

## PRELIMINARY OFFICIAL STATEMENT DATED [\_\_\_\_], 2022

## NEW ISSUE — BOOK-ENTRY ONLY

S&P: “[\_]”  
(See “RATING” herein)

In the opinion of Bond Counsel to the Corporation, under existing statutes, interest on the Series 2022A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). In the opinion of Bond Counsel to the Corporation, interest on the Series 2022A Bonds is included in gross income for Federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended. See “TAX MATTERS” herein.

\$[\_\_\_\_]\*

**New York City Housing Development Corporation**  
**Capital Fund Grant Program Revenue Bonds**  
**(New York City Housing Authority Program),**  
**Series 2022A (Federally Taxable) (Sustainable Development Bonds)**

[Logo] [Logo]

Dated: Date of Delivery

Due: As shown on inside cover page

The Capital Fund Grant Program Revenue Bonds (New York City Housing Authority Program), Series 2022A (the “Series 2022A Bonds”) will be issued in book-entry form only, in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”). The Series 2022A Bonds will be issued as fully registered bonds in the initial denomination of \$5,000 and any integral multiple thereof. Interest on and principal of the Series 2022A Bonds will be payable by the Trustee to Cede & Co., as nominee of DTC. Purchasers of the Series 2022A Bonds will not receive physical delivery of bond certificates. The Series 2022A Bonds will not be transferable or exchangeable, except for transfer to another nominee of DTC or otherwise as described herein. U.S. Bank Trust Company, National Association, located in New York, New York is the Trustee with respect to the Series 2022A Bonds.

The proceeds of the Series 2022A Bonds will be lent by the New York City Housing Development Corporation (the “Corporation”) to the New York City Housing Authority, a municipal housing authority and body corporate and politic (“NYCHA”). The proceeds of the Series 2022A Bonds, together with other available monies, are expected to be applied to (A) refund the Corporation’s Capital Fund Grant Program Revenue Bonds (New York City Housing Authority Program), Series 2013A, Series 2013B-1 and Series 2013B-2 maturing on and after July 1, 2023, (B) fund a deposit to the Debt Service Reserve Fund and (C) pay costs of issuance relating to the Series 2022A Bonds. The Series 2022A Bonds are payable solely from (i) NYCHA’s annual allocation of public housing capital funds (the “Capital Fund Grant Monies”), when received from the United States Department of Housing and Urban Development (“HUD”), which Capital Fund Grant Monies will be paid directly by HUD to the Trustee to the extent necessary to pay Loan Debt Service (as defined herein), subject to the availability of annual appropriations by the Congress of the United States of America (“Congress”), and (ii) other funds available for that purpose under the Indenture (as defined herein).

**HUD has provided written confirmations to NYCHA that effectively establish that, subject to the availability of annual appropriations by Congress, the claim of the Trustee for the payment of Loan Debt Service constitutes a first priority claim against all Capital Fund Grant Monies to be made available to NYCHA in any fiscal year.**

The Series 2022A Bonds will bear interest from their date of issue at the rates set forth on the inside cover page of this Official Statement, payable on July 1, 2022, and on each January 1 and July 1 thereafter.

The Series 2022A Bonds are subject to optional and mandatory redemption at the times and in the events set forth in the Indenture and as described herein.

**The Series 2022A Bonds are special obligations of the Corporation, a corporate governmental agency, constituting a public benefit corporation organized and existing under the laws of the State of New York. The faith and credit of the Corporation and NYCHA are not pledged for the payment of the principal or redemption price of, or interest on, the Series 2022A Bonds. The Series 2022A Bonds are not a debt of the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the Series 2022A Bonds be payable out of any funds of the Corporation or NYCHA other than those held under the Indenture and pledged therefor. The Corporation has no taxing power.**

**THE SERIES 2022A BONDS ARE NOT A DEBT OR LIABILITY OF, OR GUARANTEED BY, THE UNITED STATES OF AMERICA OR HUD. THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA IS NOT PLEDGED TO THE PAYMENT OF DEBT SERVICE ON THE SERIES 2022A BONDS. THE PAYMENT OF DEBT SERVICE ON THE SERIES 2022A BONDS IS NOT GUARANTEED BY THE UNITED STATES OF AMERICA OR HUD. NO ACTION TAKEN PURSUANT TO THE DOCUMENTS DESCRIBED IN THIS OFFICIAL STATEMENT SHALL RESULT IN ANY LIABILITY TO THE FEDERAL GOVERNMENT OF THE UNITED STATES OF AMERICA OR ANY PART THEREOF.**

*The Series 2022A Bonds are offered when, as and if issued and received by the Underwriters and subject to the unqualified approval of legality by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Corporation. Certain legal matters will be passed upon for the Corporation by its General Counsel. Certain legal matters will be passed upon for NYCHA by its Counsel, Ballard Spahr LLP, Washington, D.C. Certain legal matters will be passed upon for the Underwriters by their Counsel, Orrick, Herrington & Sucliffe LLP, New York, New York. It is expected that the Series 2022A Bonds will be available for delivery in New York, New York on or about [\_\_\_\_], 2022.*

J.P. Morgan

Jefferies

Ramirez &amp; Co., Inc.

\_\_\_\_\_, 2022.

\* Preliminary, subject to change.

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**New York City Housing Development Corporation**  
**Capital Fund Grant Program Revenue Bonds**  
 (New York City Housing Authority Program),  
**Series 2022A (Federally Taxable) (Sustainable Development Bonds)**

<u>Maturity</u> <u>January 1*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP No.</u> <sup>1</sup>	<u>Maturity</u> <u>January 1*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP No.</u> <sup>1</sup>
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\* Preliminary, subject to change.

<sup>1</sup> CUSIP numbers have been assigned by an independent company not affiliated with the Corporation and are included solely for the convenience of the owners of the Series 2022A Bonds. Neither the Corporation nor NYCHA is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2022A Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2022A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity, tender and remarketing, or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2022A Bonds.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2022A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the Corporation or any of the Underwriters named on the inside cover pages (collectively, the "Underwriters") to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the Corporation, NYCHA and other sources which are believed to be reliable. Such information herein is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by any of such sources as to information from any other source. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Corporation or NYCHA since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2022A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2022A BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE SERIES 2022A BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT.

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## OFFICIAL STATEMENT

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**New York City Housing Development Corporation  
Capital Fund Grant Program Revenue Bonds  
(New York City Housing Authority Program),  
Series 2022A (Federally Taxable) (Sustainable Development Bonds)**

### INTRODUCTION

This Official Statement (including the cover page, inside cover page and appendices) provides certain information concerning the New York City Housing Development Corporation (the “Corporation”) in connection with the sale of \$\_[\_\_\_\_\_]\* principal amount of New York City Housing Development Corporation Capital Fund Grant Program Revenue Bonds (New York City Housing Authority Program), Series 2022A (the “Series 2022A Bonds”).

The Series 2022A Bonds are to be issued in accordance with the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law, constituting Chapter 44-b of the Consolidated Laws of the State of New York, as amended (the “Act”), and pursuant to a resolution adopted by the Members of the Corporation on [\_\_\_\_\_], 2022, a Master Trust Indenture, dated as of September 1, 2013, as previously amended and supplemented (the “Trust Indenture”), and a Third Supplemental Trust Indenture, dated as of [\_\_\_\_\_], 2022 relating to the Series 2022A Bonds (the “Third Supplemental Indenture” and, together with the Trust Indenture, the “Indenture”), each between the Corporation and U.S. Bank Trust Company, National Association, as Trustee (with its successors, the “Trustee”). Pursuant to the Trust Indenture, bonds issued under and pursuant to the Trust Indenture are equally and ratably secured by the pledges and covenants contained therein and all such bonds, including the Series 2022A Bonds, are herein referred to as the “Bonds.” Certain terms used herein are defined in Appendix A hereto.

The Corporation is a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State of New York (the “State”). The Corporation was created by the Act for the purpose of providing and encouraging the investment of private capital in safe and sanitary dwelling accommodations in The City of New York (the “City”) within the financial reach of families and persons of low income, which include families and persons whose need for housing accommodations cannot be provided by the ordinary operations of private enterprise, through the provision of low interest mortgage loans. The Act provides that the Corporation and its corporate existence shall continue at least so long as bonds, notes or other obligations of the Corporation shall be outstanding.

The Corporation will lend the proceeds of the Series 2022A Bonds to the New York City Housing Authority (“NYCHA” or the “Authority”), a municipal housing authority and body corporate and politic, pursuant to a Loan Agreement among the Corporation, the Trustee and NYCHA (the “Loan Agreement”).

The proceeds of the Series 2022A Bonds, together with other available monies, are expected to be applied to (A) refund the Corporation’s Capital Fund Grant Program Revenue Bonds (New York City Housing Authority Program), Series 2013A, Series 2013B-1 and Series 2013B-2 maturing on and after July 1, 2023, (B) fund a deposit to the Debt Service Reserve Fund, and (C) pay costs of issuance relating to the Series 2022A Bonds. See “PLAN OF REFUNDING” herein.

**The Series 2022A Bonds will be payable solely from (i) NYCHA’s annual allocation of public housing capital funds (the “Capital Fund Grant Monies”), when received from the United States Department of Housing and Urban Development (“HUD”) pursuant to the Public Housing Capital Fund Program (the “Capital Fund Program”), subject to the availability of annual appropriations by the Congress of the United States of America (“Congress”) and (ii) other funds available for that purpose under the Indenture. NYCHA’s rights to the**

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\* Preliminary, subject to change.

**Capital Fund Grant Monies to the extent necessary to pay Loan Debt Service will be assigned to the Trustee pursuant to the Indenture.**

On [\_\_\_\_\_], HUD approved the issuance of the Series 2022A Bonds subject to certain conditions, and authorized NYCHA to pledge and assign its Capital Fund Grant Monies, to the extent necessary to pay Loan Debt Service, pursuant to a letter from HUD to NYCHA (the “HUD Approval Letter”), a copy of which is attached hereto as Appendix C. NYCHA receives funding from HUD pursuant to a Consolidated Annual Contributions Contract (the “ACC”). HUD and NYCHA have entered into a Capital Fund Financing Amendment to the ACC (the “ACC Financing Amendment”), which provides generally for the use by NYCHA of its Capital Fund Grant Monies to pay principal of and interest on the Series 2022A Bonds. The ACC Financing Amendment is attached hereto as Appendix D. See “CAPITAL FUND PROGRAM—HUD Approval Letter” and “—ACC Financing Amendment” herein.

**The Series 2022A Bonds are special obligations of the Corporation. The faith and credit of the Corporation and NYCHA are not pledged for the payment of the principal or redemption price of, or interest on, the Series 2022A Bonds. The Series 2022A Bonds are not a debt of the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the Series 2022A Bonds be payable out of any funds of the Corporation or NYCHA other than those held under the Indenture and pledged therefor. The Corporation has no taxing power.**

**THE SERIES 2022A BONDS ARE NOT A DEBT OR LIABILITY OF, OR GUARANTEED BY, THE UNITED STATES OF AMERICA OR HUD. THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA IS NOT PLEDGED TO THE PAYMENT OF DEBT SERVICE ON THE SERIES 2022A BONDS. THE PAYMENT OF DEBT SERVICE ON THE SERIES 2022A BONDS IS NOT GUARANTEED BY THE UNITED STATES OF AMERICA OR HUD. NO ACTION TAKEN PURSUANT TO THE DOCUMENTS DESCRIBED IN THIS OFFICIAL STATEMENT SHALL RESULT IN ANY LIABILITY TO THE FEDERAL GOVERNMENT OF THE UNITED STATES OF AMERICA OR ANY PART THEREOF.**

Descriptions of the Series 2022A Bonds and sources of payment, the Corporation, NYCHA, the HUD Approval Letter, the ACC Financing Agreement, NYCHA’s Capital Fund Grant Monies, and a summary of certain provisions of the Indenture and the Loan Agreement, are included in this Official Statement. All summaries or descriptions herein of documents and agreements are qualified in their entirety by reference to such documents and agreements and all summaries herein of the Series 2022A Bonds are qualified in their entirety by reference to the Indenture and the provisions with respect thereto included in the aforesaid documents and agreements. Copies of the Indenture and the Loan Agreement are available for inspection at the office of the Corporation. NYCHA is expected to execute a continuing disclosure agreement satisfactory to the Corporation and the Underwriters in connection with the issuance of the Series 2022A Bonds. See “CONTINUING DISCLOSURE” herein.

## **THE CORPORATION**

### **Purposes and Powers**

The Corporation, which commenced operations in 1972, is a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State, created for the purposes of providing, and encouraging the investment of private capital in, safe and sanitary dwelling accommodations in The City of New York (the “City”) for families and persons of low income, which include families and persons whose need for housing accommodations cannot be provided by the ordinary operations of private enterprise, or in areas designated as blighted through the provision of low interest mortgage loans. Powers granted the Corporation under the Act include the power to issue bonds, notes and other obligations to obtain funds to carry out its corporate purposes, and to refund the same; to acquire, hold and dispose of real and personal property; to make mortgage loans to specified private entities; to purchase loans from lending institutions; to make loans insured or co-insured by the Federal government for new construction and rehabilitation of multiple dwellings; to make and to contract for the making of loans for the purpose of financing the acquisition, construction or rehabilitation of multi-family housing accommodations; to acquire and to contract to acquire any Federally-guaranteed security evidencing indebtedness on a mortgage securing a loan; to acquire mortgages from the City, obtain Federal insurance thereon and either sell such insured mortgages or issue its obligations secured by said insured mortgages and to pay the net proceeds of such sale of mortgages or issuance of obligations to the City; and to do any and all things necessary or convenient to carry out its purposes. The Act further



provides that the Corporation and its corporate existence shall continue at least so long as its bonds, including the Series 2022A Bonds, notes, or other obligations are outstanding.

The sale of the Series 2022A Bonds and the terms of such sale are subject to the approval of the Comptroller of the City. The Corporation is a “covered organization” as such term is defined in the New York State Financial Emergency Act for The City of New York, as amended, and the issuance of the Series 2022A Bonds is subject to the review of the New York State Financial Control Board for The City of New York.

## **Organization and Membership**

The Corporation, pursuant to the Act, consists of the Commissioner of The City of New York Department of Housing Preservation and Development (“HPD”) (who is designated as Chairperson of the Corporation pursuant to the Act), the Commissioner of Finance of the City and the Director of Management and Budget of the City (such officials to serve ex-officio), and four (4) public members, two (2) appointed by the Mayor of the City (the “Mayor”) and two (2) appointed by the Governor of the State. The Act provides that the powers of the Corporation shall be vested in and exercised by not less than four (4) members. The Corporation may delegate to one or more of its members, officers, agents or employees such powers and duties as it deems proper.

### **Members**

**ADOLFO CARRIÓN JR.**, Chairperson and Member ex-officio. Mr. Carrión was appointed Commissioner of HPD by Mayor Eric Adams, effective February 7, 2022.

**HARRY E. GOULD, JR.**, Vice Chairperson and Member, serving pursuant to law. From 1969 to May 2015, Mr. Gould served as Chairman, President and Chief Executive Officer of Gould Paper Corporation. He was Chairman and President of Cinema Group, Inc., a major independent film financing and production company, from 1982 to May 1986, and is currently Chairman and President of Signature Communications Ltd., a new company that is active in the same field as well as providing consulting services in M&A, “turnarounds,” manufacturing and distribution. Signature, through a wholly-owned subsidiary, acquired a majority shareholding on May 1, 2019 in Denmaur PaperMedia, the fourth largest paper distributor in the United Kingdom. Mr. Gould began his career in 1962 in the Corporate Finance Department of Goldman Sachs. From 1964-1969, he held senior operating positions at Universal American Corporation, an industrial conglomerate that merged with Gulf + Western Industries at the beginning of 1968. At the time of the merger, Universal American was ranked 354th on the Fortune 500 List, while Gulf + Western ranked in the top 75. He is a Life Member of the Executive Branch of the Academy of Motion Picture Arts and Sciences. He is a member of the Board of Directors of the Roundabout Theatre Organization and a member of the Board of Overseers at the Columbia Business School. He was a member of the Board of Directors of Domtar, Inc., North America’s largest and second largest global manufacturer of uncoated free sheet papers from 1995 to 2004. He was a member of the Board of Directors of the USO of Metropolitan New York from 1973 to 2004. He was a member of the Board of Trustees of the American Management Association from 1996 to 1999. Mr. Gould served as Special Counsel to the New York State Assembly, Committee on Cities from 1970 to 1976. He was a member of the New York State Governor’s Task Force for Cultural Life and the Arts from 1974 to 1975. Mr. Gould served as Treasurer of the New York State Democratic Committee from 1975 to 1976 as well as Vice-Chairman and Member of the Executive Committee of the Democratic National Finance Council from 1974 to 1980. He was a member of Colgate University’s Board of Trustees from 1976 to 1982. He was appointed Trustee Emeritus of Colgate University in 2012. He was appointed by President Johnson to serve on the Peace Corps Advisory Council from 1964 to 1968 and to serve as the U.S. representative to the U.N. East-West Trade Development Commission from 1967 to 1968. He was appointed by President Carter to serve as Vice Chairman of the U.S. President’s Export Council and was a member of the Executive Committee and Chairman of the Export Expansion Subcommittee from 1977 to 1980. He was a National Trustee of the National Symphony Orchestra, Washington, D.C., also serving as a member of its Executive Committee from 1977 to 1999. He was a member of the Board of United Cerebral Palsy Research and Educational Foundation, and the National Multiple Sclerosis Society of New York from 1972 to 1999. He was a Trustee of the

Riverdale Country School from 1990 to 1999. Mr. Gould received his Bachelor of Arts degree from Colgate University with High Honors in English Literature. He began his M.B.A. studies at Harvard University and received his degree from Columbia Business School.

**JACQUES JIHA**, Member ex-officio. Mr. Jacques Jiha Ph.D. was appointed Director of the New York City Office of Management and Budget effective in November 2020. Prior to the appointment, Mr. Jiha was the Commissioner of New York City's Department of Finance. Prior to becoming Commissioner, Mr. Jiha was the Executive Vice President / Chief Operating Officer & Chief Financial Officer of Earl G. Graves, Ltd., a multi-media company with properties in print, digital media, television, events and the Internet. He has also served on a number of government and not-for-profit boards including the Ronald McDonald House of New York, Public Health Solutions, the Investment Advisory Committee of the New York Common Retirement Fund and as Secretary of the board of the New York State Dormitory Authority. Previous positions include Deputy Comptroller for Pension Investment and Public Finance in the Office of the New York State Comptroller, where he managed the assets of the New York State Common Retirement Fund – then the nation's second-largest pension fund valued at \$120 billion. Prior to his appointment, he worked for the New York City Office of the Comptroller first as Chief Economist and later as Deputy Comptroller for Budget, with oversight responsibilities over the city's operating budget and four-year capital plan. Mr. Jiha also served as Executive Director of the Legislative Tax Study Commission of New York State and as Principal Economist for the New York State Assembly Committee on Ways and Means. He holds a Ph.D. and a master's degree in Economics from the New School for Social Research and a bachelor's degree in Economics from Fordham University.

