bonds, some $41,000,000, will be used to provide for what is called the HDC management or extended portion of the mortgage, correct? He asked whether we are liable in the event there is a default on that. Mr. Enderlin stated yes. Mr. Moerdler stated that he wanted the record to be clear, and then asked to what extent the funds of HDC are jeopardized in any way should there be a default.

Mr. Enderlin stated that is a question of risk share and said Mr. Froehlich or Ms. Lipsyte could quantify that and talk about that dollar amount. Mr. Froehlich stated if there was to be a total loss, the 10% is covered by HDC, so anything above that gets covered by Freddie Mac, so we are protected in that a certain amount of the risk is offset. He said we have taken the top loss position because obviously that is the greatest risk, but because of the nature of the HUD contract, the Section 8 that will cover the properties, we believe that risk is smaller and something that is manageable, and the Corporation has the financial resources to be able to take on that level of risk. Mr. Enderlin added it's with that high level of coverage that we talked about. Mr. Moerdler stated so that the record is clear it is his understanding that is approximately 125% coverage. Mr. Enderlin stated that is correct. Mr. Moerdler said that's what he wanted in the record.

Mr. Moerdler stated that he has a significant problem with the assets. He said that the assets that are pledged, as he understands it, are the revenues coming from the Housing Authority, and what else? Ms. Lipsyte stated HDC has a leasehold mortgage interest and there are Section 8 contracts that will be revenues to the mortgagor and that is how they will pay their debt service. Mr. Moerdler stated the Housing Authority does not have enough money to exist and to pay its own bills for a period of many years. Ms. Lipsyte stated it's not the Housing Authority that is the borrower. Mr. Moerdler stated the revenues are what he is focusing on. Mr. Froehlich stated the revenues are specific to the project that are going to be pursuant to the HUD contract plus what the residents pay, so it's a combination of that. He said our borrower is not NYCHA, it's part of the borrower but it's really just this new development entity that Ms. Blitzer described in her presentation. Mr. Moerdler asked what the revenues are estimated to equal and whether they are estimated to equal or exceed the amount of the indebtedness. Mr. Froehlich stated yes, that it goes back to the coverage point so the revenues at the project are expected to exceed costs at a coverage of 125% so this is where the loan is sized and there should be sufficient revenue from the combination of tenant payments and the Section 8 payments.

Mr. Moerdler stated he would like to turn to the next issue, which is the general property managers, and asked how they were selected. Ms. Blitzer stated they were selected through a competitive bid process. Mr. Moerdler said that is not entirely accurate in the sense we did not bid it out, no entity has bid it out, they were selected in connection with an RFP on another subject unrelated to this project. Mr. Froehlich stated it was a combined RFP where management was a part of the answer. Mr. Moerdler asked who put out the bid. Mr. Froehlich stated NYCHA put out the bid, we were a joint committee, but NYCHA put out the bid. Mr. Moerdler asked if it was covering this project, and when. Mr. Froehlich stated yes, and it was last January. Mr. Moerdler asked if that bid was one that specifically focused on this project. Mr. Froehlich stated yes. Mr. Enderlin then stated that to be clear, it's a competitive RFP, the teams of which included the property management. Mr. Moerdler stated he understands that, but the actual property managers themselves were not separately bid. Mr. Enderlin stated that is correct, they were as part of that RFP team. Mr. Moerdler again stated he understands that, but his concern here is real. He said he foresees a very serious problem in terms of the validity of that process and he thinks it will be challenged. Mr. Froehlich stated there have been separate RFPs done previously and they all have gone through the process, so it is a combined RFP. He said HUD does not even require that, it is a choice that NYCHA has made; and they've actually modified the process for the next round that we are now working on. Mr. Enderlin said as we understand it, it is consistent with NYCHA's process.