**PRESTON NIBLACK**, Member ex-officio. Mr. Preston Niblack was appointed Commissioner of the New York City Department of Finance effective in January 2022. Prior to the appointment, Mr. Niblack served as Deputy City Comptroller for Budget from 2016 through 2021, where he was responsible for monitoring the City's budget and fiscal condition, analyzing and reporting on the City budget, and issuing reports on various budgetary and economic issues. Mr. Niblack previously held the position of Senior Advisor in the New York City Government Affairs Division of Manatt, Phelps & Phillips, and served as a trustee of the Citizens Budget Commission. Between 2008 and 2014, Mr. Niblack served as Director of the Finance Division for the New York City Council where he led negotiations on the City budget on behalf of the City Council and developed legislative and policy initiatives in areas such as budget and tax policy, housing, and economic development. His previous positions include Senior Analyst and Deputy Director at the New York City Independent Budget Office, Economist in the District of Columbia Office of Tax and Revenue, and Associate Social Scientist at the RAND Corporation. Mr. Niblack holds a Ph.D. and MPA in Policy Sciences from the University of Maryland School of Public Policy and a B.A. from Middlebury College.

**KYLE KIMBALL**, Member, serving pursuant to law. Mr. Kimball is Vice President of Government Relations for Consolidated Edison. He joined Con Edison in June 2015. In 2013, Mr. Kimball was appointed President of the New York City Economic Development Corporation (NYCEDC) by Mayor Michael Bloomberg, and was later reappointed by Mayor Bill de Blasio. In that position, he oversaw billions of dollars in capital infrastructure investments and implemented several commercial and housing real estate development projects in the City. Prior to joining NYCEDC, Mr. Kimball worked at Goldman, Sachs & Co. as Vice President in the Americas Financing Group, and at J.P. Morgan, also as a Vice President, in Corporate Capital Markets. Mr. Kimball received an undergraduate degree from Harvard University 1995. He also received a master's degree in Public Policy from Harvard's John F. Kennedy School of Government in 1998.

**CHARLES G. MOERDLER**, Member, serving pursuant to law. Mr. Moerdler is a partner in the law firm of Stroock & Stroock & Lavan LLP. Prior to joining his law firm in 1967, Mr. Moerdler was Commissioner of Buildings for The City of New York from 1966 to 1967, and previously worked with the law firm of Cravath, Swaine & Moore. Mr. Moerdler has served as a member of the Committee on Character and Fitness of Applicants to the Bar of the State of New York, Appellate Division, First Department since 1977 and as a member of the Mayor's Committee on Judiciary since 1994. He has also served on the Editorial Board of the New York Law Journal since 1986.

Mr. Moerdler held a number of public service positions, including Chairman of The New York State Insurance Fund from 1995 to March 1997, Commissioner and Vice Chairman of The New York State Insurance Fund from 1978 to 1994, Consultant to the Mayor of The City of New York on Housing, Urban Development and Real Estate from 1967 to 1973, Member of the Advisory Board on Fair Campaign Practices, New York State Board of Elections in 1974, Member of the New York City Air Pollution Control Board from 1966 to 1967 and Special Counsel to the New York State Assembly, Committee on Judiciary in 1961 and Committee on The City of New York in 1960. Mr. Moerdler also serves as a Trustee of St. Barnabas Hospital and served on the Board of Overseers of the Jewish Theological Seminary of America. He served as a Trustee of Long Island University from 1985 to 1991 and on the Advisory Board of the School of International Affairs, Columbia University from 1976 to 1979. Mr. Moerdler is a graduate of Long Island University and Fordham Law School, where he was an Associate Editor of the Fordham Law Review.

**DENISE SCOTT, Member**, serving pursuant to law. Ms. Scott is Managing Director of the Local Initiatives Support Corporation's New York City program (LISC NYC) since 2001. During her tenure, LISC NYC has invested in the development of over 10,000 units of affordable housing. Ms. Scott served as a White House appointee to the United States Department of Housing and Urban Development (HUD) from 1998 to January 2001 responsible for daily operations of HUD's six New York/New Jersey regional offices. She was the Managing Director/Coordinator responsible for launching the Upper Manhattan Empowerment Zone Development Corporation. Ms. Scott served as the Assistant Vice President of the New York City Urban Coalition after serving as Deputy Director of the New York City Mayor's Office of Housing Coordination from 1990-1992. She held several positions at HPD ultimately serving as the Director of its Harlem preservation office. Ms. Scott serves on the U.S. Department of Treasury's Office of Thrift Supervision Minority Depository Institutions Advisory Committee and also serves on several boards including the National Equity Fund, Supportive Housing Network of New York, Citizens Housing and Planning Council, Neighborhood Restore / Restored Homes and the New York Housing Conference. Ms. Scott has a MS in Urban Planning from Columbia University and has taught at its Graduate School of Architecture, Planning and Preservation as a Visiting Assistant Professor.

### **Principal Officers**

**ADOLFO CARRIÓN JR., Chairperson**.

**HARRY E. GOULD, JR., Vice Chairperson**.

**ERIC ENDERLIN, President**. Mr. Enderlin was appointed President of the Corporation on September 22, 2016, effective October 12, 2016. Prior to joining the Corporation, he served as Deputy Commissioner for Development and Special Advisor at the New York City Department of Housing Preservation and Development (HPD), overseeing divisions including New Construction Finance, Preservation Finance, Housing Incentives, Property Disposition and Finance, Special Needs Housing, Building and Land Development Services, Storm Recovery, and Credit and Underwriting. Prior to his tenure at HPD, Mr. Enderlin was Assistant Director for Asset Management and Private Market Operations at the New York City Housing Authority (NYCHA), worked as a consultant with the Louis Berger Group in its Economics Department, and served as Principal Planner and land use mediator with the New Jersey Council on Affordable Housing (NJ COAH). Mr. Enderlin holds a Bachelor of Arts in Economics and a Master of Science in Urban Planning and Policy, both from Rutgers University.

**RUTH MOREIRA, Acting First Executive Vice President**. Ms. Moreira was appointed Acting First Executive Vice President of the Corporation on November 5, 2021, Executive Vice President for Development on October 5, 2021 and Senior Vice President for Development on May 30, 2019. Prior to such appointments, Ms. Moreira held the position of Vice President for Development when she rejoined the Corporation in 2016. Between 2014 and 2016, Ms. Moreira held the position of Vice President of Acquisitions at Hudson Housing Capital LLC, a low income housing tax credit syndicator, underwriting and originating tax credit transactions. Ms. Moreira first joined the

Corporation in 2000 as an Investment Analyst and then as Assistant Vice President for Cash Management. In 2008, Ms. Moreira transferred to the Development group, as a project manager underwriting transactions and was then promoted to Assistant Vice President in 2011. Ms. Moreira holds a B.A. in Economics from Upsala College.

**CATHLEEN A. BAUMANN**, Executive Vice President and Treasurer. Ms. Baumann was appointed Executive Vice President on October 5, 2021, Senior Vice President on August 8, 2012 and Treasurer by the President on July 20, 2009. Prior to such appointments, she held the position of Deputy CFO since September 2004. Ms. Baumann joined the Corporation in 1988 as an Accountant. She has also held the positions of Senior Accountant and Internal Auditor and Vice President of Internal Audit. Ms. Baumann received her bachelor's degree with majors in Accounting and Economics from Queens College of the City University of New York and her MBA in Finance from Baruch College's Zicklin School of Business of the City University of New York.

**ELLEN K. DUFFY**, Executive Vice President for Debt Issuance and Finance. Ms. Duffy was appointed Executive Vice President for Debt Issuance and Finance on October 5, 2021 and Senior Vice President for Debt Issuance and Finance on September 15, 2009, effective September 21, 2009. Prior to joining the Corporation, Ms. Duffy was a principal of the housing finance group at Bank of America Securities ("BAS"). At BAS, Ms. Duffy focused on quantitative structuring of transactions and cash flow analysis for state and local housing issuers. Ms. Duffy previously held positions in the housing areas of the public finance groups at CS First Boston, First Union Securities and Citicorp Investment Bank. Ms. Duffy holds a B.A. in Economics from Providence College.

**TERESA GIGLIELLO**, Executive Vice President for Asset Management. Ms. Gigliello was appointed Executive Vice President for Asset Management on October 5, 2021 and Senior Vice President of Portfolio Management on August 3, 1998. Prior to such appointments, Ms. Gigliello held the position of Director of Audit. She began her career with the Corporation in 1985 as an accountant and served as the Corporation's Internal Auditor from 1986 until her appointment as Director of Audit in 1995. Ms. Gigliello received a Bachelor of Science degree from St. John's University.

**SUSANNAH LIPSYTE**, Executive Vice President and General Counsel. Ms. Lipsyte was appointed Executive Vice President on October 5, 2021 and Senior Vice President and General Counsel on September 26, 2019. Prior to such appointments, Ms. Lipsyte had been Deputy General Counsel since August 1, 2015 and Secretary of the Corporation since October 7, 2015. Ms. Lipsyte, an attorney and member of the New York State Bar, joined the Corporation in 2006 as an Assistant General Counsel and was promoted to Associate General Counsel in 2009. Before joining the Corporation, Ms. Lipsyte was a public finance associate at Orrick, Herrington & Sutcliffe LLP. Ms. Lipsyte received her B.A. degree from Yale University and her J.D. from Georgetown University Law Center.

**MOIRA SKEADOS**, Senior Vice President, Deputy General Counsel and Secretary. Ms. Skeados, an attorney and member of the New York State Bar, was appointed Senior Vice President on October 5, 2021 and became Deputy General Counsel and Secretary on September 26, 2019. Prior to such appointments, she was an Associate General Counsel. Ms. Skeados joined the Corporation in 2011 as an Assistant General Counsel and was appointed Assistant Secretary of the Corporation on October 7, 2015. Before becoming an Assistant General Counsel, Ms. Skeados was a New York City HPD-HDC Housing Fellow from 2009 to 2011. Ms. Skeados received her B.A. degree from Trinity College and her J.D. from Brooklyn Law School.

**MARY JOHN**, Senior Vice President and Controller. Ms. John was appointed Senior Vice President on October 5, 2021. Prior to such appointment, she held the position of Vice President and Controller. Ms. John joined the Corporation in 1986 as a staff Accountant. She has also held the positions of Senior Accountant, Chief Accountant, and Deputy Controller. Ms. John received her bachelor's degree in Accounting from Baruch College of the City University of New York.

**ALEX MEDINA, Senior Vice President for Asset Management.** Mr. Medina was appointed Senior Vice President for Asset Management on October 5, 2021. Mr. Medina first joined the Corporation as an Asset Manager in 2007 and most recently held the position of Vice President of Compliance. Mr. Medina holds a B.A. in Communications from New York University.

**ELIZABETH STROJAN, Senior Vice President for Administration and External Affairs and Chief of Staff.** Ms. Strojan was appointed Senior Vice President for Administration and External Affairs and Chief of Staff on October 5, 2021. Prior to such appointment, she was Chief of Staff & Director of Strategic Initiatives within the President's Office where she led the Corporation's Strategic Initiatives, overseeing Communications, Government Affairs, Policy & Analytics, and Human Resources, and worked on agency-wide and interagency priorities. Ms. Strojan joined the Corporation in 2017 to advise the Corporation and HPD on government affairs. Ms. Strojan holds a dual master's degree in Economics and International Political Economy and Development from Fordham University and a bachelor's degree in Political Science from Centre College.

### **Potential Legislative and Regulatory Actions**

From time to time, legislation is introduced on the Federal and State levels which, if enacted into law, could affect the Corporation, its operations or its bonds. The Corporation is not able to represent whether such bills will be introduced in the future or become law. In addition, the State undertakes periodic studies of public authorities in the State (including the Corporation) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, could affect the Corporation, its operations and its bonds. See "AGREEMENT OF STATE" herein.

## **NEW YORK CITY HOUSING AUTHORITY**

### **Purposes and Powers**

NYCHA was formally established by the City as a municipal housing authority in 1934. It was constituted and declared to be a body corporate and politic by the State on April 5, 1935, possessing all the powers, rights and duties set forth in Article Five of the State Housing Law. The general organization and operation of NYCHA is now governed by Chapter 44-A of the Consolidated Laws of New York.

By law NYCHA is empowered, among other things, to investigate into and determine where substandard living conditions exist within the City and into means of improving such conditions; prepare plans for, construct, reconstruct, improve, alter, repair and operate any development; demolish structures and clear areas; lease, manage, operate, acquire or act as agent for any development constructed by any government; sell, exchange, transfer, assign or mortgage any real or personal property or interest therein; borrow money and issue notes and bonds; enter into contracts with the Federal government or the State for aid in developing developments; sue or be sued; execute all contracts or other instruments necessary or convenient to the exercise of its power; and make, amend and repeal bylaws, rules and regulations not inconsistent with the laws of the State. NYCHA has the special power to act as a developer of certain "combined occupancy" structures in which housing and school accommodations are located, and to regulate parking and traffic within housing developments. NYCHA may carry out its powers throughout the City.

NYCHA is principally involved in providing housing to persons and families of low income and very low income under a variety of HUD, State and City programs. NYCHA is the largest public housing authority in the nation. It is home to roughly 1 in 15 New Yorkers across over 177,000 apartments within 335 housing developments across all five boroughs. NYCHA serves 345,000 residents through the conventional public housing program (Section 9), over 20,000 residents at developments that have been converted to the Permanent Affordability Commitment Together/HUD Rental Assistance Demonstration (PACT/RAD) program, and over 88,000 families through federal rent subsidies (the Section 8 Leased Housing Program). Under Section 154 of the Public Housing Law, NYCHA is given the exclusive right to establish rents, subject to the terms of any loan or subsidy contract with a government.

Debt service is paid by NYCHA (or by HUD on behalf of NYCHA pursuant to the ACC Financing Amendment) from its annual Capital Fund Grant subsidy from HUD, which serves as a pledged security for all

principle and interest due on all bonds. In 2021, debt service represented 9.9% of the FY21 capital fund grant. NYCHA has never failed to pay in a timely manner the principal of or interest on any of its bonds, notes or other obligations.

Currently, NYCHA is not in compliance with a number of federal regulations and is working to assess the extent of noncompliance. On January 31, 2019, NYCHA, New York City, the U.S. Attorney's Office for the Southern District of New York and the Secretary of HUD (the "Secretary") signed an agreement (the "HUD Agreement") to address a finding by the Secretary of a substantial default by NYCHA and to resolve claims brought by the United States. The HUD Agreement established a framework by which NYCHA continues to evaluate and progress towards compliance with federal requirements. During the term of the HUD Agreement, an independent monitor is in place with access to NYCHA information and personnel, and the independent monitor has issued and will continue to issue quarterly reports on NYCHA's compliance with the HUD Agreement (see <https://nychamonitor.com>). Additionally, every six months NYCHA submits a certification regarding compliance with the Lead Safe Housing Rule and EPA's regulations with respect to lead as required by the HUD Agreement. Those certifications, along with the independent monitor's quarterly reports, Action Plans for each pillar of the HUD Agreement and other information can be found at <https://www1.nyc.gov/site/nycha/about/reports.page>. NYCHA's Final FY2022 Annual PHA Plan, which can be found at <https://www1.nyc.gov/site/nycha/about/annual-plan-financial-information.page> also contains information regarding progress made to date towards compliance with federal requirements.

NYCHA currently has a total of approximately 12,700 employees across dozens of departments and units established to develop and manage low income and very low-income housing in the City. General offices are located at 90 Church Street (Borough of Manhattan), New York, New York 10007, and NYCHA's main telephone number is (212) 306-3000.

## **Organization and Membership**

### **NYCHA Board**

The NYCHA Board is comprised of seven Members appointed by the Mayor, one of whom is the full-time Chair and Chief Executive Officer (CEO) who serves at the pleasure of the Mayor. During the term of the HUD Agreement, the Chair and CEO must be selected and removed or replaced, if applicable, in accordance with the terms of the HUD Agreement. The remaining six Members serve part-time, three of whom must be NYCHA residents. The term of office of each Member, other than the Chair, shall be three years. The Mayor may remove part-time Members during their term, with such removal effective upon serving the Member and filing in the Office of the Commissioner of Citywide Administrative Services the reason for such removal.

The Board conducts the business of the Authority. Until such time as the Mayor appoints new Members, the present Members of NYCHA and the expiration dates for their terms are shown below.

### **Members**

**GREGORY RUSS, Chair and Chief Executive Officer** (Term expires: At the pleasure of the Mayor). Mr. Russ was appointed Chair and Chief Executive Officer of the New York City Housing Authority by Mayor Bill de Blasio, effective August 12, 2019. Mr. Russ has decades of management experience with public housing authorities across the country, including in Detroit, Philadelphia, and Chicago. Mr. Russ most recently served as Executive Director and CEO of the Minneapolis Public Housing Authority and as the Executive Director of the Cambridge Housing Authority. He has also served as Deputy Executive Director of the Philadelphia Housing Authority and from 1997 to 2002, he served in several roles with the Chicago Housing Authority. Mr. Russ also served as Principal Associate for Abt Associates, a consulting firm assisting public, private, and non-profit housing agencies with strategic planning. In 1995, Mr. Russ worked as Special Assistant to the Deputy Assistant Secretary for Public and Indian Housing at the U.S. Department of Housing and Urban Development, working under the Clinton Administration and later as Director of Troubled Agency Recovery. Mr. Russ holds a bachelor's degree in English from Shippensburg University of Pennsylvania and is a board member of the Council of Large Public Housing Authorities (CLPHA). He is also a former president of the Public Housing Authority Directors Association (PHADA).

**VICTOR A. GONZALEZ**, Vice Chair (Term expires: September 24, 2022). At the pleasure of the Mayor). Mr. Gonzalez was appointed in July 2011, by Mayor Michael R. Bloomberg. Mr. González is the first public housing resident to be named a member of the Board of NYCHA. Mr. González, who has lived in NYCHA's public housing for over 50 years, currently resides in the Rabbi Stephen Wise Towers on Manhattan's Upper West Side. Mr. González is the former President of the Wise Towers Residents Association and served as an alternate member of NYCHA's Resident Advisory Board. Mr. González received his Bachelor's degree from Mercy College and served for five years in the U.S. Air Force, honorably discharged after reaching the rank of Sergeant of Security Police. Following his military service, he spent 33 years working for the United Parcel Service, retiring as International Team Leader in Customer Service in 2005.

**JOSEPH ADAMS SR.**, Resident Board Member (Term expired: September 24, 2021, serving until reappointed or a successor is appointed and qualified). Mr. Adams was appointed to the NYCHA Board in June 2019 by Mayor Bill de Blasio. A NYCHA resident for over 20 years, Mr. Adams currently resides at Manhattan's Sondra Thomas Apartments. He is a former resident of Manhattan's Woodrow Wilson Houses and the Bronx's Patterson Houses. Mr. Adams is a member of New York Communities for Change, was the Vice President of John Jay College's Able Forces Club (which advocates for students with disabilities), and served for many years as a Union Shop Steward and Grievance Representative at the Teamsters Local 237 union. A School Safety Agent for over 15 years, he later worked at his alma mater, CUNY's John Jay College of Criminal Justice, as a Research Assistant for a professor in the Department of Africana Studies and as a Research Coordinator in the Women's Center's Department of Counseling. Mr. Adams earned his bachelor's degree and Master of Public Administration degree from John Jay College and received certification in public advocacy and leadership from the Joint Public Affairs Committee's Institute for Senior Action.

**MAGALIE D. AUSTIN**, Board Member (Term expires: September 24, 2022). Ms. Austin serves as Senior Advisor to the Mayor and Director of the Office of Minority and Business Enterprises, where she is responsible for oversight, policy and accountability of the City's M/WBE Program. Ms. Austin previously served as the Chief Diversity and Industry Relations Officer for the New York City Department of Design and Construction, where she was responsible for managing the agency's Minority and Women Business Enterprises program and served as the Commissioner representative to the built industry. Under Ms. Austin's leadership, the Office of Diversity and Industry Relations created and implemented innovative solutions that increased contract opportunities for minority- and women-owned business entities, awarding over \$2 billion in capital projects, making the agency one of the leading NYC agencies in contract awards to M/WBE's.

**PAULA GAVIN**, Board Member (Term expires: September 24, 2023). From 2014 to 2018, Ms. Gavin served as the New York City Chief Service Officer, responsible for NYC Service, a division of the Office of the Mayor promoting volunteerism. Prior to that, she served as the Executive Director of the Fund for Public Advocacy, a nonprofit organization affiliated with the Office of the Public Advocate. From 2007 to 2012, she was President of National Urban Fellows, a leadership development and diversity organization. From 2004 to 2007, Ms. Gavin served as the founding Executive Director of the New York City Center for Charter School Excellence, a nonprofit organization launched to promote the development and quality of charter public schools and she served as President and CEO of the YMCA of Greater New York from 1990 to 2004. Ms. Gavin has also held multiple executive positions in operations, marketing, sales, and human resources with AT&T. A graduate of the University of Delaware, Ms. Gavin has been an adjunct professor at the NYU Wagner Graduate School of Public Service, The New School, and Columbia University.

**EMMA WOLFE**, Board Member (Term expires: September 24, 2024). Ms. Wolfe serves as the Senior Advisor to the President for External Relations and Leadership Development at Barnard College, a newly created position. Ms. Wolfe most recently served as Deputy Mayor for Administration and Chief of Staff, where she advised and assisted the Mayor regarding all planning and external affairs, oversaw the day-to-day operations of the Mayor's executive office and supervised and coordinated the operations of a portfolio of mayoral agencies. Previously, Ms. Wolfe served as the Director of Intergovernmental Affairs, where she worked with officials ranging from the City Council to Congress to implement progressive policies that require legislative and executive support. Prior to her time at City Hall, Ms. Wolfe worked as the Deputy Campaign Manager and Political Director for Bill de Blasio's 2013 mayoral campaign. From 2010 to 2012, she was the Chief of Staff for the Office of the Public Advocate and reorganized the office into an effective agency watchdog with an emphasis on community organizing. Ms. Wolfe has

also worked as an organizing and field director for the New York State Senate, Working Families Party, and 1199 SEIU. Ms. Wolfe holds a bachelor's degree in urban studies from Barnard College.

## **Principal Officers**

**DANIEL SHERROD**, Chief Operating Officer. Mr. Sherrod was appointed NYCHA's Chief Operating Officer in January 2022. He brings to the role several years of experience as a public and affordable housing professional at the federal level. As NYCHA's Chief Operating Officer, he oversees a range of activities, including property management operations at the Authority's developments across the five boroughs. Mr. Sherrod has served at the U.S. Department of Housing and Urban Development (HUD) since 2014, most recently as the Director of Federal Monitorships. In that role, Mr. Sherrod directs a team of supervisors who provide performance oversight, compliance assurance, technical assistance, coordination, and program implementation for public housing authorities. He manages staff at all levels who are focused on addressing national initiatives and recommending solutions in response to newly proposed legislation and notices. In addition, Mr. Sherrod has worked with public housing authority directors, government officials, resident groups, and industry leaders to improve the public housing authorities' performance and resolve critical issues. Prior to HUD, Mr. Sherrod served for two years as the Director of Asset Management at the Lucas Metropolitan Housing Authority in Toledo, Ohio. He earned a Bachelor of Arts degree in political science and government from Illinois Wesleyan University.

**JOEY KOCH**, Chief of Staff. Ms. Koch has served as NYCHA's Chief of Staff since November 2019, where she provides direct support to the Chair/CEO on all aspects of NYCHA operations, including budget and personnel decisions, planning and the execution of policies, and day-to-day management of the Authority. Previously, Ms. Koch was NYCHA's Senior Vice President (SVP) for Operations Support Services, responsible for managing Emergency Services; Elevator Services; Heating Management Services; Maintenance, Repair and Skilled Trades; and Technical Services. Prior to NYCHA, she served as Deputy Commissioner and Deputy Chief Asset Management Officer at the NYC Department of Citywide Administrative Services (DCAS), where she oversaw facilities management and real estate for all City-owned office and court buildings. She previously served as Special Counsel in the Office of the Mayor, Telecommunications Counsel for the City's Department of Information, Technology and Telecommunications, and later worked in global procurement at Bloomberg LP. Ms. Koch holds a Bachelor of Arts in political science from Tufts University and a Juris Doctor from Fordham University School of Law.

**PATTI BAYROSS**, Executive Vice President and Chief Information Officer. Ms. Bayross joined NYCHA as Chief Information Officer and Executive Vice President in May 2020. Ms. Bayross comes to NYCHA with more than 27 years of information technology experience in the public, nonprofit, and private sectors. Most recently, she was Chief Customer Officer/Deputy Commissioner of Customer Experience Management for the City's Department of Information Technology and Telecommunications (DoITT). In this role, she helped establish DoITT's first department dedicated to customer engagement and the customer experience, centralized customer communications, modernized the service desk, and launched new digital tools to enhance the customer experience. Prior to DoITT, Patti served as the Chief Information Officer/Assistant Commissioner of MIS for the City's Administration for Children's Services where she led a department of more than 175 IT professionals and managed the agency's \$45 million IT budget.

**LISA BOVA-HIATT**, Executive Vice President of Legal Affairs and General Counsel. Ms. Bova-Hiatt joined NYCHA as General Counsel in February 2020. Ms. Bova-Hiatt comes to NYCHA with more than 25 years of experience in the public sector. Most recently, she was General Counsel of the City University Construction Fund and Executive University Counsel of the City University of New York (CUNY). Prior to CUNY, Ms. Bova-Hiatt served as Executive Director of the Governor's Office of Storm Recovery (GOSR), where she played an integral role in helping the agency carry out the reconstruction of over 12,000 homes and hundreds of infrastructure projects. Ms. Bova-Hiatt previously spent 19 years in various roles at the New York City Law Department, including as the Deputy Chief of the Tax and Bankruptcy Litigation Division, where she specialized in the acquisition of property by eminent domain, in rem tax foreclosures, and real estate titles.

**BARBARA BRANCACCIO**, Chief Communications Officer. Ms. Brancaccio was appointed Chief Communications Officer, effective April 8, 2021 and leads the Department of Communications and its work to disseminate information to the media, residents, employees, elected officials, and the general public. Barbara most recently served as a communications consultant in the private sector. She also has extensive experience in public



service, having served as the Managing Director of Press and Communications for the Governor's Office of Storm Recovery, Deputy Commissioner for Communications and External Affairs at the City's Department of Homeless Services, and the Executive Deputy Commissioner for Communications at the NYC Human Resources Administration.

**ANNE-MARIE FLATLEY, Senior Vice President for Performance Management & Analytics.** Ms. Flatley was named Senior Vice President of the Performance Management and Analytics (PMA) Division for the New York City Housing Authority (NYCHA) in July 2020. In this capacity, she provides analytical support to assist NYCHA's executive staff and departments in successfully executing long-term strategic goals and achieving day-to-day operational effectiveness and efficiency. She was previously appointed Vice President of the Performance Management and Analytics Division in 2014. Ms. Flatley joined NYCHA in 1998 and has held a series of progressively responsible positions. Ms. Flatley received her Master of City Planning degree from the University of Pennsylvania and her Bachelor of Arts degree in environmental design from the State University of New York at Buffalo. She completed NYCHA's Leadership Academy in 2007 and the Executive Leadership Academy in 2011.

**JONATHAN GOUVEIA, Executive Vice President for Real Estate Development.** Mr. Gouveia was appointed NYCHA's Executive Vice President for Real Estate Development in January 2019. Before joining NYCHA, Mr. Gouveia served in various roles in the Real Estate Transactions department at New York City Economic Development Corporation (EDC). Mr. Gouveia also worked in the Global Real Estate and Operations team of Bloomberg LP and for Brookfield Residential. He earned a bachelor's and master's in planning, urban planning, and real estate development from the University of Toronto, and a professional certificate in real estate finance and development from MIT.

**LAUREN GRAY, Chief of Staff to the Chief Operating Officer.** Ms. Gray was appointed Chief of Staff to the Chief Operating Officer in January 2022. In this role, she provides direct support to the Chief Operating Officer on various aspects of NYCHA's operations and property management. Previously, Ms. Gray was NYCHA's Vice President of Compliance, a position she held since January 2020. Leading a team of 55 compliance experts, Ms. Gray was charged with monitoring City, State, and federal regulations to ensure that NYCHA's operational policies and procedures are up to date. Working with the Chief Compliance Officer, Ms. Gray developed compliance plans that outline the Authority's risk exposure and where resources will be allocated. Other key duties included analyzing data from internal and external audits, quality housing inspections, work orders, violations, and other relevant sources. Prior to this role, Ms. Gray served as a Deputy Director in the Compliance Department, developing and implementing compliance-related activities and confirming that affected parties follow governing agency rules, regulations, and guidelines. She previously served at NYCHA for six years before joining the NYC Department of Health & Mental Hygiene (DOHMH) in November 2016 as the Senior Director of the Bureau of Emergency Field Operations. At DOHMH, Ms. Gray helped oversee a team of 30 staff to coordinate agency-wide emergency preparedness planning, exercises and training, evaluation of incident responses, and exercise performance and to coordinate with community stakeholders and City, State, and federal partners on public health emergency planning and response. Ms. Gray holds a Bachelor of Arts degree in political science and dance/theater from Queens College, City University of New York, and a Master of Public Administration degree from the School of Public Affairs at Baruch College.

**BRAD GREENBURG, Chief Compliance Officer.** Mr. Greenburg was appointed NYCHA's Chief Compliance Officer in January 2022. The Compliance Department oversees NYCHA's regulatory compliance. It is also responsible for ensuring the accuracy of external reporting by NYCHA and developing venues for employee and resident complaints regarding compliance issues. Before joining the Compliance Department, Mr. Greenburg served as a Special Counsel at NYCHA, helping to manage NYCHA's work under its Agreement with the U.S. Department of Housing and Urban Development. That included helping to build a reporting structure for the obligations for each pillar of the Agreement and drafting and helping to implement Action Plans required under the Agreement, among other tasks. Before his work at NYCHA, Mr. Greenburg was an Associate at the law firm Paul, Weiss, Rifkind, Wharton & Garrison LLP, where his practice focused on transactional real estate and urban development work. Prior to that, he served in a number of roles, including as Legislative Director for Congressman David Cicilline, and he worked at the Furman Center for Real Estate and Urban Policy at NYU. He holds a BA from Brown University and a JD magna cum laude from NYU School of Law.

**DANIEL GREENE, Senior Vice President for Healthy Homes.** Mr. Greene was appointed NYCHA's Senior Vice President for Healthy Homes in January 2022. He is responsible for the overall management and administration

of lead-based paint, mold operations, asbestos, and other initiatives that focus on the health and safety of residents. Mr. Greene joined the Authority in April 2019 as Acting Chief Compliance Officer, and he was appointed Chief Compliance Officer in November 2019. In this role, he oversaw NYCHA's compliance with federal, state, and local laws and regulations and ensured the accuracy of NYCHA's regulatory reporting and statements. He also led the establishment of a communication channel for compliance-related complaints made by NYCHA residents, employees, contractors, and the general public. Before coming to NYCHA, Mr. Greene served as Counsel to the LeadFreeNYC Task Force, helping to develop the LeadFreeNYC report and implementing many of its recommendations. Mr. Greene has also served as the Deputy General Counsel and then General Counsel of the New York State Governor's Office of Storm Recovery; his team provided legal advice on the Office's work to assist homeowners, small businesses, and communities build back and become more resilient following Superstorm Sandy. Prior to that, he was a Senior Counsel at the New York City Law Department. He is a graduate of Fordham University and Vermont Law School.

**VILMA HUERTAS, Special Advisor to the Chair.** Ms. Huertas was appointed Special Advisor to the Chair, effective April 15, 2019. As Special Advisor to the Chair, Ms. Huertas oversees NYCHA's Board as well as other special initiatives for the Office of the Chair. Ms. Huertas served as NYCHA's Executive Vice President for Compliance and Chief Compliance Officer since July 2018 and helped establish NYCHA's first-ever Compliance Department. Prior to that, Ms. Huertas was NYCHA's Corporate Secretary to the Board since 2005, where she acted as a key advisor to Board Members and a conduit between the Board and the executive team, and executed all Board Member logistics. She also oversaw the Office of Impartial Hearings, the Guardian Ad Litem Unit, and the Calendar and Documents Unit. Ms. Huertas was previously NYCHA's Director of the Office of Intergovernmental Relations, after serving as the department's Legislative Liaison and then Deputy Director. Prior to joining NYCHA, Ms. Huertas held various positions, including Assistant District Attorney in the Bronx District Attorney's Office, Chief of Staff in the New York State Assembly, and Assistant Housing Director and Director of Economic Development for a large non-profit. Ms. Huertas has a Bachelor of Arts degree from Fordham University and a Juris Doctor from the City University of New York School of Law. She is also a graduate of the NYC Department of Citywide Administrative Services' Management Academy.

**KERRI JEW, Executive Vice President and Chief Administrative Officer.** Ms. Jew was appointed Executive Vice President and Chief Administrative Officer for the New York City Housing Authority (NYCHA) in January 2016. In this capacity, Ms. Jew oversees major components of NYCHA's organizational redesign, labor relations, and agency-wide process improvements. Prior to joining NYCHA, Ms. Jew served as Deputy Commissioner at the NYC Department of Small Business Services (SBS), where she held the position of Deputy General Counsel. In this role, Ms. Jew oversaw the City's Minority and Women-owned Business Enterprise (M/WBE) Program, which promotes equity in City contracting opportunities and provides services to companies interested in doing business with government. Ms. Jew also served as Executive Director of New York State's M/WBE Program at Empire State Department, after first working as the Corporation's Compliance Officer. Ms. Jew entered City service as a federal civil rights litigator with the NYC Law Department. Ms. Jew holds a Bachelor of Arts degree from Cornell University and earned her J.D. from Emory University School of Law, where she graduated with distinction.

**ANDREW KAPLAN, Deputy Chief of Staff.** Mr. Kaplan joined NYCHA as Deputy Chief of Staff in December 2019. Before joining NYCHA, Mr. Kaplan was a Policy Advisor in the NYC Mayor's Office where he worked on public housing, affordable housing, and homelessness policy. Mr. Kaplan has also served as the Co-Director of the Rhodes Artificial Intelligence Lab (RAIL) and as an Urban Fellow at the NYC Mayor's Office of Operations. Mr. Kaplan holds a Bachelors of Arts degree in Political Science from Brown University and a Master of Philosophy degree in Comparative Social Policy from the University of Oxford, where he was a Rhodes Scholar.

**ANNIKA LESCOTT, Executive Vice President and Chief Financial Officer.** Ms. Lescott was appointed Chief Financial Officer & Executive Vice President of Finance at NYCHA in February 2020. In this capacity, Ms. Lescott leads the financial planning and analysis, accounting, payroll, risk management, and investment activities of the Authority. Previously, Ms. Lescott served as Senior Advisor to the Chief Financial Officer, and prior to joining NYCHA, Ms. Lescott was a Presidential Management Fellow in the Executive Office of the President of the United States, where she worked on non-partisan housing policy analysis and the President's Budget under the Obama and Trump administrations. She also worked at the Local Initiatives Support Corporation, an innovative community development financing institution where she facilitated reinvestment in low-income communities across the five boroughs. Ms. Lescott earned a bachelor's degree from the University of North Carolina at Chapel Hill and a Master of Public Administration from Columbia University's School of International and Public Affairs.

**STEVEN LOVCI**, Executive Vice President of Capital Projects. Mr. Lovci was appointed Executive Vice President of Capital Projects at the New York City Housing Authority in November 2019, and is responsible for advancing the Authority's capital programs, including federal, State, and City-funded capital improvements, the Hurricane Sandy recovery and resilience program, and NYCHA's energy and sustainability programs. Mr. Lovci joined NYCHA in 2014 as the Managing Architect for the Capital Projects Division's Design Department. He later became Senior Advisor to the Executive Vice President of Capital Projects, and during his tenure served as acting Executive Vice President of Capital Projects. Prior to joining NYCHA, he was an Associate at the preservation firm Beyer Blinder Belle Architects & Planners for over a decade. Mr. Lovci also taught Building Construction at the New York Institute of Technology, served as speaker and moderator on the Commercial Real Estate and Development panel for Thurgood Marshall College's Fund Leadership Conferences, conducted research for the Between Expediency and Deliberation: Seeking Middle Ground for Post 9/11 symposium, and contributed to the Rebuild Downtown, Our Town (RDoT) white paper report on 9/11.

**SHAAN MAVANI**, Chief Asset & Capital Management Officer. Mr. Mavani was appointed NYCHA's first-ever Chief Asset & Capital Management Officer in January 2022. Mr. Mavani was previously the Senior Advisor for Special Projects in NYCHA's Office of the Chair, most recently leading the design and setup of the Comprehensive Modernization Program. Before joining NYCHA, he served in a variety of leadership roles internationally with the United Nations, the Boston Consulting Group, and the Royal Bank of Scotland Group, amongst other organizations, including as Senior Director & Senior Advisor to the CEO at the Ethiopian Agricultural Transformation Agency. His experience includes building out new teams in government and international agencies, implementing large-scale organizational transformation, and leading major projects and programs. Mr. Mavani earned a Master of Public Administration at Harvard University's John F. Kennedy School of Government (where he focused on housing and urban economic development), a Master of Arts in international studies (focused on comparative economic development) from Tokyo University of Foreign Studies, and a Bachelor of Arts in mathematics from the University of California at Berkeley. As Chief Asset & Capital Management Officer, Mr. Mavani leads the new Asset & Capital Management Division (ACMD), which integrates and aligns the Authority's existing development, modernization, and asset management work being carried out by the Real Estate Development, Capital Projects, and Comprehensive Modernization teams. ACMD will bring comprehensive repairs to NYCHA buildings and apartments through strong partnership with residents and other stakeholders; strategic, data-driven portfolio planning; and cost-effective project delivery and management. The Division will also position NYCHA's housing portfolio for the future by incorporating innovative building materials, construction methods, and technology, improving residents' quality of life while enhancing building performance and management. Aligning NYCHA's capital investment plans portfolio-wide is an important part of the Authority's Transformation Plan efforts to become a stronger and more streamlined organization.

**LAKESHA MILLER**, Executive Vice President of Leased Housing. Ms. Miller was appointed Executive Vice President of Leased Housing at the New York City Housing Authority (NYCHA) in January 2018. In this capacity, Ms. Miller provides oversight and strategic guidance as the leader of NYCHA's Section 8 Leased Housing program. Ms. Miller joined NYCHA in 2012, serving first as Deputy Director, then Director of Client Services, and most recently as Vice President of the Leased Housing Department, where she evaluated operations and created innovative solutions for greater efficiency and service delivery. Prior to that, she worked at Marathon Development Group, in Peekskill, NY; Quadel Consulting Corporation in Washington, D.C.; and NY Quadel, in New York, NY. Ms. Miller holds a Bachelor of Arts degree in human relations from Pace University and a Masters of Arts in organizational management from the University of Phoenix.

**SERGIO PANEQUE**, Chief Procurement Officer. Mr. Paneque joined NYCHA as Chief Procurement Officer in November 2020. Prior to working at NYCHA, he served as Chief Procurement Officer for the State of New York, where he managed a portfolio of more than 1,400 contracts for goods and services valued at over \$16 billion. He has also previously served as Chief Acquisition Officer for the City of New York and as the Deputy Commissioner overseeing the Office of Citywide Procurement. Mr. Paneque also previously served as Director of Procurement and Real Estate Services Administration in Michigan's Department of Technology, Management, and Budget, where he directed the purchase of goods, services, and information technology. Mr. Paneque has a Juris Doctor from Western Michigan University's Cooley Law School and both a Bachelor of Arts in accounting and a Bachelor of Science in building construction management from Michigan State University.