The Chairperson stated that the question is whether the RFP process with the combined bidding process is sufficient for us to determine that the property management is the best property management at the best price as part of that package. Mr. Moerdler stated and also whether the process is compliant with the New York State laws respecting competitive bidding, adding that he has spent a number of years dealing with that. Mr. Froehlich stated he understands that, but he believes that what was bid here was the development team with its overall proposal and plan, which includes replacement of management; in the end the replacement of management is part of that secondary process of the developer team because at that point it's no longer a public property in the same way it has been, it's different. He said it has become a process in which NYCHA retains an interest but it has shifted to Section 8 and it is different than the Section 9 program. He said we understand your point and we've asked, specifically, the staff at NYCHA to review this. Mr. Moerdler stated he would like an opinion from Corporation Counsel that this is legally valid; he said he doesn't believe it is. Mr. Enderlin stated we can do that as a condition if that is a concern; he's heard his concern earlier about this and we have rounded up and talked about this quite a bit and we understand NYCHA's process and we do understand on a going forward basis there might be a process whereby NYCHA parses some of the management separately from the RFP teams and it's a possibility over time. He said we certainly hear your concern on this, we have thought about it and don't think it's that much of a concern, but he would propose the same solution to the extent that people are open to it. Mr. Moerdler stated that he wants to be able to vote for this. Mr. Enderlin stated he hears him and appreciates that. The Chairperson then asked, for clarification and for the record, that Mr. Moerdler please restate the question that he wants an opinion on. Mr. Moerdler stated that his concern is whether the process leading to the selection of the property managers was a proper and lawful bidding process as required by both state and local law. Mr. Moerdler stated he believes we have been around this course for fifty years and he can see problems and he doesn't want to have them.

Mr. Moerdler stated he has two questions which are not legalistic, the first of which is to what extent, if any, will the designees consult with or communicate with the community boards before they act. Mr. Enderlin stated that has been done; the community boards have been noticed directly and there has been a significant amount, in addition to the community boards which he knows is always a concern of his, there has been a lot of resident consultation that has been done by the NYCHA team at the individual properties, and with the development team, as well.

Mr. Moerdler stated his final question, and hopefully it is premature, is to what extent, if any, will the management group have authority to either dispose of, encumber, or otherwise trade off any portions of the development rights on property in the Housing Authority projects that are not occupied by the buildings, in other words the so called park land, free land, where they sit, where they park, and the like. Mr. Enderlin stated they have zero ability to do so without an approval. Mr. Moerdler stated on that he rests; thank you.

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

The Chairperson then asked for a motion to approve this agenda item, subject to an opinion of Corporation Counsel concerning the bidding process for property management.

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

RESOLVED, (A) to approve the Authorizing Resolution that provides for (a) the adoption of the Resolution and the Supplemental Resolutions providing for the issuance of the Bonds, (b) the distribution of Preliminary and final Official Statement(s) for the Bonds, (c) the execution of bond purchase agreement(s) with the Underwriter(s) of the Bonds or a direct purchaser of any or all of the Bonds; (d) the use of the Corporation's unrestricted reserves or a cash equivalent, including, but not limited to the Corporation's general obligation, 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 (e) 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, including the Funding Agreement; and (B) to authorize the use of the Corporation's general obligation pledge in the form of the HDC Loan Funding Agreement in an amount not to exceed (i) $41,250,000 to pay the principal of the HDC Enhanced Mortgage Loan, plus (ii) any interest due on the HDC Enhanced Mortgage Loan at a per annum interest rate not to exceed 10% (without limit as to the number of interest payments that may be advanced under the HDC Loan Funding Agreement), and the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to enter into the HDC Loan Funding Agreement.

The Chairperson then congratulated Mr. Russ and thanked him for coming. Mr. Russ thanked the Chairperson and said it was his pleasure to be here. Shortly thereafter, Mr. Russ left the meeting.

The Chairperson stated that the Members would consider the Approval of an Authorizing Resolution relating to the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2019 Series J, K, L, 2020 Series C, 2020 Series D, 2023 Series A and Approval of Mortgage Loans and called upon Anthony Richardson, Executive Vice President for Development, and Ruth Moreira, Senior Vice President for Development, to advise the Members regarding this item.

Mr. Richardson noted that a blacklined version of the material showing changes was placed before the Members, and then referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2019 Series J, K, L, 2020 Series C, 2020 Series D, 2023 Series A and Approval of Mortgage Loans" dated November 19, 2019 (the "Open Resolution Memorandum") and the attachments thereto including the (i) the Resolution Authorizing Adoption of the Two Hundred Ninety-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series J, the Two Hundred Ninety-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series K, the Two Hundred Ninety-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-1, the Two Hundred Ninety-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-2, the Two Hundred Ninety-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-3, the Two Hundred Ninety-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-4, the Two Hundred Ninety-Eighth Supplemental

Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-5, the Two Hundred Ninety-Ninth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-6, the Three Hundredth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-7, the Three Hundred First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-8, the Three Hundred Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-9, the Three Hundred Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-10, the Three Hundred Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-11, the Three Hundred Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2020 Series C, the Three Hundred Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2020 Series D and the Three Hundred Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2023 Series A and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Two Hundred Ninety-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series J, the Two Hundred Ninety-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series K, the Two Hundred Ninety-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds 2019 Series L-1, the Two Hundred Ninety-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds 2019 Series L-2, the Two Hundred Ninety-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds 2019 Series L-3, the Two Hundred Ninety-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds 2019 Series L-4, the Two Hundred Ninety-Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds 2019 Series L-5, the Two Hundred Ninety-Ninth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds 2019 Series L-6, the Three Hundredth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-7, the Three Hundred First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-8, the Three Hundred Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-9, the Three Hundred Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-10, the Three Hundred Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2019 Series L-11, the Three Hundred Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2020 Series C, the Three Hundred Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2020 Series D, and the Three Hundred Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2023 Series A (each, a "Supplemental Resolution" and collectively, the "Supplemental Resolutions"); (iii) the Bond Purchase Agreement – Underwritten Form; and (iv) the Preliminary Official Statement, all of which are appended to these minutes and made a part hereof.

Mr. Richardson stated that he was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2019 Series J, K, and L; 2020 Series C and D; and 2023 Series A in an amount not expected to exceed $1,573,410,000; together with the Corporation's unrestricted reserves and available funds in the Open Resolution, the bonds are expected 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 interest on all the aforementioned Bonds, except 2019 Series K, is expected to be exempt from Federal, state and local income tax, and such bonds would qualify as tax-exempt private activity bonds with a combination of an allocation of new private activity bond volume cap, an allocation of "recycled" volume cap in accordance with the Housing and Economic Recovery Act of 2008, and the refunding of certain outstanding bonds or obligations of the Corporation. He said that interest on the 2019 Series K 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 he was also pleased to recommend that the Members authorize the Corporation to (i) originate a senior, un-enhanced, non-accelerating mortgage loan, or SUN Loan and (ii) use its unrestricted reserves or available funds of the Open Resolution, in a combined amount not expected to exceed $135,850,000 to finance the rehabilitation of nine NYCHA developments as part of the PACT strategy. He said that if approved, the Corporation expects to fund a portion of this mortgage loan with proceeds from the 2019 Series K Bonds and the remaining portion with available funds of the Corporation.

Mr. Richardson stated that approval of this Resolution would authorize the 292nd through 307th Supplemental Resolutions under the Corporation's Open Resolution.

Mr. Richardson stated that from time to time, the Members authorize the issuance of a COB to preserve tax-exempt "recycled" volume cap in excess of amounts currently needed by the Corporation. He said that the Corporation has, in the past, contributed excess amounts of recycled volume cap to the NYSHFA. He said that recently, NYSHFA was able to provide excess amounts of "recycled" volume cap to the Corporation. He said that to facilitate the recycled volume cap transfer, the Corporation issued a COB on September 29, 2019 which was privately placed with the Bank of America. He said that such issuance of a COB to preserve recycled bonds had been previously authorized by the Members.

Mr. Richardson stated that due to the time constraints on the use of recycled volume cap and the unpredictable nature of recycled volume cap availability from NYSHFA and/or other bond issuing entities, the Members are being asked to approve ten supplemental resolutions for the issuance of COBs, from time to time, in one or more series, which would grant the Corporation the necessary flexibility to receive and/or preserve any excess "recycled" volume cap of the Corporation and/or NYSHFA as it becomes available pursuant to what we are calling Prepayment Shelf COBs. He said that any issuance would either be underwritten or privately placed by an underwriter or its affiliate, who is on a then-current Member-approved list of bond underwriters.

Mr. Richardson noted that the Corporation has been consistent in its attempts to incorporate strategies that allow us to support the Mayor's housing plan in an atmosphere of constrained resources. He said that financing methods that promote the efficient use of private activity volume cap have been vital to that end. He said that while not a primary operating procedure, the Corporation has forward committed volume cap for several transactions because the total amount needed significantly exceeds the amount available to us at this time. He said that in most cases, it was expected that the remaining volume cap needed would be allocated to each development by June 2020. He said that in some cases, where developments include sufficient enough of other resources, the remaining volume cap would be allocated at some point after June 2020. He said that although partial allocation is being made now, we are seeking your approval of the total amount needed for each development. He said that additionally, when the remaining volume cap is issued, it would be allocated to the respective developments for which we are seeking approval now and such developments would be denoted as such in the appropriate charts and attachments. He said that as such, the current chart that lists developments that use private activity bond volume cap may contain developments previously approved by the Members and this may be the case for some future meetings as well. He said that we hope to eliminate forward commitment as a common practice within the next year.