**DAVID ROHDE**, Senior Vice President for Legal Affairs and Managing Attorney. Mr. Rohde was appointed Senior Vice President for Legal Affairs and Managing Attorney in the Office of the General Counsel in September

2020. In this role, Mr. Rohde supports both the Chair & Chief Executive Officer and the Chief Operating Officer in the mission to fundamentally transform NYCHA and reimagine the ways the Authority serves its residents. Prior to joining NYCHA, he served for nine years as Senior Director of Consulting Services at Epiq, a global technology-enabled services leader catering to the legal industry and corporations, where he helped develop operational reforms in large organizations, law departments, and government entities. Mr. Rohde previously worked at the New York City Law Department for over 10 years, first as a litigator and later as a principal legal, policy, and management advisor on law and technology issues. Mr. Rohde earned a Bachelor of Science degree in business administration from Bryant University, a Juris Doctor from Touro College Law Center, and a Master of Laws from NYU School of Law.

**SIDEYA SHERMAN**, Executive Vice President for Community Engagement and Partnerships. As Executive Vice President for Community Engagement and Partnerships at NYCHA, Ms. Sherman oversees a partnership-based, collective impact model for engaging and connecting public housing residents to economic opportunities and services across six departments. Prior to her appointment as Executive Vice President in 2016, Ms. Sherman served as NYCHA's Vice President for Strategy and Partnership and as Director of Resident Economic Empowerment and Sustainability (REES). In 2020, Ms. Sherman was appointed Executive Director of the City's Taskforce on Racial Inclusion and Equity. Prior to joining NYCHA, Ms. Sherman acquired over a decade of community and economic development experience at various community service organizations, including as Project Director for the Municipal Art Society of New York (MAS), where she provided training and technical assistance to community-based organizations and neighborhood advocates confronting local planning, land use, and economic development challenges. Ms. Sherman has also held positions with the Local Initiatives Support Corporation and the Lower East Side Business Improvement District, where she helped implement urban commercial corridor revitalization programs at both a national and local scale, respectively. Ms. Sherman holds a Bachelor of Arts degree from Utica College in political science and a Master of Science degree in urban affairs from Hunter College.

**EVA TRIMBLE**, Executive Vice President for Strategy & Innovation. Ms. Trimble was appointed Executive Vice President for Strategy & Innovation for NYCHA in September 2019, which Strategy & Innovation Department, which provides a strategic, data-driven approach for the Authority to use scarce funding effectively and efficiently and improve service delivery for residents. Ms. Trimble has worked for the City of New York for nearly 20 years, spending the last decade at the Department of Housing Preservation & Development in various roles, most recently as Executive Deputy Commissioner with a portfolio that included Financial Management, Tenant Resources, Asset & Property Management, Technology, and Human Resources. Ms. Trimble received a Master of Public Administration from New York University and a Bachelor of Arts degree in economics from the University of California, Los Angeles. Ms. Trimble is also an alumnus of the Coro New York leadership program.

### **Certain Authority Management Policies and Procedures**

NYCHA has established certain policies and procedures for carrying out its primary purpose of providing housing for lower income persons and families. These policies and procedures relate to, among other things, the selection of residents, occupancy standards, inspections, development management, budgetary controls and collection of resident rentals.

#### *Selection of Residents*

The Department of Applications and Tenancy Administration determines the eligibility of prospective residents and selects for residency in NYCHA developments those applicants meeting applicable Federal, State, City and NYCHA standards. Selection standards provide, among other things, that an applicant must have an acceptable history of meeting rental obligations (*i.e.*, prompt rent payments), stable family composition and verifiable income. Special circumstances beyond the applicant's control are given consideration in evaluating eligibility.

Residents are required by NYCHA to sign a Landlord-Tenant Lease Agreement. This lease agreement has an initial term of one year and, if not terminated, is automatically renewed for successive terms of one month. The lease can be terminated by either NYCHA for cause or the resident with prior written notice of at least one month. Grounds for termination of occupancy in developments include breach of rules and regulations, chronic rent delinquency, non-verifiable income, non-desirability and misrepresentation as to eligibility. Security deposits, equal to one month's rent or the scheduled security deposit amount corresponding to the resident's apartment size, whichever is more, are required from all new residents at the time of renting. Transferring residents are required to pay the

difference between the existing security deposit paid on the old apartment and the greater of a full month's rent or the scheduled security deposit. This deposit can be applied by NYCHA to offset any losses which might be incurred through the fault of the resident.

### *Inspections*

Apartment inspections are conducted annually by NYCHA staff to accomplish preventive maintenance work and check for continued compliance with occupancy standards. NYCHA paused annual apartment inspections from April 2020 to May 2021, which was permitted under a waiver provided by HUD (PH-12) that NYCHA adopted in April 2020. NYCHA resumed inspections in May 2021 and completed 39,121 inspections in that calendar year. Pursuant to its Annual Apartment Inspections Action Plan and the HUD Agreement, when the program is not otherwise suspended, NYCHA is obligated to inspect half of its public housing units each year.

### *Development Management*

NYCHA field operations are grouped into four Property Management Departments, each of which is overseen by a Vice President. Operations at the development level are divided between two areas, with the development manager retaining overall charge. One area is responsible for carrying out the management function, which consists of the administration of the development by the manager and staff. The second area of responsibility concentrates on the maintenance function and is headed by a superintendent, with a staff of maintenance workers, caretakers, and others. The Property Management Department employs skill trade such as electricians, bricklayers, machinists, exterminators, roofers, painters and plasterers, who are available to perform maintenance and repair work on all developments. The Maintenance and Repair, Technical Services Department also employs Skill Trades and provide technical service support and specifies technical expertise for all the developments.

### *Capital Projects Division*

NYCHA's Capital Projects Division ("CPD") is responsible for implementing capital construction projects from planning and design through construction and closeout. Over the past two years, CPD has focused on the building sequence and comprehensive design strategies, executing projects with the highest degree of safety and quality. The portfolio includes, but is not limited to, roof replacement, masonry repairs, heating plant replacement, elevator modernization, infrastructure upgrades, grounds improvements, exterior lighting, lobby entrances, and CCTV. CPD is responsible for over \$1 billion in construction projects funded with federal, State and City investments

### *The PACT Program*

The City's "Permanent Affordability Commitment Together" (the "PACT Program") strategy, outlined in December 2018, is a 10-year comprehensive plan to rehabilitate and preserve at least 62,000 units of public housing in developments owned by NYCHA through various asset repositioning methodologies of HUD, including (i) the Rental Assistance Demonstration program ("RAD") created by the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55) and the corresponding Notice H-2019-09 PIH-2019-23 (September 5, 2019), as amended, (ii) Section 18 of the Housing Act ("Section 18"), and (iii) the 24 C.F.R. Part 200 conversion process ("Part 200" and, collectively with RAD and Section 18, the "HUD Programs").

Under the PACT Program, NYCHA seeks to identify resources and opportunities to make major improvements to its public housing developments while preserving long-term affordability and maintaining strong resident rights in line with public housing protections. The goal of the PACT Program is to convert at least 62,000 public housing units to Section 8 assisted housing by the end of 2028, thus addressing roughly \$12.8 billion of NYCHA's capital needs. The conversion to Section 8 assisted housing is intended to stabilize the properties by placing them on a more secure financial footing, facilitate the raising of capital to rehabilitate the properties, streamline property management, and continue or enhance social services provision, thus ensuring the developments' continued use as long-term affordable housing with no displacement of existing residents as a result of the conversion.

The developments receiving financing through the PACT Program are currently owned by NYCHA and are converted from traditional public housing pursuant to the HUD Programs so that they may be preserved, rehabilitated

and improved. NYCHA leases the developments to for-profit and/or not-for-profit mortgagors, which are formed in order to provide for the ownership, financing, rehabilitation and construction of the developments. NYCHA retains fee ownership of the land and improvements of a development and leases the land and improvements pursuant to a long-term lease between NYCHA, as landlord, and the mortgagor, as tenant. Anticipated future conversions through the HUD Programs have been assumed as part of the HUD approval of proposed debt service relating to the Series 2022A Bonds, and the Stabilized Base Unit Count reflects such anticipated conversions as well as prior conversions. See “Appendix C—HUD Approval Letter.” The first such conversion took place in 2016. To date, NYCHA has converted more than 15,400 units across 58 developments pursuant to the HUD Programs.

*Financial Advisor*

CSG Advisors served as financial advisor to the Authority with respect to the Series 2022A Bonds.

**PLAN OF REFUNDING**

A portion of the proceeds of the Series 2022A Bonds, together with other available monies, are expected to be applied to refund the Corporation’s Capital Fund Grant Program Revenue Bonds (New York City Housing Authority Program), Series 2013A, Series 2013B-1 and Series 2013B-2 (collectively, the “Series 2013 Bonds”) maturing on and after July 1, 2023 (such Series 2013 Bonds, collectively, the “Refunded Bonds”). The Series 2013A Bonds maturing on July 1, 2022 will not be refunded and will remain Outstanding under the Indenture (the “Unrefunded Series 2013A Bonds”). Upon execution and delivery of the Series 2022A Bonds, a portion of the proceeds thereof are expected to be used to provide for the payment and redemption of the Refunded Bonds by depositing with U.S. Bank Trust Company, National Association, as trustee for the Refunded Bonds (the “Escrow Trustee”), cash and non-callable direct obligations of the United States of America, the maturing principal of and interest on which, together with such cash, will be sufficient to pay all principal and interest on, and the redemption prices of, the Refunded Bonds, which amount will be applied to the payment of the principal of and interest due on the Refunded Bonds until July 1, 2023 (the “Redemption Date”) and to the redemption on the Redemption Date of the Refunded Bonds at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest to the Redemption Date. The accuracy of the arithmetical computations and the sufficiency of the cash and securities deposited with the Escrow Trustee to pay the principal of and interest on and redemption prices of, the Refunded Bonds will be verified by Causey Demgen & Moore P.C. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein. In the opinion of Bond Counsel to the Corporation, upon making such deposit with the Escrow Trustee and the issuance of certain irrevocable instructions to the Escrow Trustee, the Refunded Bonds will no longer be deemed to be Outstanding under the Indenture.

**DESIGNATION OF SERIES 2022A BONDS AS SUSTAINABLE DEVELOPMENT BONDS**

The Series 2022A Bonds, which allow investors to invest directly in bonds that finance socially beneficial projects, are designated as “Sustainable Development Bonds.” The Corporation’s Sustainable Development Bonds designation reflects the use of the proceeds of the Series 2022A Bonds in a manner that is substantially consistent with the “Social Bond Principles” [and “Sustainability Bond Guidelines”] as promulgated by the International Capital Market Association (“ICMA”). The Sustainable Development Bonds designation also reflects the use of the proceeds of the Series 2022A Bonds in a manner that is consistent with “Goal 1: No Poverty” and “Goal 11: Sustainable Cities and Communities” of the United Nations 17 Sustainable Development Goals (referred to as “UNSDGs” generally and “SDG 1” and “SDG 11” specifically). The UNSDGs were adopted by the United Nations General Assembly in September 2015 as part of its 2030 Agenda for Sustainable Development. SDG 1 is focused on ending poverty in all its forms everywhere, and SDG 11 is focused on making cities and human settlements inclusive, safe, resilient and sustainable.

The proceeds of the Series 2022A Bonds, together with other monies, are expected to be applied to refund the Refunded Bonds. The proceeds of the Refunded Bonds were loaned to NYCHA and applied to finance, or were applied to refund bonds, the proceeds of which were loaned to NYCHA and applied to finance, capital modernization and improvement of NYCHA projects in the City, including [\_\_\_\_\_]. For additional information regarding NYCHA and its purposes and programs, see “NEW YORK CITY HOUSING AUTHORITY.”

The term “Sustainable Development Bonds” is neither defined in nor related to provisions in the Indenture. The use of such term herein is for identification purposes only and is not intended to provide or imply that an owner of Sustainable Development Bonds is entitled to any additional security beyond that provided therefor in the Indenture. Holders of Sustainable Development Bonds do not assume any specific risk by reason of the Series 2022A Bonds being designated as Sustainable Development Bonds and the Series 2022A Bonds are payable on a parity basis with the Unrefunded Series 2013A Bonds (prior to their payment at maturity on July 1, 2022) and any future Senior Obligations issued under the Trust Indenture.

## **THE SERIES 2022A BONDS**

### **General**

The Series 2022A Bonds are to be dated their date of delivery and mature as set forth on the inside cover page of this Official Statement and will be issued as fully registered bonds without coupons. The Series 2022A Bonds will be issued in denominations of \$5,000 and any integral multiple thereof. The Series 2022A Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), pursuant to DTC’s Book-Entry Only System. Purchases of beneficial interests in the Series 2022A Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2022A Bonds, the Series 2022A Bonds will be exchangeable for other fully registered certificated Series 2022A Bonds of the same maturity in any authorized denominations. See “Book-Entry Only System” herein. The Trustee may impose a charge sufficient to reimburse the Corporation or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such exchange or any transfer of a Series 2022A Bond. The cost, if any, of preparing each new Series 2022A Bond issued upon such exchange or transfer, and any other expenses of the Corporation or the Trustee incurred in connection therewith, will be paid by the person requesting such exchange or transfer.

Interest on the Series 2022A Bonds will be payable by check or draft drawn upon the Paying Agent and mailed to the registered owners thereof as of the Record Date at the addresses shown on the registration books maintained by the Registrar. However, interest on the Series 2022A Bonds will be paid to any owner of \$1,000,000 or more in aggregate principal amount of the Series 2022A Bonds by wire transfer or other method of transfer of immediately available funds acceptable to the Paying Agent and the Corporation upon the written request of such owner to the Paying Agent. As long as the Series 2022A Bonds are registered in the name of Cede & Co., as nominee of DTC, such payments will be made directly to DTC. See “Book-Entry Only System” herein.

### **Book-Entry Only System**

*The following information concerning DTC and DTC’s book-entry system has been obtained from sources that the Corporation and the Underwriters believe to be reliable, but none of the Corporation or the Underwriters takes any responsibility for the accuracy thereof.*

DTC will act as securities depository for the Series 2022A Bonds. References to the Series 2022A Bonds under this caption “Book-Entry Only System” shall mean all Series 2022A Bonds, the beneficial interests in which are owned in the United States. The Series 2022A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2022A Bond certificate will be issued for each maturity of the Series 2022A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other

organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2022A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the related Series 2022A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2022A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2022A Bonds, except in the event that use of the book-entry system for the Series 2022A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2022A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2022A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2022A Bonds within a stated maturity are being redeemed, DTC’s practice is to determine by lot the amount of interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2022A Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2022A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2022A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Corporation or the Trustee on a payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name”, and will be the responsibility of such Participant and not of DTC, the Trustee or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee or the Corporation, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.



The Corporation and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2022A Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2022A Bonds, giving any notice permitted or required to be given to registered owners under the Indenture, registering the transfer of the Series 2022A Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Corporation and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Series 2022A Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of the Corporation (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Series 2022A Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Corporation; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2022A Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2022A Bond certificates are required to be printed and delivered.

The Corporation may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) for the Series 2022A Bonds. In that event, Series 2022A Bond certificates will be printed and delivered to DTC.

Each person for whom a Participant acquires an interest in the Series 2022A Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER THE CORPORATION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2022A BONDS.

So long as Cede & Co. is the registered owner of the Series 2022A Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2022A Bonds (other than under the captions "TAX MATTERS" and "CONTINUING DISCLOSURE" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2022A Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference only relates to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they will be sent by the Trustee to DTC only.

For every transfer and exchange of Series 2022A Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

NEITHER THE CORPORATION NOR THE UNDERWRITERS SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2022A BONDS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO SERIES 2022A BONDHOLDERS UNDER THE INDENTURE; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS A SERIES 2022A BONDHOLDER; (5) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2022A BONDS; OR (6) ANY OTHER MATTER.

## **Redemption Provisions**

### **Optional Redemption**

The Series 2022A Bonds shall be subject to redemption prior to maturity, upon prepayment by NYCHA of the loan financed with the proceeds of the Series 2022A Bonds (the “Loan”) in an amount sufficient to provide for redemption of the Series 2022A Bonds to be so redeemed, or otherwise at the option of the Corporation with the consent of NYCHA, as a whole or in part in integral multiples of \$5,000 in any order of maturity as determined by the Corporation (less than all of the Series 2022A Bonds of a single maturity to be selected by lot by the Trustee), on [\_\_\_\_\_], and on any date thereafter, at the redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest to the redemption date.

### **Special Optional Redemption**

The Series 2022A Bonds shall be subject to redemption prior to maturity, upon prepayment of the Loan by NYCHA, in whole or in part, at any time at the option of NYCHA or the Corporation, in the event that NYCHA reduces the number of public housing units subject to the ACC to a number more than 5% below its Stabilized Base Unit Count, in an amount necessary to maintain the required coverage ratio established by HUD in the ACC Financing Amendment, at the redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest to the redemption date.

### **Special Mandatory Redemption**

The Series 2022A Bonds shall be subject to special mandatory redemption in whole or in part, on any date, in an amount not in excess of the proceeds of any condemnation or insurance awards with respect to any public housing units in any portion of any public housing development of NYCHA legally available for such redemption, in the event that (a) any such public housing units owned by NYCHA are substantially damaged or destroyed by casualty or taken by eminent domain, (b) the proceeds of any insurance or condemnation awards with respect thereto are not applied towards the repair, rebuilding or replacement of such units, (c) as a result thereof, the amount of future Capital Fund Grant Monies available to NYCHA will be materially reduced by HUD, and (d) any Rating Agency determines, after written notice of such material reduction (which NYCHA covenants to provide to the Rating Agencies), that the failure to apply such proceeds with respect to such public housing units to the redemption of the Series 2022A Bonds would result in a reduction of the underlying rating on the Series 2022A Bonds below the then-current rating of the Series 2022A Bonds by the Rating Agency or a withdrawal of the then-current underlying rating on the Series 2022A Bonds, at the redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest to the redemption date.

### **General**

The Series 2022A Bonds shall be redeemed only in the principal amount of \$5,000 and integral multiples thereof.

With respect to any optional redemption of Series 2022A Bonds, unless moneys sufficient to pay the redemption price of the Series 2022A Bonds to be redeemed shall have been received by the Trustee prior to the giving of the notice of redemption, such notice may, at the option of the Corporation, state that such redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Corporation shall not redeem such Series 2022A Bonds, and the Trustee shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Series 2022A Bonds will not be redeemed.

### **Selection of Bonds for Redemption**

In the event that less than all Series 2022A Bonds are to be redeemed, the Corporation (after consultation with NYCHA) may choose Series 2022A Bonds among various maturities for redemption in its discretion. With respect to redemption of Series 2022A Bonds of the same maturity and interest rate, the Trustee shall choose

Series 2022A Bonds for redemption by lot. If less than all of the Series 2022A Bonds are to be redeemed, each Series 2022A Bond shall be treated as representing that number of Series 2022A Bonds which is obtained by dividing the face amount thereof by the smallest authorized denomination (\$5,000).