Mr. Richardson stated that in connection with the issuance of the 2020 Series D Bonds, the Members are asked to authorize the origination of a supplemental mortgage loan for the Jamaica Crossing Mid-Rise development. He said that Ms. Moreira, will provide further information about this, as well as the proposed uses of the 2019 Series J, 2020 Series D and 2023 Series A Bonds, as well as the 2019 Series K and L Bonds and the 2020 Series C Bonds, in that order.

Ms. Moreira stated that on December 2, 2016, the Members approved the issuance of 2016 Series I Bonds for the purpose of providing construction and permanent financing in the amount of $48,600,000 for the Jamaica Crossing Mid-Rise development, a 130-unit development, located in Queens.

Ms. Moreira stated that the Corporation closed the Jamaica Crossing Mid-Rise Loan on December 22, 2016. She said that since then, the project has experienced delays in construction causing costs in excess of what was initially budgeted. She said that to account for the additional construction costs, the Corporation now expects to originate one co-senior taxable mortgage loan in an amount not to exceed $10,000,000. She said that upon origination, the Corporation would sell a 100% participation interest in the Supplemental Loan to JPMorgan Chase Bank pursuant to a participation agreement. She said that it was expected that the Borrower would repay the Supplemental Loan, which would be due upon conversion. She said that also, the Corporation expects to issue a portion of 2020 Series D Bonds to refund a portion of the 2016 Series I Bonds to restructure the existing senior loan which will decrease the mandatory prepayment due at conversion and increase the permanent loan amount. She said that for more information on the Supplemental Loan and restructured existing loan for the Jamaica Crossing Mid-Rise development, please see Attachment "1" of the Open Resolution Memorandum.

Ms. Moreira stated that it was anticipated that the proceeds of the 2019 Series J, 2020 Series D and 2023 Series A Bonds, together with the Corporation's unrestricted reserves, would be used to finance mortgage loans for up to twelve developments. She said that in the aggregate the developments would create or preserve approximately 4,285 rental homes in the Bronx, Brooklyn and Queens.

Ms. Moreira stated that the Corporation intends to fund all or a portion of the short-term portion of certain senior mortgage loans with its unrestricted reserves. When the borrower makes a mandatory prepayment upon the project's completion, such prepayment would be available for either taxable or tax-exempt re-lending by the Corporation to other affordable housing developments. She said that any future lending for a development that has not been previously approved by the Members will be presented for approval to the Members prior to the making of such loan.

Ms. Moreira stated that the Corporation intends to sell a 100% participation in (1) a co-senior mortgage loan for the Hunters Point South F & G development and (2) a co-senior mortgage loan for the Jamaica 2 development (together, the "Co-Senior Construction Participation Loans"), to a bank upon origination. She said that the Co-Senior Construction Participation Loans would be structured as draw-down loans to reduce the negative arbitrage that would otherwise be incurred under the conventional fully-funded Open Resolution bond structure. She said that upon construction completion and conversion to a permanent loan, the Corporation would re-purchase all or a portion of the respective bank's participation interest by refinancing the applicable Co-Senior Construction Participation Loan into a permanent loan using a combination of the Corporation's unrestricted reserves, available funds of the Open Resolution, including funds made available from prepayments as described above, and/or through the issuance of 2023 Series A Bonds. She said that each permanent loan would then be pledged to the Open Resolution.

Ms. Moreira said that as stated previously, due to the limited availability of new private activity bond volume cap, certain developments may receive a portion of required financing proceeds through the issuance of 2020 Series D Bonds in 2020 and 2021. She said that it was expected that most of the projects being financed with the Bonds will incorporate income averaging. She said for project specific information, please see Attachments "2-9" of the Open Resolution Memorandum.

Ms. Moreira stated that it was anticipated that a portion of the proceeds of the 2020 Series D Bonds will also be used to finance or to reimburse the Corporation for amounts previously advanced from its unrestricted reserves to finance a portion of subordinate loans for certain of the developments described in Attachment "13" of the Open Resolution Memorandum. She said that the Members have previously approved the subordinate loans for a portion of the developments described in Attachment "13" of the Open Resolution Memorandum. She said that the Members were now being asked to approve the use of 2020 Series D Bond proceeds for the financing of, or reimbursement for, the loans described in Attachment "13" of the Open Resolution Memorandum for which the Members have previously approved the making of the loan. She said that the issuance of the 2020 Series D Bonds for this purpose would allow for the replenishment of the Corporation's reserves, which can then be re-lent to new developments in furtherance of the Corporation's commitment to the Mayor's *Housing New York* plan.

Ms. Moreira stated that it was anticipated that the proceeds of the 2019 Series K Bonds together with the Corporation's unrestricted reserves, would be used to finance mortgage loans for up to three developments, including the SUN Loan for the NYCHA PACT Brooklyn Bundle II project, which was previously described by Ms. Blitzer. She said that in the aggregate the developments would preserve approximately 3,016 rental homes in Manhattan, Brooklyn and Queens.

Ms. Moreira stated that the Corporation currently owns a mortgage loan for one of the developments, a Mitchell-Lama development, pursuant to a purchase and sale agreement with the City of New York. She said that the Corporation now expects to enter into a new or amended Purchase and Sale Agreement with the City of New York relating to a restructured subordinate mortgage loan. She said that the portion of the Open Resolution Bonds associated with the Mitchell-Lama Reinvestment Loan is expected to be designated Mitchell-Lama Restructuring Bonds pursuant to the Corporation's longstanding preservation program. She said for project specific information, please see Attachments "10-12" of the Open Resolution Memorandum.

Ms. Moreira stated that it is anticipated that a portion of the 2019 Series L Bonds will be issued as a convertible option bond or COB to preserve tax-exempt "recycled" volume cap in excess of the amounts currently needed by the Corporation.

Ms. Moreira stated that if issued, the proceeds of the 2019 Series L-1 Bonds are expected to provide construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments, all of which are listed on Attachment "13" of the Open Resolution Memorandum and which would all meet the low income set aside required to issue private activity tax-exempt bonds. She said that the mortgage loans for these developments are expected to close in 2020 at which point the 2019 Series L Bonds are expected to be refunded or remarketed to match the terms of the applicable mortgage loans. Ms. Moreira stated that most of the developments listed would not be funded from the 2019 Series L-1 Bond proceeds, but all would be eligible for such financing.

Ms. Moreira stated that it was anticipated that the remaining portion of the 2019 Series L Bonds would be issued, from time to time, under not more than ten supplemental resolutions, to preserve tax-exempt "recycled" volume cap in excess of the amounts currently needed by the Corporation or NYSHFA.

Ms. Moreira stated that if issued, the proceeds of the Prepayment Shelf COBs are expected to provide construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments listed on Attachment "13" of the Open Resolution Memorandum, in addition to any other developments, which at the time of issuance have been approved by the board and which would all meet the low-income set aside required to issue private activity tax-exempt bonds.

Ms. Moreira stated that it was anticipated that the proceeds of the 2020 Series C Bonds would be used to refund the 2009 Series L-1, 2010 Series D-1-A and 2010 Series F Bonds to generate interest rate savings in the Open Resolution. She said that more detail 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 is required by the Conflicts of Interest Board to disclose that members of his firm, but not he, represent from time to time Goldman Sachs, JPMorgan Chase, Wells Fargo and Citibank, but that he was not disqualified from voting.

Mr. Moerdler asked why there would be a new agreement involving the Mitchell Lama project. Ms. Moreira said that it was an amendment to restate the current purchase and sale agreement. Mr. Froehlich said that it would reflect the change, because it was being modified. Mr. Moerdler asked if it was substantive and Mr. Froehlich said no.

Mr. Moerdler then asked if in any of these instances the projects contemplated have been the subject of referral to the local community boards, noting that as long as he was on the board, he would ask that question. Ms. Moreira said yes, they had been presented to the community boards.

Ms. Lipsyte then described the provisions of the Authorizing Resolution and the actions the Members were being asked to approve.