### **Notice of Redemption**

The Trustee shall cause notice of any redemption of Series 2022A Bonds to be mailed to the record holders of all Series 2022A Bonds to be redeemed at the registered addresses appearing in the registration books held by the Trustee and shall send a copy of such notice to HUD. Such notice shall be given by first class mail or registered or certified mail, return receipt requested (such delivery method to be determined by the Trustee), not less than 30 days before the redemption date. Each such notice shall, among other things, (i) identify the Series 2022A Bonds to be redeemed, (ii) specify the redemption date and the redemption price, and (iii) state that on the redemption date, assuming satisfaction of all conditions precedent to such redemption, the Series 2022A Bonds called for redemption will be due and payable and that from that date interest will cease to accrue and be payable. No defect affecting any Series 2022A Bond, whether in the notice of redemption or mailing thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for any other Series 2022A Bonds for which notice was properly given. If at the time of mailing of any notice of optional redemption the Corporation shall not have deposited with the Trustee moneys sufficient to redeem all the Series 2022A Bonds called for redemption, such notice may state that it is subject to the deposit of the redemption moneys with the Trustee on or prior to the redemption date and shall be of no effect unless such moneys are so deposited. If such moneys are not deposited by such date and time, the Trustee shall promptly notify the holders of all Series 2022A Bonds called for redemption of such fact. So long as the Series 2022A Bonds are in book-entry form, notice of redemption shall be given to Cede & Co. as nominee for DTC.

### **Corporation's and NYCHA's Right to Purchase**

The Corporation and NYCHA retain the right to purchase the Series 2022A Bonds at such times, in such amounts and at such prices less than or equal to par as the Corporation shall determine, subject to the provisions of the Indenture, and thereby reduce its obligations, if any, for the Series 2022A Bonds.

## **SECURITY FOR THE BONDS**

### **Pledge of the Indenture**

The Bonds are special obligations of the Corporation payable from the Revenues and amounts on deposit in the Accounts (other than amounts deposited in or to be deposited in the Costs of Issuance Fund and amounts on deposit in or required to be deposited in the Rebate Fund) as described herein. Payment of the principal or Redemption Price of and interest on all Bonds is secured by a pledge of the Revenues, which consists of all moneys received by the Trustee for deposit into the Revenue Fund (including all payments made by NYCHA (or by HUD on behalf of NYCHA pursuant to the ACC Financing Amendment) to the Trustee pursuant to the Loan Agreement from the Capital Fund Grant Monies assigned to the Corporation by NYCHA to the extent necessary to pay Loan Debt Service) and income derived from the investment of funds held by the Trustee in Accounts established under the Indenture, including earnings and gains received by the Trustee pursuant to any investment agreement. Payment of the Bonds is also secured by a pledge and assignment of all right, title and interest of the Corporation in the Loan Agreement excluding certain Reserved Rights. Payment of the Bonds is also secured by a pledge by the Corporation of all amounts held in any Accounts (other than amounts deposited in or to be deposited in the Costs of Issuance Fund and amounts on deposit in or required to be deposited in the Rebate Fund) established pursuant to the Indenture (including the investments of such Accounts, if any).

The pledges described in the immediately preceding paragraph are also subject to the terms and provisions of the Indenture requiring transfers of amounts to the Rebate Fund and permitting the application of the Revenues and amounts in such Accounts for the purposes described therein.

The Series 2022A Bonds shall be issued as Senior Obligations and shall have a *pari passu* lien on the Trust Estate with the Unrefunded Series 2013A Bonds (prior to their payment at maturity on July 1, 2022) and any future Senior Obligations issued under the Trust Indenture and shall be payable on a parity basis with the Unrefunded Series

2013A Bonds (prior to their payment at maturity on July 1, 2022) and any future Senior Obligations issued under the Trust Indenture.

### **Capital Fund Grant Monies**

Under the Indenture, the Corporation will assign to the Trustee, as security for the payment of the Bonds, all of its right, title and interest in and to: (i) the Capital Fund Grant Monies delivered on behalf of NYCHA as to Loan Debt Service, and (ii) all funds held in the Accounts established under the Indenture and investments, if any, thereof and earnings, if any, thereon.

Provided that NYCHA submits certain required documents to HUD, HUD has agreed as described in the HUD Approval Letter, subject to the availability of appropriations, to make payments needed for Loan Debt Service and related costs (as reflected on the final debt service schedule approved pursuant to the HUD Approval Letter) on the Series 2022A Bonds automatically and directly to the Trustee. HUD agrees in the ACC Financing Amendment that the amounts paid to the Trustee to make Loan Debt Service payments on the Series 2022A Bonds are authorized and under current law are not subject to recapture, and that no regulatory waiver is necessary to disclaim effectively any right, title and interest of the United States in and to such amounts. However, HUD may recapture funds from NYCHA (as opposed to the Trustee) in accordance with applicable law. In the ACC Financing Amendment, HUD also agrees that interest earned on amounts paid to the Trustee to make Loan Debt Service payments on the Series 2022A Bonds may be applied to pay debt service on the Series 2022A Bonds or other Capital Fund Program eligible work items and need not be returned to HUD, and HUD has determined that no regulatory waiver is necessary to permit such use.

Nothing in this transaction diminishes HUD's authority to administer, monitor, and regulate the public housing program, including HUD's authority to exercise any administrative sanction provided by law; provided, however, that HUD has agreed in the ACC Financing Amendment that no subsequent change in the permissible use of Capital Fund Program moneys and no administrative sanction regarding NYCHA will affect the eligibility of expenditures for Loan Debt Service or reduce Capital Fund Grant Monies to NYCHA, except as required by law, below the levels needed to pay such Loan Debt Service.

To the extent that allocations of Capital Fund Program moneys to NYCHA are reduced or recaptured because Capital Fund Program amounts previously allocated to NYCHA remain unobligated or unexpended in violation of Section 9(j)(1) or (5)(A) of the United States Housing Act of 1937 (or any successor(s) thereto), HUD has agreed in the HUD Approval Letter that, (i) unless otherwise prohibited by law, any unobligated Capital Fund Program moneys that are available to NYCHA shall be used, on a first priority basis, to the extent necessary, to pay principal of and interest on the Series 2022A Bonds, and (ii) to the extent permitted or provided by law, the recapture of all funds unobligated or unexpended in violation of said provisions of Section 9(j) shall serve to cure such violation(s). HUD also agrees in the HUD Approval Letter that the pledge and assignment of Capital Fund Grant Monies under the Indenture is authorized for the purpose of securing the payment of Bond Debt Service on the Series 2022A Bonds. See "Appendix C—HUD Approval Letter" and "Appendix D—Capital Fund ACC Financing Amendment."

NYCHA shall execute and deliver, and present to HUD for execution and delivery, each year as soon as Capital Fund Grant Monies are legally available and/or NYCHA may legally request such moneys, a "Capital Fund Program Amendment to Consolidated Annual Contributions Contract" directing HUD to pay to the Trustee from Capital Fund Grant Monies available to NYCHA in the then current fiscal year an amount equal to the aggregate of the deposits and payments required to be made by the Corporation pursuant to the Indenture on July 1 and January 1 of the next succeeding calendar year. Such amounts shall be required to be paid to the Trustee no earlier than three business days prior to each Interest Payment Date.

The Capital Fund Grant Monies received by NYCHA during the last five Federal fiscal years (October 1 – September 30) are as follows:

<b>Federal Fiscal Year</b>	<b>Grant Amount<sup>1</sup></b>
2017	\$346,326,398
2018	528,246,158
2019	551,748,754
2020	585,011,547
2021	601,270,521

<sup>1</sup> Does not include Replacement Factor Grant amounts, which are special capital funding amounts for units demolished or disposed of on or after October 1, 1998.

See “CAPITAL FUND PROGRAM—History of Modernization Funding” below.

### **Debt Service Reserve Fund**

Under the Indenture, the Corporation is required to maintain on deposit in the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Requirement, which is an amount equal to one-half (1/2) of the maximum annual debt service requirements on all Bonds Outstanding and payable in any one Bond Year. If at any time for any reason, the funds held in the Debt Service Fund are insufficient to pay when due, the principal of or interest on the Bonds, the Trustee is authorized to withdraw from the Debt Service Reserve Fund to pay principal and interest on the Bonds.

At the time of issuance of the Series 2022A Bonds, “Bond Year” means each period of twelve consecutive months beginning on July 1 and terminating on June 30. Upon the payment on July 1, 2022 of the Unrefunded Series 2013A Bonds, “Bond Year” will be amended to mean each period of twelve consecutive months beginning on January 1 and terminating on December 31. Consequently, the Debt Service Reserve Requirement will be \$[\_\_\_\_\_] until July 1, 2022 and thereafter will be \$[\_\_\_\_\_]. At the time of issuance of the Series 2022A Bonds, the Debt Service Reserve Fund will be funded in an aggregate amount sufficient to satisfy the Debt Service Reserve Requirement with respect to the Series 2022A Bonds with cash, Investment Securities and a Funding Agreement of the Corporation initially equal to \$[\_\_\_\_\_] (the “Funding Agreement”). The Funding Agreement is a general obligation of the Corporation and is available to be drawn on by the Trustee to the extent that other amounts in the Debt Service Fund are insufficient to pay debt service on the Series 2022A Bonds and other amounts on deposit in the Debt Service Reserve Fund are insufficient to pay such shortfall. Upon the payment on July 1, 2022 of the Unrefunded Series 2013A Bonds, the Funding Agreement will terminate and the amount on deposit in the Debt Service Reserve Fund in excess of the Debt Service Requirement of \$[\_\_\_\_\_] will be transferred to the Loan Fund and is expected to be released to NYCHA for use in capital projects.

### **Additional Bonds**

The Corporation may issue Additional Bonds under the terms and conditions of the Trust Indenture, which terms include obtaining the prior approval of HUD. All such Additional Bonds shall be secured on a parity basis with the Series 2022A Bonds.

As a condition to the issuance of any series of Additional Bonds, (i) the provisions of the Indenture, as applicable, shall have been complied with as of the date of delivery of such Additional Bonds, and (ii) the Corporation is required to file with the Trustee, prior to the authentication by the Trustee of such Additional Bonds, the following:

- (a) the written approval by HUD of the issuance of such Additional Bonds;
- (b) a certificate demonstrating that the lesser of (i) the Capital Fund Grant Monies received by NYCHA in the immediately preceding Federal fiscal year, and (ii) the average annual amount of Capital Fund Grant Monies received by NYCHA, as evidenced by Annual Capital Fund ACC Amendments between NYCHA and HUD under the Capital Fund Program in the three Federal fiscal years immediately preceding the issuance of the

Additional Bonds, equals or exceeds an amount equal to three times the aggregate annual Loan Debt Service on all Bonds, including the Additional Bonds proposed to be issued; and

- (c) advice from the Rating Agencies that such action will not have an adverse effect on the then-current ratings of the Bonds Outstanding.

All Additional Bonds issued under the Indenture shall be issued on a parity basis with the Series 2022A Bonds and any other Additional Bonds and shall be equally and ratably secured by the pledge provided by the Indenture of Capital Fund Grant Monies. The Corporation has reserved the right, without limitation, to issue subordinate debt secured by Capital Fund Grant Monies with the approval of HUD.

#### **Parity Obligations Issued by Alternative Issuers**

Subject to the approval of the Corporation and HUD and the receipt of evidence from the Rating Agencies that such action will not have an adverse effect on the then-current ratings of the Bonds Outstanding, NYCHA may issue additional bonds under a separate indenture, either on its own or through an alternative issuer selected by NYCHA, on a parity with the Bonds. In connection with the issuance of such parity obligations, NYCHA or such other issuer will be required to enter into a written agreement under which it agrees to be bound by the conditions described above as though such parity obligations were Additional Bonds.

#### **Bonds Not a Debt of the State or the City**

The Series 2022A Bonds are special obligations of the Corporation. The faith and credit of the Corporation and NYCHA are not pledged for the payment of the principal or redemption price of, or interest on, the Series 2022A Bonds. The Series 2022A Bonds are not a debt of the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the Series 2022A Bonds be payable out of any funds of the Corporation or NYCHA other than those held under the Indenture and pledged therefor. The Corporation has no taxing power.

**THE SERIES 2022A BONDS ARE NOT A DEBT OR LIABILITY OF, OR GUARANTEED BY, THE UNITED STATES OF AMERICA OR HUD. THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA IS NOT PLEDGED TO THE PAYMENT OF DEBT SERVICE ON THE SERIES 2022A BONDS. THE PAYMENT OF DEBT SERVICE ON THE SERIES 2022A BONDS IS NOT GUARANTEED BY THE UNITED STATES OF AMERICA OR HUD. NO ACTION TAKEN PURSUANT TO THE DOCUMENTS DESCRIBED IN THIS OFFICIAL STATEMENT SHALL RESULT IN ANY LIABILITY TO THE FEDERAL GOVERNMENT OF THE UNITED STATES OF AMERICA OR ANY PART THEREOF.**

**ESTIMATED SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds relating to the issuance of the Series 2022A Bonds are shown below:

Sources:

Principal amount of Series 2022A Bonds	
[Plus/Less] Original Issue [Premium/Discount]	
Other Available Funds <sup>(1)</sup>	_____
<b>Total Sources</b>	<b>_____</b>

Uses:

Deposit to Loan Fund for defeasance of Refunded Bonds	
[Deposit to Debt Service Reserve Fund] <sup>(2)</sup>	
Underwriters' discount and costs of issuance <sup>(3)</sup>	_____
<b>Total Uses</b>	<b>_____</b>

- <sup>(1)</sup> Includes amounts held under the Indenture for the Refunded Bonds.
- <sup>(2)</sup> The Debt Service Reserve Requirement will be reduced to \$[\_\_\_\_\_] on July 1, 2022 upon the payment of the Unrefunded Series 2013A Bonds. The excess of \$[\_\_\_\_\_] will be transferred to the Loan Fund and is expected to be released to NYCHA for use in capital projects. See "SECURITY FOR THE BONDS—Debt Service Reserve Fund."
- <sup>(3)</sup> Includes costs of issuance including, but not limited to, printing and legal fees, rating agency fees and Trustee fees.

**ANNUAL DEBT SERVICE REQUIREMENTS**

The debt service requirements of the Corporation with respect to the Series 2022A Bonds are shown below:

<u>Bond Year</u>	<u>Federal Fiscal Year</u>	<u>Principal of Series 2022A Bonds</u>	<u>Interest on Series 2022A Bonds</u>	<u>Total Payments of Series 2022A Bonds(1)</u>
2033	2032	_____	_____	_____
	<b>Total</b>	_____	_____	_____

<sup>(1)</sup> Total Payments include principal and interest payments, in addition to certain ongoing fees.

**CAPITAL FUND PROGRAM**

**Public Housing Program**

*Public Housing Generally.* The public housing program was created by the United States Housing Act of 1937, as amended (42 U.S.C. §1437) (the "1937 Act"), to provide improved housing for low-income households and to stimulate employment in the construction industry during the Great Depression. Under the system established by the 1937 Act, local governments adopted legislation to create public housing authorities ("PHA" or "PHAs"). PHAs, such as NYCHA, develop, own, operate and maintain housing for rental to low-income families (those with incomes

at or below 80% of area median income) and very low-income families (those with incomes at or below 50% of area median income as defined annually by HUD). Currently the 1937 Act requires, generally, that at least 40% of the public housing units of a particular PHA which become available in a given year be rented to families with incomes at or below 30% of area median income.

Since 1965, the public housing program has been administered at the federal level by HUD. There are currently about 3,300 PHAs in the United States, which own and operate approximately 1.2 million public housing units.

*Funding.* Historically, the Federal Government has paid nearly all of the costs of developing, maintaining, modernizing and operating public housing, to the extent that rents collected from tenants were insufficient for those purposes. PHAs generally financed the construction of public housing by issuing tax-exempt bonds, with respect to which principal and interest payments were guaranteed by the Federal Government through forty-year subsidy contracts known as Annual Contributions Contracts (“ACCs”), or through direct loans from HUD under the ACCs, while property rents paid operating costs. Rents were set at a level sufficient to pay those costs.

Throughout the 1950s and the 1960s, as average tenant incomes in public housing declined, tenants paid an increasing share of income for rent. In response to concerns over rent burdens and the ability of PHAs to meet operating costs, the Federal Government, beginning in 1969, made significant changes to the public housing program. Tenant rental payments were limited to 25% of household income, resulting in a substantial reduction in rent receipts for PHAs. The limit on tenant rental payments was increased to 30% of tenant income in 1981. To offset this loss of income, the Federal Government provided funds to PHAs for the operation and maintenance of public housing units. These federal operating subsidies rose from \$75 million in 1970 to more than \$1 billion annually ten years later. The federal appropriation for operating subsidies to PHAs for federal fiscal year 2021 was more than \$4.8 billion.

Currently, Congress appropriates money each year for a variety of housing programs, including public housing. Public housing funds are provided to a PHA in accordance with its ACC with HUD. Pursuant to the ACC, HUD makes available an allocation of public housing funds to each PHA, and the PHA agrees to administer the public housing program in accordance with various federal requirements. Each PHA agrees to provide HUD with a variety of reports and other information about its administration of the public housing program in its locality. The ACC is amended each year to reflect the new allocation of capital funds to a PHA. It can also be amended when a PHA increases or decreases its inventory of public housing units, or when the PHA enters into a financing, such as the Series 2022A Bonds.

*Renovation-Modernization Programs and Funding.* The original funding mechanism for public housing construction did not provide funding for a capital replacement reserve or for modernization. As the public housing stock aged and operating revenues declined, capital replacement and repair needs grew, and as a result, in 1968, HUD and Congress began a series of efforts to fund major repairs and renovation—referred to generally under the term “modernization.” Initially, modernization costs were paid by HUD through the ACCs, either by increasing amounts payable under the original ACC with respect to a project or through a separate contract. In 1980, Congress enacted the Comprehensive Improvement Assistance Program (“CIAP”), which provided modernization funds to PHAs through a grant process based on need. After 1986, the Major Reconstruction of Obsolete Projects (“MROP”) program increased modernization funding, targeting the most seriously deteriorated properties.

Modernization funding was increased and the method of funding for large PHAs was changed in 1990 with the adoption of the Comprehensive Grant Program (“Comp Grant”). Comp Grant was limited to PHAs with more than 250 units and was a formula based program, under which large PHAs were assured of receiving capital funding based on their size, modernization needs and replacement needs, among other criteria.

### **Establishment of the Capital Fund Program; Capital Funds Calculation**

In 1998, Congress passed the Quality Housing and Work Responsibility Act (“QHWRA”), which contained a major revision of the public housing laws. QHWRA amended Section 9 of the 1937 Act to replace the Comp Grant and CIAP programs with a new Capital Fund Program for PHAs. Under the Capital Fund Program, PHAs receive formula-based capital funding grants from HUD (“Capital Funds”) which may be used, among other things, to finance



the renovation and modernization of public housing developments. QHWRA also revised the way in which operating subsidies are provided by establishing the public housing Operating Fund.

The amount of Capital Fund and Operating Fund subsidies allocated to each PHA is set according to formulas developed by HUD through negotiated rulemaking procedures, taking into account factors provided by the statute. As set forth in Section 9(d)(2) of the 1937 Act, these factors include: (i) the number of public housing units owned, assisted or operated by the PHA; (ii) the PHA's need to carry out rehabilitation, modernization and other activities for its public housing units, taking into account both backlog and future needs; (iii) housing construction and rehabilitation costs in the area; (iv) the PHA's need to provide a "safe and secure environment" in its public housing; and (v) the PHA's record of "exemplary performance" in operating its public housing. The Secretary of HUD is empowered to consider additional factors.

HUD has issued final rules governing both Capital Fund and Operating Fund allocations. A PHA's shares of funding are calculated according to these rules. The Capital Fund allocation rule is set forth at 24 C.F.R. Part 905. The Capital Funds, which are allocated annually by HUD based upon annual appropriations from Congress, represent the major source of funding for modernization and other capital activities at PHAs and are the source of the moneys pledged by the Corporation for payment of the Series 2022A Bonds.