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

RESOLVED, (A) to approve the Authorizing Resolution that provides for (i) the adoption of Supplemental Resolutions to the Open Resolution providing for the issuance of the Bonds, (ii) the distribution of Preliminary and final Official Statement(s) for the Bonds, (iii) the execution of bond purchase agreement(s) with the Underwriter(s) of the Bonds or a direct purchaser of any or all of the Bonds; (iv) the use of the Corporation's unrestricted reserves to fund costs of issuance 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 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, including any Participation Agreement or amendment to an existing Participation Agreement with the City of New York; and (vi) the pledge to the Open Resolution of any mortgage loans of the Corporation; (B) to approve the making of subordinate loans for four (4) ELLA developments, three (3) Mix and Match developments from proceeds of the 2019 Series J Bonds and/or the Corporation's unrestricted reserves in an amount not expected to exceed \$137,075,000, the use of such amount of the Corporation's unrestricted reserves to fund a portion of the senior loans for these seven (7) 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; (C) to approve: (i) the origination of a taxable construction loan in an amount not to exceed \$10,000,000 for the Jamaica Crossing Mid-Rise development, (ii) a participation agreement with the financing institution acquiring a 100% participation interest in the loan, and (iii) the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish such financings; (D) to approve: (i) the origination of a taxable construction loan in an amount not to exceed \$67,980,000 for the Jamaica 2 development, (ii) a participation agreement with the financing institution acquiring a 100% participation interest in the loan, (iii) the subsequent re-purchase from the construction financing institution of the 100% participation interest in such loan with the Corporation's unrestricted reserves or available funds of the Open Resolution, and (iv) the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish such financings; (E) to approve: (i) the origination of a taxable construction loan in an amount not to exceed $261,965,000 for the Hunter's Point South F&G development, (ii) a participation agreement with the financing institution acquiring a 100% participation interest in the loan, (iii) the subsequent re-purchase from the construction financing institution of the 100% participation interest in such loan with the Corporation's unrestricted reserves or available funds of the Open Resolution, and (iv) 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 certain loans for one (1) Mitchell-Lama Reinvestment Program development, one (1) Preservation development and one (1) NYCHA PACT development, in an amount not to exceed $178,710,000, from proceeds of the 2019 Series K Bonds and/or 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; and (G) to approve the Corporation entering into a new or amended Purchase and Sale Agreement with the City of New York relating to a restructured subordinate mortgage loan for the RadRoc development.

The Chairperson stated that item number 7 on the agenda would not be presented at this meeting but is expected to be presented at the next meeting.

The Chairperson stated that the next item on the agenda would be the Approval of a Loan for Bridgeview III and called upon Malcolm McGregor, Director, Policy and Analytics for Asset Management, to advise the Members regarding this item.

Mr. McGregor referred the Members to the memorandum before them entitled "Approval of a Loan for Bridgeview III, dated November 19, 2019 (the "Bridgeview III Memorandum") which is appended to these minutes and made a part hereof.

Mr. McGregor stated that he was pleased to present for the Members' approval the use of the Corporation's unrestricted reserves to provide funds in an amount not to exceed $15,000,000 to make a loan to stabilize the development known as Bridgeview III, a 171-unit Mitchell-Lama property in the Astoria section of Queens, which is currently in the Corporation's portfolio.

Mr. McGregor stated that Bridgeview III was previously financed with a senior HDC mortgage loan and a subordinate loan from New York City's Department of Housing Preservation and Development ("HPD"). He said that the senior loan was fully satisfied in November 2017. He said that the Corporation holds a 100% participation interest in the subordinate loan as part of HDC's Mitchell Lama preservation program approved by the Members in 2004 and 2005. He said that the loan had an outstanding balance of approximately $14.5 million. He said that the Bridgeview III housing company was not currently making debt service payments on this loan.

Mr. McGregor stated that in 2015, the owners of the Bridgeview III housing company engaged a consultant and issued a request for proposals to solicit a new owner. He said that a transaction to transfer ownership and management of the property as well as a refinancing of mortgage debt has not proceeded because of ongoing litigation brought by an individual with purported economic interest in the housing company. He said that consequently, Bridgeview III has continued to fall into an increasing state of disrepair and has been unable to pay its bills, including debt service on its existing loan. He said additionally, the building needs repairs to stabilize the property, including repairs to the façade, a new boiler, new windows, and new elevators.

Mr. McGregor stated that HPD may seek to invoke its statutory regulatory authority to take over operations of Bridgeview III's housing company because of the property's failing physical condition and non-payment of its mortgage debt. He said that funds from the additional HDC loan would help restore this project to physical and financial health. He added that for more information on the Bridgeview III development, please see Attachment "1" of the Bridgeview III Memorandum.

Mr. McGregor stated that to facilitate stabilizing the property, upon a possible HPD takeover of the housing company, the Members are asked to approve the Corporation making a supplemental loan and/or making advances under the existing loan in an amount not to exceed $15 million to finance the needed repairs and satisfy payables. He said that additionally, it is expected that HDC and the housing company, acting through HPD's authority, will enter into a regulatory agreement that will maintain future affordability at Bridgeview III.

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

RESOLVED, to approve the use of the Corporation's unrestricted reserves to originate one or more loans and/or fund an existing loan in an amount not to exceed $15,000,000 for the Bridgeview III development, and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish such financings.

The Chairperson stated that the next item on the agenda would be the Presentation and Approval of the Fiscal Year 2020 Operating Budget and called upon Ms. Baumann to make this presentation.

Ms. Baumann referred the Members to the memorandum before them entitled "Proposed FY 2020 Operating Budget" dated November 19, 2019 (the "FY 2020 Budget Memorandum") which is appended to these minutes and made a part hereof and stated that she was pleased to present the Corporation's proposed Fiscal Year 2020 operating budget for the Members' approval.

Ms. Baumann stated that as the main financing partner behind the Mayor's *Housing New York* plan, HDC continues to expand on its history of production and financial success. She said that the Corporation ended FY 2019 with an excess of revenues over expenses, on a cash basis, of $131.29 Million, an increase of $18.68 Million over the budgeted amount of $112.6 Million. She said that this improvement was largely due to higher than expected investment income, servicing fees, and fees received on loan originations and refinancings, as well as better-than-expected performance in the Open Resolution.

Ms. Baumann stated Fiscal Year 2020 revenues were budgeted to be $153.16 Million, a

$7 Million or 4.77% increase from the FY 2019 adopted budget. She said that the projected increase is mainly due to an increase in investment earnings due to more funds under management, and an increase in the Open Resolution surplus due to an increase in issuance.

Ms. Baumann stated that Fiscal Year 2020 expenses were budgeted to be $34.41 Million. She said this was an $820,000 or 2.44% increase from the FY 2019 adopted budget. She said the increase from the FY 2019 budgeted amounts revolves around certain budget lines increasing or decreasing from last year.

Ms. Baumann stated that the FY 2020 budget reflects a growing organization that is undergoing noteworthy changes as a result of its past successes. She said that two major changes are rippling throughout the Corporation that are generating optimism for the future of New York City and HDC's mission.

Ms. Baumann stated that first, as HDC has continuously grown as one of the nation's leading multi-family housing finance agencies, HDC will, as you have heard today, use its lending strength, talented staff and reputation to assist NYCHA to help preserve and finance the rehabilitation of housing developments in their portfolio. She said that as a result of this initiative, HDC has created a new Public Housing Finance unit within its Development department to lead this undertaking. She said that in addition to this new unit, HDC would also dedicate current staff throughout the Corporation to arrange financing, asset manage, and ensure compliance.

Ms. Baumann stated that the second initiative of the Corporation is related to information technology. She said that as reported at last year's November meeting, an IT assessment of the Corporation was completed mid-year of 2018. She said that a detailed report was issued by an external consultant with recommendations and a road map for the next three to five years. She said the 2020 budget contains funds needed for some of those recommendations, which include strengthening the staff, migrating to the cloud, strengthening the cyber security program, and re-engineering business processes to be more efficient through technology.

Ms. Baumann stated that finally, the 2020 budget includes funds for HDC's involvement in the new "Partners in Preservation" program as part of the City's affordable housing plan.

Ms. Baumann stated that as reported at last November's meeting, HDC was working in partnership with HPD and Enterprise Community Partners on the implementation of this program, which will fund community-based organizations to develop and coordinate anti-displacement strategies with local stakeholders, tenants, and government partners in select New York City neighborhoods. She said that the goals of this pilot program are to preserve affordable housing in targeted neighborhoods, prevent the loss of rent-regulated apartments, and proactively protect tenants from landlord harassment and displacement. She said the Corporation will pay for these consulting services over an 18-month period and thus will also budget funds for this line item in the 2021 budget as well.

Ms. Baumann stated the notes in Schedule A to the FY 2020 Budget Memorandum provide more details for each revenue and expense line item. She said unless there are any questions, the Members are asked to approve the Corporation's Fiscal Year 2020 Operating Budget.

Mr. Moerdler stated he thought that this Board owed a debt of gratitude, as do the people of The City of New York, to the leadership and staff of this agency for a perfectly superb job that they have done in the past year and previously. The Chairperson agreed and congratulated the staff and Mr. Enderlin on all the great work that they have done.

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

RESOLVED, to approve the FY 2020 Operating Budget.

The Chairperson stated that the next item of business on the agenda would be the Presentation of the Property Disposition Report and called upon Mr. Froehlich to advise the Members regarding this item.

Mr. Froehlich referred the Members to the memorandum before them entitled "Annual Report on Property Disposal Guidelines" dated November 19, 2019 (the "Property Disposal Guidelines Memorandum") and the Property Disposal Guidelines and Report for Fiscal Year ending October 31, 2019 attached thereto, all of which are appended to these minutes and made a part hereof.