As with all other aspects of the Capital Fund Program, the allocation formula is subject to periodic review by Congress and HUD, and may be changed at any time, whether by law or HUD regulation.

### **Capital Fund Authorization and Appropriations by Congress**

Under Article I, § 9 of the United States Constitution, the power to appropriate funds to be spent by the Federal Government belongs to Congress. Typically, when Congress creates a new program such as the Capital Fund Program, it authorizes the expenditure of Federal funds in the prescribed manner for the stated purposes. This authorizing legislation may limit the amount of money to be spent on a given purpose and/or the period of time in which the program may operate, or it may establish the program permanently and permit the spending of such funds as may be necessary for the legislative purpose. In either such event, in addition to an expenditure of funds being generally authorized by law, the amounts to be spent must also be specifically appropriated by Congress. Appropriations are typically made in various "Appropriations Acts" that fund the operation of all activities of the Federal Government. Appropriations Acts are normally adopted annually by Congress, as an outcome of the process by which the Executive Branch proposes a budget to Congress and the elements of that budget are negotiated within Congress and between Congress and the President. See "RISKS TO THE BONDHOLDERS—Delay, Reduction or Elimination of Appropriations," "—Effect of Federal Sequestration" and "—Recent Capital Fund Appropriations."

### **Capital Fund Program Permanent Authorization**

Section 9(c)(1) of the 1937 Act provides permanent authorization for the Capital Fund Program. Unlike legislation authorizing several other national funding initiatives (*e.g.*, transportation, and water and sewer programs), there is no provision that would cause the Capital Fund Program to end or be phased out on a date certain. Because the formula for allocating Capital Fund Program moneys was required by statute to be developed through negotiated rulemaking, substantial changes to the allocation rule must follow the same process. The allocation of Capital Fund Program moneys is subject to annual appropriation by Congress.

Section 519(a) of QHWRA authorized the appropriation of \$3 billion for the Capital Fund Program for Federal fiscal year 1999, and such sums as may have been necessary for Federal fiscal years 2000 through 2003. Although there is no authorization for appropriations under the Capital Fund Program after Federal fiscal year 2003, this program remains in effect and Congress has provided appropriations for the program each fiscal year thereafter. See Table 1 and "RISKS TO THE BONDHOLDERS – Termination of Capital Fund Program."

The amount of funds appropriated by Congress for public housing modernization has varied from year to year. Table 1 below shows such appropriations between 1980 and 2021. Once Congress has appropriated funds for modernization, HUD is responsible for allocating those funds among the PHAs in accordance with the Capital Fund formula.



**Table 1—Appropriations for Public Housing Modernization: 1980-2021<sup>(1)</sup>**

<u>Federal Fiscal Year</u>	<u>Enacted Appropriation</u>	<u>Federal Fiscal Year</u>	<u>Enacted Appropriation</u>
1980	\$ 50,000,000 <sup>(2)</sup>	2001	\$2,993,000,000
1981	100,000,000	2002	2,843,400,000
1982	75,000,000	2003	2,712,255,000
1983	2,500,000,000	2004	2,696,353,000
1984	1,550,000,000	2005	2,579,200,000
1985	1,725,000,000	2006	2,463,600,000
1986	1,500,000,000	2007	2,438,964,000
1987	1,437,000,000	2008	2,438,964,000
1988	1,685,732,000	2009	2,450,000,000 <sup>(3)</sup>
1989	1,646,948,200	2010	2,500,000,000
1990	2,030,000,000	2011	2,040,200,000
1991	2,500,000,000	2012	1,875,200,000
1992	2,801,000,000	2013	1,875,200,000 <sup>(4)</sup>
1993	3,100,000,000	2014	1,788,407,836
1994	3,230,000,000	2015	1,772,610,815
1995	2,885,000,000	2016	1,801,680,565
1996	2,500,000,000	2017	1,941,500,000
1997	2,500,000,000	2018	2,750,000,000
1998	2,500,000,000	2019	2,775,000,000
1999	3,000,000,000	2020	2,870,000,000
2000	2,900,000,000 <sup>(5)</sup>	2021	2,765,000,000

[With respect to Fiscal Year 2022, \$3.4 billion and \$3.616 billion have been proposed by the House and the Senate respectively for funding the Capital Fund Program, however Congress enacted a continuing resolution (CR) on December 2, 2021 to extend current levels of funding for federal agencies and programs through February 18, 2022. See “RISKS TO THE BONDHOLDERS—Delay, Reduction or Elimination of Appropriations” for information relating to the risks relating to delays in approvals of appropriations.]

### **Withholding of Capital Funds**

The 1937 Act requires PHAs to obligate for expenditure at least 90% of their allocation of Capital Funds within 24 months of, as applicable, (i) the date such funds become available to the PHA or (ii) the date on which adequate funds to undertake modernization, substantial rehabilitation or new construction are accumulated (the “Obligation Requirement”). Unless a waiver or extension is obtained, a PHA cannot be awarded Capital Funds for any month during a fiscal year in which such PHA has unobligated Capital Fund allocations from prior fiscal years in violation of the Obligation Requirement. However, if a PHA cures its failure to obligate the previously allocated Capital Funds within such fiscal year, Capital Fund allocations will be made available to the PHA in an amount

Source: HUD Office of Public and Indian Housing, Office of the Budget.

<sup>(1)</sup> These numbers reflect funds appropriated for public housing modernization or for the Capital Fund in the Appropriations Bills for Transportation, Housing and Urban Development, and Related Agencies for each of the fiscal years indicated. These figures do not include (a) additional funds which may have been appropriated in a Supplemental Appropriations bill for these years, (b) additional funds appropriated for public housing development, the Major Reconstruction of Obsolete Project (“MROP”) and HOPE VI, or (c) HUD’s actual budget.

<sup>(2)</sup> The public housing modernization program, in its form as a grant, was first authorized in law in 1980 pursuant to the Comprehensive Improvement Assistance Program. However, Congress provided funds for this purpose three years prior to the enactment of authorizing legislation in the following amounts 1977-\$35,000,000, 1978-\$42,500,000 and 1979-\$50,000,000.

<sup>(3)</sup> In 2009, Congress appropriated an additional \$4,000,000,000 under the American Recovery and Reinvestment Act (Pub. L. 111-5).

<sup>(4)</sup> In 2013, the enacted appropriation was cut to \$1,777,000,000 by sequestration under the Budget Control Act of 2011 (Pub. L. 112-25)

<sup>(5)</sup> Amount calculated based on the current Capital Funding Formula for the first time.

proportional to the number of months remaining in such fiscal year although the PHA will be unable to recover the Capital Funds attributable to the time it was not in compliance.

The Secretary of HUD may grant extensions to a PHA giving it more time to obligate its Capital Fund allocation for a period of up to 12 months based on the size of the PHA, the complexity of its Capital Fund program, any limitation on the PHA’s ability to obligate Capital Funds as a result of state or local law, or for any other reason determined by the Secretary to be relevant. In addition, the Secretary may grant an extension for such period as the Secretary determines to be necessary if the Secretary determines that the failure to timely obligate the Capital Funds is due to litigation, obtaining approvals from the Federal, state or local government, complying with environmental assessment and abatement requirements, relocating residents, or an event beyond the control of the PHA, or for any other reason established by the Secretary pursuant to a notice published in the Federal Register.

In addition to the Obligation Requirement discussed above, a PHA is required to expend Capital Fund allocations within four years of the date on which such funds become available to the PHA for obligation plus the period of any extension approved by the Secretary of HUD as described above (the “Expenditure Requirement”). Failure to do so may result in recapture of the funds upon action by the Secretary of HUD.

Notwithstanding the above discussion, pursuant to the authority provided under the Coronavirus Aid, Relief, and Economic Security Act, enacted in March 2020, HUD extended the Obligation Requirement end date and Expenditure Requirement end date for all Capital Fund allocations for 2020 for one year as more fully described in Notice PIH 2020-05, issued April 10, 2020.

NYCHA is currently in compliance with the Obligation Requirement and the Expenditure Requirement, and internal control and monitoring systems are in place to ensure that NYCHA meets or exceeds all Obligation Requirements and Expenditure Requirements in a timely manner. Taking into account extensions granted, over the past 10 years, NYCHA has always complied with the Obligation Requirement and the Expenditure Requirement. Table 2 below sets forth NYCHA’s historical compliance with the Obligation Requirement and the Expenditure Requirement.

**Table 2—Historical Obligation and Expenditure Compliance <sup>1</sup>**

<b>Year</b>	<b>Authority Allocation</b>	<b>Obligated Funds</b>	<b>Expended Funds</b>
2017	\$346,326,398	\$346,326,398	\$346,326,398
2018	528,246,158	528,246,158	528,246,158
2019 <sup>2</sup>	551,748,754	517,255,440	196,268,031
2020 <sup>3</sup>	585,011,547	455,415,215	264,527,542
2021 <sup>4</sup>	601,270,521	267,643,655	220,914,551

1. “Obligated Funds” and “Expended Funds” reflect costs incurred, through January 1, 2022, against each of the last five years of allocations of Capital Fund Grant Monies.
2. Of the total amount of the allocation for 2019, 90 percent (\$496,573,879) must be obligated by April 15, 2022 and 100 percent must be expended by April 15, 2024.
3. Of the total amount of the allocation for 2020, 90 percent (\$526,510,392) must be obligated by March 25, 2023 and 100 percent must be expended by March 25, 2025.
4. Of the total amount of the allocation for 2021, 90 percent (\$541,143,469) must be obligated by February 23, 2023 and 100 percent must be expended by February 23, 2025.

**HUD Approval Letter**

Pursuant to the HUD Approval Letter, HUD has approved the issuance of the Series 2022A Bonds subject to certain conditions as contained therein. The HUD Approval Letter is attached hereto as Appendix C.

## ACC Financing Amendment

Pursuant to the ACC Financing Amendment, HUD and NYCHA have agreed, among other things, that amounts payable by HUD pursuant to the Capital Fund Program shall be used for payment of Loan Debt Service, as a permissible use of Capital Fund Grant Monies. The ACC Financing Amendment is attached hereto as Appendix D.

### RISKS TO THE BONDHOLDERS

The factors discussed below should be considered in evaluating the ability of the Corporation to make payments in amounts sufficient to provide for payment of the principal of, premium, if any, and interest on the Series 2022A Bonds. This discussion of the risk factors involved in purchasing and owning the Series 2022A Bonds is not, and is not intended to be, exhaustive.

#### General

The Series 2022A Bonds will be limited obligations of the Corporation and except to the extent payable from Series 2022A Bond proceeds, will be payable solely from (i) Capital Fund Grant Monies received by the Trustee from NYCHA or HUD on behalf of NYCHA, and (ii) other funds available for such purpose under the Indenture.

**The Series 2022A Bonds are special obligations of the Corporation. The faith and credit of the Corporation and NYCHA are not pledged for the payment of the principal or redemption price of, or interest on, the Series 2022A Bonds. The Series 2022A Bonds are not a debt of the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the Series 2022A Bonds be payable out of any funds of the Corporation or NYCHA other than those held under the Indenture and pledged therefor. The Corporation has no taxing power.**

**THE SERIES 2022A BONDS ARE NOT A DEBT OR LIABILITY OF, OR GUARANTEED BY, THE UNITED STATES OF AMERICA OR HUD. THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA IS NOT PLEDGED TO THE PAYMENT OF DEBT SERVICE ON THE SERIES 2022A BONDS. THE PAYMENT OF DEBT SERVICE ON THE SERIES 2022A BONDS IS NOT GUARANTEED BY THE UNITED STATES OF AMERICA OR HUD. NO ACTION TAKEN PURSUANT TO THE DOCUMENTS DESCRIBED IN THIS OFFICIAL STATEMENT SHALL RESULT IN ANY LIABILITY TO THE FEDERAL GOVERNMENT OF THE UNITED STATES OF AMERICA OR ANY PART THEREOF.**

The ability of the Corporation to make payments in amounts sufficient to provide for payment of the principal of, premium, if any, and interest on the Series 2022A Bonds could be adversely affected by the occurrence of certain events, including, without limitation, the events and circumstances described below.

#### Delay, Reduction or Elimination of Appropriations

Congress has provided funds to PHAs for public housing modernization in the amounts and under the conditions discussed above. See “CAPITAL FUND PROGRAM—History of Modernization Funding” above for information regarding historical levels of appropriations by Congress to HUD. Appropriations for the Capital Fund Program must be determined by Congress each year. There can be no assurance that Congress will reauthorize the expenditure of Capital Funds, maintain appropriations for the Capital Fund Program at levels sufficient to assure payment of the Series 2022A Bonds or make a specific year’s appropriation under the Capital Fund Program in a timely manner. When there is a delay in the approval of appropriations, Congress may pass “continuing resolutions” which may continue the level of funding on certain programs, such as the Capital Fund Program, at existing levels until the relevant appropriations bill is passed.

The ability of HUD to allocate (once appropriated by Congress), and of the Authority to receive and/or pledge, such funds may be limited or otherwise altered by legislative or regulatory act in a manner which adversely affects the interests of the holders of the Series 2022A Bonds.

Additionally, as described above, Capital Fund allocations generally can decline annually over time depending on the Authority's performance, but within certain safe harbors. The Authority's Capital Fund allocations could drop below the "safe harbor" amount: (1) if the Authority deprograms or otherwise disposes of units which are not replaced in accordance with the [Capital Fund Rule] and (2) pursuant to the performance reward mechanism described in the [Capital Fund Rule]. Such declines may have a material adverse effect on the availability of funds to repay the Series 2022A Bonds and the security for the Series 2022A Bonds.

A decrease in the level of appropriated funds by Congress to HUD, a delay in appropriations or sequestration or other actions of the federal government could have a material adverse effect on the Corporation's ability to pay debt service on the Series 2022A Bonds. In all events, Capital Fund allocations shall be allocated only to the extent appropriated by the federal government.

### **Termination of Capital Fund Program**

As described above under "CAPITAL FUND PROGRAM", the funding authorization for the Capital Fund Program provided for in Section 519(a) of QHWRA extended only through federal fiscal year 2003; nevertheless, Congress has appropriated funds in each following fiscal year. As is further discussed under "CAPITAL FUND PROGRAM—Public Housing Program—Renovation-Modernization Programs and Funding", HUD and Congress have provided assistance to PHAs for many years for modernization and other capital activities in a variety of forms. There can be no assurance that Congress will maintain the Capital Fund Program in its present form or reauthorize the expenditure of funds thereunder. Although NYCHA has pledged to the Corporation amounts received under any successor to the Capital Fund Program, there can be no assurance that, upon discontinuation or termination of the Capital Fund Program, a substantially similar program will be established by Congress in lieu of the Capital Fund Program or that amounts provided under any such successor will be comparable to those provided under the Capital Fund Program. Accordingly, a discontinuation or termination of the Capital Fund Program could result in decreased funding by HUD to NYCHA for capital needs and could have a material adverse effect on the Series 2022A Bonds.

### **Change in Allocation Formula**

As described above under the caption "CAPITAL FUND PROGRAM," HUD allocates amounts to PHAs under the Capital Fund Program on the basis of a formula authorized by law (the "Capital Fund Allocation Formula"). HUD has previously allocated amounts to PHAs under predecessor programs for the modernization of public housing by formula or upon such other bases as were established by Congress with respect to the particular program. There can be no assurance that Congress will not change the basis upon which moneys will be allocated to PHAs (including NYCHA) under the Capital Fund Program (or any successor thereto). There can be no assurance that HUD will not make technical or fundamental changes to the Capital Fund Allocation Formula. A change in the Capital Fund Allocation Formula or basis upon which amounts under the Capital Fund Program (or any successor thereto) are allocated to PHAs could decrease the amount of such funds allocated by HUD to NYCHA and could, therefore, have a material adverse effect on the Corporation's ability to pay debt service on the Series 2022A Bonds.

### **Reduction in Allocation**

There can be no assurance that changes in the operations of the Authority will not have an adverse effect on allocations of Capital Fund Program moneys under the current Capital Fund Allocation Formula or any successor thereto. There is no assurance that the Authority's Capital Fund allocations will not be reduced in any year through application of the Capital Fund Allocation Formula, as a result of a reduction in the number of public housing units operated by the Authority which are eligible for improvements funded by Capital Fund allocations or otherwise. Any change in the status of the Authority's inventory of public housing units and/or operations considered for purposes of the current or any future Capital Fund Allocation Formula could decrease the amount of such funds allocated by HUD to the Authority and could, therefore, have a material adverse effect on the Authority's ability to pay debt service on the Series 2022A Bonds. By 2033, the Authority expects a reduction of approximately [ ] units as a result of demolition, disposition and other subsidy conversion, however such reduction has already been assumed as part of the HUD approval of debt service relating to the Series 2022A Bonds. See "NEW YORK CITY HOUSING AUTHORITY—Certain Authority Management Policies and Procedures—The PACT Program" and "Appendix C—HUD Approval Letter."

## **Effect of Federal Sequestration**

The Budget Control Act of 2011 (“BCA”), which amended the Balanced Budget and Emergency Deficit Control Act of 1985 (“BBEDCA”), required the Office of Management and Budget (“OMB”) to calculate, and the President to order, a sequestration of discretionary and direct spending on January 2, 2013 to achieve expense reductions for fiscal year 2013. In September 2012, the OMB released a report estimating that sequestration would cut \$154,000,000 in Capital Fund Program funds in 2013, or approximately 8.2%. On January 2, 2013, Congress passed the American Taxpayer Relief Act of 2012, which modified the requirements of the BBEDCA by delaying sequestration until March 1, 2013. Congress, however, was unable to reach agreement to prevent or further delay sequestration, and on March 1, 2013, the automatic spending reductions required by the BCA became effective, cutting the enacted Capital Fund Program appropriation from \$1,875,200,000 to \$1,777,000,000, or approximately 5.2%. In December 2013, the Bipartisan Budget Act of 2013 increased the sequestration caps established by the BCA for Federal Fiscal Years (“FFY”) 2014 and 2015, thus avoiding the automatic cuts by sequestration. The 2015 Bipartisan Budget Act subsequently modified the caps for FFY2016 and 2017. On September 29, 2016, the then President signed the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act (the “2017 Continuing Appropriations Act”) funding the Federal government through December 9, 2016. On December 8, 2016, Congress passed continuing resolutions that were signed by the President and extended continued funding at FFY2016 levels through April 28, 2017. Under the Consolidated Appropriations Act, 2017, which was signed by the President and became law on May 5, 2017, a budget for the remainder of FFY2017 was put in place, which included appropriations for discretionary budget items that were equal to the adjusted caps for FFY2017. Accordingly, the Congressional Budget Office (the “CBO”) has concluded that no sequestration was required for FFY2017.

On February 9, 2018, then President Trump signed H.R. 192, the “Bipartisan Budget Act of 2018” or “BBA 2018,” into law. The law extended a fifth continuing resolution (CR) to fund the government. Significantly, it raised the spending limits for both defense and nondefense funding imposed by the BCA for two years, FFY2018 and 2019. BBA 2018 increases the discretionary cap levels for both defense and nondefense programs in FFY2018 and 2019 relative to the caps (in effect after the automatic spending reduction took effect) that would have prevailed absent enactment of BBA 2018. For FFY2018, BBA 2018 raised the discretionary cap on defense to \$629 billion (an \$80 billion increase) and raised the nondefense cap to \$579 billion (a \$63 billion increase). The FFY2019 discretionary caps under BBA 2018 are increased to \$647 billion for defense (an increase of \$85 billion) and to \$597 billion for nondefense (an increase of \$68 billion). BBA 2018 did not adjust the discretionary caps in FFY2020 and 2021, the last years for which discretionary caps are provided under the BCA. Sequestration has never resulted in the Authority’s failure to make a debt service payment as and when due. However, there can be no assurance that sequestration or other Federal actions in the future would not have a material impact on Capital Fund Program appropriations and therefore on the Authority’s ability to repay the Series 2022A Bonds.

## **Recent Capital Fund Appropriations**

The enacted level for the Capital Fund Program in FFY2019 was \$2.775 billion. The White House FFY2020 HUD Budget Proposal eliminated funding for the Capital Fund, as well as funding for the Community Development Block Grant Program and other funding which local governments can use at their discretion to address a variety of community and infrastructure needs. In May 2018, the House Appropriations Committee approved the Transportation Housing Urban Development (THUD) Appropriations Bill with \$2.75 billion for the Capital Fund Program in FFY2019, the same level as for FFY2018. In August, 2018, the Senate approved its FFY2019 THUD Appropriations Bill with a 4% increase over FFY2018 levels. It provided for \$2.775 billion for the Capital Fund Program, an increase of \$25 million above the FFY2018 and the House Appropriations Committee FFY2019 level. The measure ultimately approved and signed into law increased the Capital Fund to \$2.87 billion in FFY2020, an increase of 3.3% over the prior year. The White House FFY2021 HUD Budget Proposal, like its proposal for FFY20, eliminated funding for the Capital Fund Program; however, the measure ultimately approved and signed into law appropriated \$2.765 billion. There can be no assurance to what legislative actions will be taken for any subsequent fiscal years.

## **Other Changes in Law or Regulations**

There can be no assurance that the laws and regulations presently applicable to the Capital Fund Program will not be rescinded, revised or supplemented in such a way as to have a material adverse effect on the Corporation's ability to pay debt service on the Series 2022A Bonds.

## **HUD Administrative Sanctions**

The Capital Fund Program and the public housing program generally operate under a series of regulations and requirements prescribed by the 1937 Act and by HUD pursuant to its administrative authority over those programs. Various sanctions may be imposed upon PHAs that violate HUD program requirements, including, under specified circumstances, the withholding of funds to which a PHA might otherwise be entitled. The 1937 Act provides for various extensions and exceptions which would avoid the withholding of assistance in particular cases. HUD regulations permit withholding of assistance in other circumstances, as well. In addition, there can be no assurance that HUD and Congress will not impose additional conditions upon the receipt of assistance pursuant to the Capital Fund Program or any successor, with which NYCHA may be unable to comply. See "RISKS TO THE BONDHOLDERS—Withholding of Capital Funds; Recapture of Capital Funds" below.

Pursuant to the 1937 Act and contracts entered into by HUD and PHAs throughout the country, in the event of a substantial default in the performance of the obligations of a PHA thereunder, HUD is entitled to pursue a wide range of administrative sanctions and remedies, including requiring possession of a PHA's assets to be transferred to HUD and the "taking over" of full management and operational control from such authority. Such a takeover by itself would not impair the payment of debt service on the Series 2022A Bonds. NYCHA has covenanted to comply with the requirements of the Capital Fund Program.

HUD has agreed that, except as required by law, it will not assert any claim or right under the ACC, including the exercise of administrative sanctions and remedies, if and to the extent that the effect of such claim or right would be to reduce the payment of Capital Funds to NYCHA below the level necessary to pay Loan Debt Service or delay the time for payment of such moneys such that the required amounts would not be available to pay Loan Debt Service when due.

## **No Obligation of HUD**

HUD has no obligation with respect to the Series 2022A Bonds. The Series 2022A Bonds are secured solely by the Trust Estate, which is comprised of (i) Capital Fund Grant Monies once received by the Trustee to the extent needed to pay Loan Debt Service, and (ii) other funds available for that purposes under the Indenture. In particular, and without limitation, HUD has no obligation to accelerate Capital Fund Grant Monies or increase the amount of Capital Fund Grant Monies pledged to Loan Debt Service in the event of a default under the Series 2022A Bonds.

## **Withholding of Capital Funds; Recapture of Capital Funds**

The Secretary of HUD (i) is required to withhold a portion of Capital Funds that would otherwise be allocated to a PHA if the PHA fails to obligate its Capital Funds within the time period required by the 1937 Act and (ii) may recapture obligated Capital Funds that are not expended within the time period required by the 1937 Act, as such periods may be extended by the Secretary of HUD.

Any such withholding or recapture may have a materially adverse effect on NYCHA's ability to pay Loan Debt Service. The likelihood of any potential withholding or recapture of Capital Fund Grant Monies adversely affecting NYCHA's ability to pay Loan Debt Service is reduced by a number of factors, including:

1. The Secretary of HUD may grant extensions of time to obligate for a wide variety of reasons.
2. Unobligated amounts are disregarded if they do not exceed 10% of the original amount made available.



3. If a PHA cures its failure to obligate a prior year's Capital Fund allocations, the PHA shall receive for the then-current fiscal year a share equal to its original share multiplied by a fraction equal to the number of months remaining in the year subsequent to the month in which the cure occurred, divided by 12.
4. Loan Debt Service for NYCHA is estimated to equal not more than 10% of its anticipated yearly Capital Fund allocations.
5. HUD has agreed that Loan Debt Service may be paid from any Capital Fund allocations, including any unobligated funds. Accordingly, to the extent that the withholding of a particular year's allocation of Capital Fund allocations is due to the presence of unobligated funds in violation of the 1937 Act's obligation deadlines, those earlier unobligated funds would be available to enable NYCHA to pay Loan Debt Service. Such payment would also help to cure the condition giving rise to the withholding of Capital Fund allocations.
6. If unobligated Capital Fund allocations remaining from prior fiscal years are insufficient fully to pay Loan Debt Service in a particular year and the application of such funds comes too late in the year to permit receipt of sufficient Capital Funds in the current year to permit full payment of debt service with such current amounts, the Debt Service Reserve Fund may be used to pay Loan Debt Service. Full application of amounts remaining unobligated from prior years to Loan Debt Service would enable NYCHA to receive its full amount of Capital Fund allocations for the subsequent fiscal year, enabling it to restore its Debt Service Reserve Fund and pay current Loan Debt Service.
7. Loan Debt Service once paid cannot be recaptured because such amounts are obligated and expended on a current, ongoing basis.

#### **No Acceleration Upon Default**

Upon the occurrence and continuance of an Event of Default under the Trust Indenture, payment of the principal amount of the Bonds is not subject to acceleration. The Corporation would be liable for principal and interest payments only as they became due, and the Trustee would be required to seek a separate judgment for each payment, if any, not made.

#### **No Mortgage or Lien**

There is no mortgage or lien on, or a security interest in, any housing project or any other facilities of the Authority securing the Series 2022A Bonds. Therefore, if a default occurs, neither the Trustee nor holders of the Series 2022A Bonds will have a security interest on any portion of any housing project or any such facilities in order to enforce its rights to the payment of debt service on the Series 2022A Bonds.

#### **COVID-19**

COVID-19 has continued to affect travel, commerce, and financial markets globally and locally since March of 2020. Although the Authority has not been materially financially impacted by COVID-19 to date, a number of state and federal programs designed to alleviate the impacts of the pandemic have ended and or are ending in the near future; however, the global pandemic of COVID-19 continues to evolve with newly emerging strains of the coronavirus. The extent to which COVID-19 impacts the Authority and its financial condition will depend on future developments, which are uncertain and cannot be predicted by the Authority, including the duration of the pandemic and any additional measures taken to address the pandemic. The Federal government's finances may be materially and adversely affected by the continued spread of COVID-19, which could affect the amount or timing of aid appropriated to the Authority. See the subheadings "Delay, Reduction or Elimination of Appropriations," "Termination of Capital Fund Program" and "Reduction in Allocation" under this heading.

The Authority continues to monitor developments carefully and the directives of federal, state and local officials to determine what additional precautions and procedures may be required. The ultimate impact of the COVID-19 pandemic is uncertain and subject to change.

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Bond Counsel to the Corporation, interest on the Series 2022A Bonds is included in gross income for Federal income tax purposes pursuant to the Code.

In addition, in the opinion of Bond Counsel to the Corporation, under existing statutes, interest on the Series 2022A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

### **Taxable Bonds; Certain Federal Income Tax Consequences**

The following discussion is a brief summary of certain United States Federal income tax consequences of the acquisition, ownership and disposition of the Series 2022A Bonds by original purchasers of the Series 2022A Bonds who are “U.S. Holders”, as defined herein. This summary does not discuss all of the United States Federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules.

Holders of the Series 2022A Bonds should consult with their own tax advisors concerning the United States Federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Series 2022A Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Series 2022A Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

### **Disposition and Defeasance**

Generally, upon the sale, exchange, redemption or other disposition (which would include a legal defeasance) of a Series 2022A Bond, a holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such holder’s adjusted tax basis in the Series 2022A Bond. The Corporation may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Series 2022A Bonds to be deemed to be no longer outstanding under the Indenture (a “defeasance”). (See “Appendix A—Certain Definitions and Summary of Certain Provisions of the Indenture.”) For Federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Series 2022A Bonds subsequent to any such defeasance could also be affected.

### **Backup Withholding and Information Reporting**

In general, information reporting requirements will apply to non-corporate holders of the Series 2022A Bonds with respect to payments of principal, payments of interest and the proceeds of the sale of a Series 2022A Bond before maturity within the United States. Backup withholding may apply to holders of Series 2022A Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner’s United States Federal income tax provided the required information is furnished to the Service.

## **U.S. Holders**

The term “U.S. Holder” means a beneficial owner of a Series 2022A Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States Federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

## **Miscellaneous**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2022A Bonds under state law and could affect the market price or marketability of the Series 2022A Bonds.

Prospective purchasers of the Series 2022A Bonds should consult their own tax advisors regarding the foregoing matters.

## **UNDERWRITING**

The Underwriters have agreed, jointly and severally, to purchase the Series 2022A Bonds at the initial offering prices set forth or derived from information set forth on the inside cover page of this Official Statement. The Underwriters will receive compensation as underwriters in the form of an underwriters’ discount equal to \$\_\_\_\_\_. The bond purchase agreement with respect to the Series 2022A Bonds (the “Purchase Contract”) provides that the Underwriters will purchase the Series 2022A Bonds, subject to fulfillment by the Corporation and NYCHA of certain terms and conditions set forth in the Purchase Contract, including the receipt of certain legal opinions. In the Purchase Contract, NYCHA has agreed to indemnify the Underwriters, to the extent permitted by law, against certain civil liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments that the Underwriters may be required to make in respect thereof. The initial public offering prices of the Series 2022A Bonds may be changed, from time to time, by the Underwriters. The Purchase Contract provides that the Underwriters may offer and sell the Series 2022A Bonds to certain dealers (including dealers depositing the Series 2022A Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriters) and others at prices lower than the public offering prices stated on the inside cover page.

This paragraph has been supplied by J.P. Morgan Securities LLC: J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Series 2022A Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2022A Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2022A Bonds that such firm sells.

This paragraph has been supplied by Jefferies LLC: Jefferies LLC (“Jefferies”) has entered into a distribution agreement with InspereX LLC (“InspereX”) for the retail distribution of municipal securities. Pursuant to the agreement, if Jefferies sells the Series 2022A Bonds to InspereX, it will share a portion of its selling concession compensation with InspereX.

The Underwriters may offer and sell the Series 2022A Bonds to certain dealers (including dealers depositing the Series 2022A Bonds into investment trusts, certain of which may be sponsored or managed by the Underwriters) and others at prices lower than the initial offering prices (or at yields higher than the yields) set forth on the inside cover page hereof.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriters and their respective affiliates have provided, and may in the

future provide, a variety of these services to the Corporation and to persons and entities with relationships with the Corporation, for which it received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for its own account and for the accounts of its customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Corporation (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Corporation. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Corporation. Each of the Underwriters and its affiliates may hold Refunded Bonds and may receive proceeds from the refunding thereof through the issuance of the Series 2022A Bonds.

### **AGREEMENT OF THE STATE**

Section 657 of the Act provides that the State pledges to and agrees with the holders of obligations of the Corporation, including owners of the Series 2022A Bonds, that it will not limit or alter the rights vested by the Act in the Corporation to fulfill the terms of any agreements made with the owners of the Series 2022A Bonds, or in any way impair the rights and remedies of such owners until the Series 2022A Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such owners of the Series 2022A Bonds, are fully met and discharged.

### **NO LITIGATION**

#### **The Corporation**

At the time of delivery and payment for the Series 2022A Bonds, the Corporation will deliver, or cause to be delivered, a certificate of the Corporation substantially to the effect that there is no litigation or other proceeding now pending or threatened against the Corporation of which the Corporation has notice or, to the knowledge of the Corporation, any basis therefor, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2022A Bonds, or in any way contesting or affecting the validity of the Series 2022A Bonds or any proceedings of the Corporation taken with respect to the issuance or sale thereof or the financing of the Project or the retirement of the Refunded Bonds, or the pledge or application of any moneys or security provided for the payment of the Series 2022A Bonds or the existence or powers of the Corporation, or contesting in any material respect the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or challenging the exclusion of interest on the Series 2022A Bonds from gross income for Federal income tax purposes.

#### **NYCHA**

NYCHA from time to time is involved in lawsuits that arise out of the ordinary course of operating public housing developments and related programs. Some of the cases pending against NYCHA may involve claims for substantial moneys. As is true with any complex litigation, neither NYCHA nor its counsel is able to predict either the eventual outcome of any such litigation or its impact on its finances.

Upon delivery of the Series 2022A Bonds, NYCHA will deliver, or cause to be delivered, a certificate of NYCHA substantially to the effect that, among other things, there is no litigation pending in any court seeking to restrain or enjoin the issuance or delivery of the Series 2022A Bonds, or in any way contesting the validity or enforceability of the Series 2022A Bonds or the assignment of its Capital Fund Grant Monies under the ACC Financing Amendment or any proceedings of NYCHA taken with respect to the transactions described herein, or contesting in any material respect the completeness or accuracy of the Official Statement or any supplement or amendment thereto, contesting its ability to perform its obligations under the Series 2022A Bonds, the Indenture or

the Loan Agreement, or challenging the exclusion of interest on the Series 2022A Bonds from gross income for Federal income tax purposes.

### **CERTAIN LEGAL MATTERS**

All legal matters incident to the authorization, issuance, sale and delivery of the Series 2022A Bonds by the Corporation are subject to the approval of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Corporation. Certain legal matters will be passed upon for the Corporation by its General Counsel. Certain legal matters will be passed upon for NYCHA by Ballard Spahr LLP, Washington, D.C. Certain legal matters will be passed upon for the Underwriters by their Counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York.

### **LEGALITY OF SERIES 2022A BONDS FOR INVESTMENT AND DEPOSIT**

Under the provisions of Section 662 of the Act, the Series 2022A Bonds are made securities in which all public officers and bodies of the State of New York and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or in other obligations of the State, may properly and legally invest funds, including capital, in their control or belonging to them. The Series 2022A Bonds are also securities which may be deposited with and may be received by all public officers and bodies of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized.

### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

Causey Demgen & Moore P.C. will deliver to the Corporation, on or before the settlement date of the Series 2022A Bonds, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the defeasance securities deposited with the escrow trustee for the Refunded Bonds, to pay, when due, the maturing principal of, interest on and related call premium requirements of the Refunded Bonds.

The verification performed by Causey Demgen & Moore P.C. will be solely based upon data, information and documents provided to Causey Demgen & Moore P.C. by the Corporation and its representatives. Causey Demgen & Moore P.C. has restricted its procedures to recalculating the computations provided by the Corporation and its representatives and has not evaluated or examined the assumptions or information used in the computations.

### **RATING**

It is a condition to the purchase of the Series 2022A Bonds by the Underwriters that the Series 2022A Bonds be rated “[ ]” by S&P Global Ratings (“S&P”). Such rating is based upon the security for the Series 2022A Bonds. Such rating reflects only the view of S&P and an explanation of the significance of such rating may be obtained from S&P. There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by S&P, if in its judgment, circumstances so warrant. A revision or withdrawal of a rating may have an effect on the market price of the Series 2022A Bonds.

### **CONTINUING DISCLOSURE**

In order to assist the Underwriters in complying with the provisions of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), NYCHA and the Trustee will enter into a written agreement for the benefit of the owners of the Series 2022A Bonds (the “Disclosure Agreement”) to provide continuing disclosure. Pursuant to the Disclosure Agreement, NYCHA will undertake to provide annually, on or before 305 days after the end of each Federal fiscal year, commencing with the Federal fiscal year in which the Series 2022A Bonds are issued, to the Electronic

Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”), certain financial information and other operating data with respect to NYCHA for and as of the end of each fiscal year (collectively, the “Annual Information”), as follows:

1. The level of Capital Fund Grant Monies received by NYCHA from HUD.
2. The amount of unobligated Capital Funds for the three most recent Federal fiscal years.
3. The amount of unexpended Capital Funds for the five most recent Federal fiscal years.
4. Any material change in direct payment of debt service funds for payment of the Series 2022A Bonds to the Trustee of which NYCHA is aware.
5. Notice of and information concerning any plans for demolition or other disposition of units, including any replacement of such units.
6. An update of the financial information and operating data contained herein under the headings “NEW YORK CITY HOUSING AUTHORITY—Purpose and Powers” (third, fourth and sixth paragraphs), “NEW YORK CITY HOUSING AUTHORITY—Certain Authority Management Policies and Procedures - PACT Program” (last paragraph) and in Tables 1 and 2 under the heading “CAPITAL FUND PROGRAM” to the extent not included in the items described above.
7. Audited financial statements of NYCHA prepared in conformity with accounting principles generally accepted in the United States and audited by an independent firm of certified public accountants in accordance with auditing standards generally accepted in the United States; provided, however, that if audited financial statements are not available in accordance with the dates described above, unaudited financial statements shall be provided and such audited financial statements shall be delivered to the EMMA system of the MSRB when they become available.

In addition, NYCHA will undertake in the Disclosure Agreement, for the benefit of the owners of the Series 2022A Bonds, to provide to the EMMA system of the MSRB, in a timely manner (not in excess of ten (10) Business Days after the occurrence of the event), the notices required to be provided by Rule 15c2-12 and described below.

The notices required to be provided by Rule 15c2-12, which NYCHA will undertake to provide as described above, include notices of any of the following events with respect to the Series 2022A Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2022A Bonds or other material events affecting the tax status of the Series 2022A Bonds; (7) modifications to the rights of holders of the Series 2022A Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances of all or a portion of the Series 2022A Bonds; (10) release, substitution, or sale of property securing repayment of the Series 2022A Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of NYCHA; (13) the consummation of a merger, consolidation or acquisition involving NYCHA or the sale of all or substantially all of the assets of NYCHA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee, or the change of name of a trustee, if material; (15) the incurrence of a Financial Obligation (as defined below) of NYCHA, if material, or agreement as to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of NYCHA, any of which affect holders of the Series 2022A Bonds, if material; and (16) a default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of NYCHA, any of which reflect financial difficulties. In addition, the Trustee will undertake, for the benefit of the holders of the Series 2022A Bonds, to provide to the EMMA system of MSRB, in a timely manner, notice of any failure by the

Corporation to provide the Annual Information by the date required in the undertakings of the Corporation described above. “Financial Obligation” (i) means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B), but (ii) shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

If NYCHA fails to comply with any provisions of the Disclosure Agreement, then the Trustee and, as a direct or third party beneficiary, as the case may be, any owner of the Series 2022A Bonds may sue NYCHA, for the equal benefit and protection of all owners similarly situated by mandamus or other suit or proceeding at law or in equity, against NYCHA, and may compel NYCHA to perform and carry out its duties thereunder; provided that the sole and exclusive remedy for breach or default under the Disclosure Agreement to provide the continuing disclosure described above is an action to compel specific performance of the undertakings contained therein, and no person or entity may recover monetary damages thereunder under any circumstances; provided further, however, that the rights of any owner of Series 2022A Bonds to challenge the adequacy of the information provided by NYCHA are conditioned upon the provisions of the Indenture with respect to the enforcement of remedies of owners of the Series 2022A Bonds upon the occurrence of an Event of Default described in the Indenture. A breach or default under the Disclosure Agreement shall not constitute an Event of Default under the Indenture. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information, shall no longer be required to be provided. Beneficial Owners of the Series 2022A Bonds are third party beneficiaries of the Disclosure Agreement and, as such, are deemed to be owners of the Series 2022A Bonds for the purposes of exercising remedies.