Mr. Froehlich stated that he was pleased to recommend that the Members approve the Property Disposition Guidelines attached to the Property Disposal Guidelines Memorandum. He said that pursuant to the Public Authorities Accountability Act of 2005, each public authority is required to adopt comprehensive guidelines in connection with the disposition of property owned by each authority and re-approve such guidelines on an annual basis. He said that the guidelines have not changed since originally approved by the Members in Fiscal Year 2008. Also, he said, the Corporation does not currently own any real property, nor did it dispose of any in the prior year as noted in the annual property disposition report in the Members' packages.

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

RESOLVED to approve the Property Disposition 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 4:00 p.m., there being no further business, upon a motion duly made by Mr. Moerdler, and seconded by Mr. Jiha, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz
Assistant Secretary

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

November 26, 2019

ATTENDANCE LIST

R. Gregory Henniger	Hawkins Delafield & Wood LLP
Kevin Murphy	" "
Amy Boyle	City Hall
Steve Splawinski	Morgan Stanley
Gregory Borys	" "
Alex Vlamis	" "
Joan Tally	" "
Joe Tait	Raymond James
Eileen Heitzler	Orrick, Herrington & Sutcliffe LLP
Eugene Schneur	Omni
Robert Ezrapour	Artimus
Roger Anderson	Drexel Hamilton
Ansel Caine	Caine Mitter
Susan Jun	Citi
John Carter	Siebert Brandford Shank & Co., LLC
Patrick Moran	" "
Barry Gottfried	Stifel
Daniel Moritz	Arker Companies
Simon Bacchus	" "
Steve Kay	Amerivet Securities
Francis McKenna	" "
William E. Laverty	Academy Securities
Sara Ketchum	" "
Annie Lee	JPMorgan
Peter Weiss	" "
Gloria Boyd	" "
Damian Busch	Barclays
Vikram Shah	" "
Paul Haley	" "
Albert Luong	" "
Joseph Monitto	BAML
Tom McCarthy	Loop Capital Markets
Edith Alfenas	" "
Tim Sullivan	UBS
Peter M. Canava	Wells Fargo
Matt Engler	" "
Jeffrey Sula	RBC Capital Markets
Marvin Markus	Goldman Sachs & Co.

Andrew Bologna	Oppenheimer
Alistair Featherstone	" "
Alan Jaffe	Jefferies
Samphes Chhea	" "
Ansel Caine	Caine Mitter & Associates
Jacqueline Gold	DOF
Arshad Bacchus	HPD
Amy Zhang	Ramirez & Co.
Mathew McVay	" "
Ingrid Bethuel	" "
David Weprin	Stern Brothers
Cas Halloway	Unqork
Bassam Chaptini	" "
Theresa Ward	" "
Mark Jahr	" "
Olya Ossipova	" "
Eric Tyszka	DOI
Lana Wong	" "
Gregory Russ	NYCHA
Jonathan Gouveia	" "
Eric Enderlin	New York City Housing Development Corporation
Richard M. Froehlich	" "
Anthony R. Richardson	" "
Ellen K. Duffy	" "
Ruth Moreira	" "
Cathleen A. Baumann	" "
Jim Quinlivan	" "
Diane J. Pugacz	" "
Susannah Lipsyte	" "
Moira Skeados	" "
Elizabeth Strojan	" "
Hannah Blitzer	" "
Malcolm McGregor	" "
Michael Rose	" "
Madhavi Kulkarni	" "
Paul Cackler	" "
Jeffrey Stone	" "
Mica Wilson	" "
Asia Riddick	" "
Mary Hom	" "
Trisha Ostergard	" "
Jonathan Duncan	" "
Justin Mathew	" "
Mary John	" "

Cheuk Yu	"	"
Stephanie Mavronicolas	"	"
Robert Sanna	"	"
Leroi Jiles	"	"
Christina Clarke	"	"
Jennifer Beamish	"	"
Merin Urban	"	"
Ilana Moyer	"	"
Mary Bruch	"	"
Alison Glaser	"	"
Lois Bricken-McCloskey	"	"
Daniel Connelly	"	"
Farhana Hassan Choudhury	"	"
David Mischiu	"	"
Yaffa Oldak	"	"
Joseph Macaluso	"	"
Claudine Brown	"	"
Calvin Jones	"	"
Molly Anderson	"	"