The foregoing undertakings are intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data. Where an undertaking calls for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. The Disclosure Agreement, however, may be amended or modified without the consent of the owners of the Series 2022A Bonds under certain circumstances set forth in the Disclosure Agreement.

Copies of the Disclosure Agreement when executed and delivered by the parties thereto on the date of the initial delivery of the Series 2022A Bonds will be on file at the office of the Corporation.

In connection with the Series 2013 Bonds, NYCHA entered into a Continuing Disclosure Agreement that required the filing of annual reports containing the information described in items 1, 2, 3, 4 and 6 above. During the last five years, NYCHA filed annual reports containing the required data with respect to Capital Fund Grant Monies received by NYCHA from HUD but those reports did not include the required updates of certain information and operating data about NYCHA and the Capital Fund Program. Such updated information is included herein in the sections titled “NEW YORK CITY HOUSING AUTHORITY” and “CAPITAL FUND PROGRAM” [and NYCHA intends to provide this Official Statement to the EMMA system of the MSRB to be filed in connection with the Series 2013 Bonds].

#### **FURTHER INFORMATION**

The information contained in this Official Statement is subject to change without notice and no implication should be derived therefrom or from the sale of the Series 2022A Bonds that there has been no change in the affairs of the Corporation from the date hereof.

Additional information may be obtained from the Corporation at 110 William Street, 10th Floor, New York, New York 10038, (212) 227-5500 or through its internet address: [www.nychdc.com](http://www.nychdc.com).

**MISCELLANEOUS**

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such, and not as representations of fact. This Official Statement is not to be construed as an agreement or contract between the Corporation and the purchasers or owners of any Series 2022A Bonds.

This Official Statement is submitted in connection with the sale of the Series 2022A Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Official Statement and the distribution thereof has been duly authorized and approved by the Corporation, and duly executed and delivered on behalf of the Corporation

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**

By: \_\_\_\_\_

Name: Eric Enderlin

Title: President

Dated: \_\_\_\_\_, 2022



## CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The Indenture contains various definitions, covenants and security provisions, certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of the Indenture, to which reference is hereby made. Copies of the Indenture are available from the Corporation or the Trustee.

### Definitions (Section 1.1)

The Indenture defines certain terms, including the following:

“*ACC*” means the Consolidated Annual Contributions Contract between NYCHA and HUD, as amended from time to time.

“*Account*” means any of the trust funds and accounts created and established by, or pursuant to, the Indenture.

“*Act*” means the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of the State of New York), as amended.

“*Additional Bonds*” means the additional parity bonds authorized to be issued by the Corporation pursuant to the Indenture.

“*Annual Capital Fund ACC Amendment*” means the annual amendment to the ACC to be executed by NYCHA and HUD for the obligation of annual Capital Fund Grant Monies.

“*Annual Debt Service Requirement*” means, with respect to any Bond Year, the aggregate of the Interest Requirement and the Principal Requirement for such Bond Year.

“*Authorized Officer*” means, (a) when used with respect to the Corporation, the Chairperson, Vice-Chairperson, President, any Executive Vice President or any Senior Vice President of the Corporation and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of the Corporation then authorized to perform such act or discharge such duty, (b) when used with respect to NYCHA, the Chairperson, Vice-Chairperson, the General Manager or the Chief Financial Officer of NYCHA (or person acting in such capacity) and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of NYCHA then authorized to perform such act or discharge such duty, and (c) when used with respect to the Trustee, any Managing Director, Director, Vice President, Assistant Vice President or corporate trust administrator of the Trustee then authorized to act for the Trustee and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Trustee then authorized to perform such act or discharge such duty.

“*Banking Day*” means a day when banking institutions in the State are not required or authorized to remain closed.

“*Beneficial Owner*” means, for any Bond that is held by a nominee, the beneficial owner of such Bond.

“*Bond Counsel’s Opinion*” means an opinion signed by Hawkins Delafield & Wood LLP or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the Corporation.

“*Bond Insurance Policy*” means any municipal bond new issue insurance policy insuring and guaranteeing the payment of the principal of and interest on all or any portion of a Series of Bonds, as may be provided in the Supplemental Indenture authorizing such Series.

“*Bond Insurer*” means any Person that issues a Bond Insurance Policy with respect to a Series of Bonds.

“*Bond Payment Date*” means the date specified in any Supplemental Indenture for payment of principal of or interest on the Bonds.

“*Bond Year*” means, with respect to the Bonds, the initial period beginning on September 10, 2013 and terminating on June 30, 2014, and thereafter each period of twelve (12) consecutive months beginning on July 1 and terminating on June 30.

“*Bondholder*” means when used with reference to a Bond, any Person who shall be the registered owner of any Outstanding Bond as set forth on the registration books maintained by the Registrar.

“*Bonds*” means the Capital Fund Grant Program Revenue Bonds authorized by and issued under the Indenture pursuant to the Act.

“*Business Day*” means a day of the year, except (a) a Saturday or Sunday, (b) days on which banks located in the city in which the Designated Corporate Trust Office of the Trustee is located are required or authorized to remain closed, or (c) any day on which the New York Stock Exchange is closed.

“*Calendar Year*” means the period commencing on January 1 of each year and terminating on the next succeeding December 31.

“*Capital Fund Financing Amendment*” means the Capital Fund Financing Amendment to the Consolidated Annual Contributions Contract between NYCHA and HUD.

“*Capital Fund Grant Monies*” means funds allocated and distributed by HUD to or on behalf of NYCHA pursuant to the Capital Fund Program (but excludes any Replacement Housing Factor Funds as described in the Capital Fund Program).

“*Capital Fund Program*” means the federal housing assistance program established by Section 9(d) of the United States Housing Act of 1937, as amended (42 U.S.C. §1437g(d)), together with all successor or replacement federal programs pursuant to which NYCHA receives funds for the purpose of development, financing, modernization, improvement or otherwise in connection with the capital costs of public housing projects and the other purposes set forth in said Section 9(d).

“*Cash Equivalent*” means a letter of credit, insurance policy, surety, guarantee or other security arrangement provided by an institution that has received a rating of its claims paying ability from each of the Rating Agencies at least equal to the then existing respective rating on the Bonds or whose unsecured debt securities are rated at least the then existing respective rating on the Bonds (or the highest rating of short-term obligations if the Cash Equivalent is a short-term instrument) by the Rating Agencies, in each case without taking into account ratings based on the coverage of any Bond Insurance Policy.

“*Cash Flow Statement*” means a certificate prepared by or on behalf of the Corporation with respect to Cash Flows setting forth, for the period extending from the date of such certificate to the latest maturity of the Bonds then Outstanding, (i) all amounts expected to be received by the Trustee under the Loan Agreements during such period; and (ii) the application of all Revenues in accordance with the Indenture; and establishing under the scenario included in the Cash Flows that anticipated Revenues will be at least sufficient to pay the principal of and interest on the Bonds. Each Cash Flow Statement shall be accompanied by all supporting Cash Flows, and shall be sent by the Corporation to each Rating Agency.

“*Cash Flows*” means cash flow schedules prepared by or on behalf of the Corporation.

“*City*” means The City of New York.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Conditional Redemption*” means a redemption where the Corporation has stated in the redemption notice to the Trustee that the redemption is conditioned upon certain events, including the deposit of funds.

“*Corporation’s Outstanding 2013 Bonds (NYCHA)*” means the Corporation’s Capital Fund Grant Program Revenue Bonds (New York City Housing Authority Program), Series 2013A, Series 2013B-1 and Series 2013B-2 issued under the Master Indenture.

“*Costs of Issuance*” means all items of expense, directly or indirectly payable or reimbursable by or to the Corporation and related to the authorization, sale and issuance of Bonds, including, but not limited to, printing costs, costs of preparation and reproduction of documents, filing and recording fees, fees and expenses of any underwriting discount or fees, initial fees and charges of any Fiduciary, legal fees including bond and underwriter counsel fees and charges, fees and disbursements of consultants and professionals, cost of credit ratings, fees and charges for preparation, execution, initial registration, transportation and safekeeping of Bonds, the financing fee of the Corporation and any other cost, charge or fee in connection with the original issuance of Bonds.

“*Debt Service Fund*” means the Debt Service Fund established pursuant to the Indenture.

“*Debt Service Reserve Requirement*” means, as of any date of calculation, the amount equal to one-half (½) of the maximum Debt Service in any given Bond Year on all Outstanding Bonds.

“*Debt Service*” means, with respect to any particular Bond Year and any particular Series of Bonds, an amount equal to the sum of (i) the Interest Requirement payable on such Bonds during such Bond Year, plus (ii) any Principal Requirements of such Bonds during such Bond Year, plus (iii) any additional applicable premium payable on such Bonds during such Bond Year, but shall not include the purchase price of Bonds that may be required to be purchased other than as part of a regularly scheduled mandatory sinking fund redemption, including redemptions required pursuant to the terms of any Cash Equivalents utilized in the Debt Service Reserve Fund.

“*Defeasance Obligations*” means Government Obligations or obligations (which obligations shall be rated by the Rating Agencies no lower than the highest rating category assigned by each Rating Agency) (i) validly issued by or on behalf of a state or political subdivision thereof, (ii) the interest on which is excluded from gross income for Federal income tax purposes pursuant to Section 103(a)(1) of the Code and (iii) fully secured by a first lien on Government Obligations; provided, that no Capital Fund Grant Monies shall be applied to purchase Defeasance Obligations.

“*Designated Corporate Trust Office*” means the office or offices of the Trustee, the Registrar or any Paying Agent designated by such Trustee, Registrar or Paying Agent to perform certain duties or receive certain notices under the Indenture, the notice address or addresses of which are set forth in, or provided pursuant to, the Indenture.

“*Event of Default*” means (i) with respect to each Loan Agreement, those events defined as such in such Loan Agreement and (ii) with respect to the Indenture, any of the events specified therein.

“*Federally Taxable Bonds*” means Bonds so designated by the Supplemental Indenture pursuant to which they are issued.

“*Fiduciary*” means the Trustee, the Registrar, the Authenticating Agent, any Depositary, any Paying Agent and any such additional fiduciary as may be authorized pursuant to a Supplemental Indenture, or any or all of them as may be appropriate.

“*Fiscal Year*” means the annual accounting period of the Corporation as established by the Corporation or by applicable law from time to time.

“*Fitch*” means Fitch Ratings, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation. Any reference herein to such

Rating Agency shall be of no force and effect from and after the time, if any, that such Rating Agency shall no longer maintain a rating on the Bonds.

“*Government Obligations*” means (i) direct obligations of or obligations guaranteed by the United States of America, including, but not limited to, United States Treasury Obligations and Separate Trading of Registered Interest and Principal of Securities (STRIPS), provided the underlying United States Treasury Obligation is not callable prior to maturity, and (ii) obligations of the Resolution Funding Corporation, including, but not limited to, obligations of the Resolution Funding Corporation stripped by the Federal Reserve Bank of New York.

“*Holder*,” “*Owner*,” “*owner*” or words of similar import, when used with reference to an Obligation, means the holder or owner of any Outstanding Obligation as set forth on the registration books maintained by the Registrar.

“*HUD Letter*” means the letter from HUD to NYCHA approving the issuance of one or more Series of Bonds as referred to therein, and authorizing NYCHA to pledge and assign the Revenues pursuant to the applicable Loan Agreement.

“*HUD*” means the United States Department of Housing and Urban Development and its successors and assigns.

“*Interest Payment Date*” means (a) any date upon which interest on the Bonds is due and payable in accordance with their terms, including (b) for Bonds subject to redemption in whole or in part on any date, the date of such redemption, and (c) for all Bonds, any date determined pursuant to the Indenture.

“*Interest Period*” means the period from the date interest accrues on any Senior Obligations to and including the day immediately preceding the first Interest Payment Date, and thereafter shall mean each period from and including an Interest Payment Date to and including the day immediately preceding the next Interest Payment Date.

“*Interest Requirement*” for any Bond Year or any Interest Period, as the context may require, as applied to any Senior Obligations then Outstanding, shall mean the total of the sums that would be deemed to accrue on such Senior Obligations during such Bond Year or Interest Period if the interest on such Senior Obligations were deemed to accrue daily during such Bond Year or Interest Period in equal amounts; provided, however, that interest expense shall be excluded from the determination of Interest Requirement to the extent that such interest is to be paid from the proceeds of Bonds allocable to the payment of such interest as provided in the Supplemental Indenture authorizing the issuance of such Bonds or other available moneys or from investment (but not reinvestment) earnings thereon if such proceeds shall have been invested in Investment Securities and to the extent such earnings may be determined precisely.

“*Investment Securities*” means and includes any of the following obligations, to the extent the same are at the time legal for investment of funds of the Corporation under the Act or under other applicable law and which are permitted under HUD “Required HA Cash Management Policies and Procedures Notice PIH 2002-13 (HA)”, or, in each case, any subsequent revisions thereto, including the amendments thereto hereafter made, or under other applicable law, and which in all cases represent securities (including federally insured bank accounts) whose debt quality or provision for collateralization are rated by the Rating Agencies at least as high as the same (or, with respect to short-term investments, equivalent) ratings assigned by the Rating Agencies to the Bonds:

- (1) Government Obligations;
- (2) any bond, debenture, note, participation certificate or other similar obligation issued by any one or combination of the following agencies: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Farm Credit System Banks Consolidated Obligations, Banks for Cooperatives, Tennessee Valley Authority, Washington Metropolitan Area Transportation Authority, United States Postal Service, Farmers’ Home Administration and Export-Import Bank of the United States;

- (3) any bond, debenture, note, participation certificate or other similar obligation issued by any Federal agency and backed by the full faith and credit of the United States of America;
- (4) any other obligation of the United States of America or any Federal agencies which may be purchased by New York State Savings Banks;
- (5) deposits in interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements (i) secured by any of the obligations described above, or (ii) fully insured by the Federal Deposit Insurance Corporation or (iii) made with banking institutions, or their parents which either (a) have unsecured debt rated in one of the three highest rating categories of a nationally recognized rating service or (b) are deemed by a nationally recognized rating service to be an institution rated in one of the three highest rating categories of such rating service;
- (6) any participation certificate of the Federal Home Loan Mortgage Corporation and any mortgage-backed securities of the Federal National Mortgage Association;
- (7) short-term corporate obligations, known as Commercial Paper, with a maturity of up to ninety (90) days which are issued by corporations that are deemed by a nationally recognized rating service to be in the highest rating category of such rating service;
- (8) obligations of the City or the State;
- (9) obligations of the New York City Municipal Water Finance Authority;
- (10) obligations, the principal and interest of which, are guaranteed by the City or the State;
- (11) obligations in which the Comptroller of the State of New York is authorized to invest in as specified in Section 98 of the State Finance Law, as amended from time to time; or
- (12) any other investment permitted under the Corporation's investment guidelines adopted August 14, 1984, as amended from time to time.

“*Loan*” means the loan made to NYCHA by the Corporation from the proceeds of a Series of Bonds, as evidenced by a Loan Agreement and as approved by the HUD Letter.

“*Loan Agreement*” means each Loan Agreement among the Corporation, the Trustee and NYCHA (each of which is subject to review and approval by HUD); collectively referred to as the “*Loan Agreements*.”

“*Loan Debt Service*” means, with respect to each Loan, the payments of interest and principal due on such Loan for a particular Bond Year as set forth in the related Loan Agreement.

“*Loan Expense Fee*” means, as certified to the Trustee and NYCHA from time to time by the Corporation, to be included as a component of interest cost in the amount of Loan Debt Service, the amount in each Bond Year sufficient to pay, or reimburse the Corporation for the payment of, the costs under the Program of any required financial audits, cash flows, Code arbitrage calculations and rebate analysis, Trustee fees and expenses, including as continuing disclosure dissemination agent, rating agency fees and expenses of analytical services rendered for rating agencies, and fees for any Bond Insurance Policy.

“*Loan Fund*” means the Loan Fund established pursuant the Indenture.

“*Moody's*” means Moody's Investors Service, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Moody's*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation. Any reference in the Indenture to such Rating Agency shall be of no force and effect from and after the time, if any, that such Rating Agency shall no longer maintain a rating on the Bonds.

“*Net Loan Proceeds*” means the proceeds of a Series of Bonds deposited into the related Project Loan Account under the Loan Agreement.

“*NYCHA Performance Outcome Schedule*” means, with respect to a Series of Bonds, the activities of NYCHA to be funded in whole or in part by the related Loan, and any authorized addition to, amendment of or substitution for such activities, as agreed to from time to time between NYCHA and HUD and reflected in the HUD-approved Annual Plan and 5-Year Plan to the extent required under the policies and procedures of HUD.

“*NYCHA Program*” means, with respect to a Series of Bonds and as set forth in an Exhibit to the related Loan Agreement, (i) the aggregation of the costs for modernization of public housing developments that are the subject of the related NYCHA Performance Outcome Schedule and the related Loan and/or (ii) the cost of prepaying 2013 NYCHA Loans debt service for the purpose of refunding the Corporation’s Outstanding 2013 Bonds (NYCHA).

“*NYCHA*” means the New York City Housing Authority, a municipal housing authority and a body corporate and politic created and existing under the laws of the State, constituting a “public housing agency” within the meaning of Section 3(b)(6) of the United States Housing Act of 1937.

“*Obligations*” means all Senior Obligations and Subordinate Obligations.

“*Opinion of Counsel*” means a written opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to the matter addressed by such opinion, selected by the Corporation.

“*Outstanding*” when used with reference to Obligations, shall mean, as of any date, all Obligations, theretofore or thereupon being authenticated and delivered under the Indenture except:

- (1) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date (including Bonds purchased by the Corporation, or by the Trustee at the direction of the Corporation);
- (2) any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture; and
- (3) any Bond deemed to have been paid as provided in the Indenture.

“*Paying Agent*” means the Trustee or any commercial bank or trust company with trust powers designated as paying agent for any Series of the Bonds, and its successor or successors hereafter appointed in the manner provided in the Indenture.

“*Person*” or “*person*” means and includes an association, unincorporated organization, a corporation, a partnership (including limited partnerships), a limited liability corporation, a joint venture, a business trust, or a government or an agency or a political subdivision thereof, or any other public or private entity, or a natural person.

“*Pre-refunded Municipal Obligations*” means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state that are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and which are rated, based on an irrevocable escrow account or fund in the highest rating category of each Rating Agency.

“*Principal Payment Date*” means, with reference to any Series or portion of a Series of Bonds, the date upon which the Outstanding principal amount of such Bonds becomes payable.

“*Principal Requirement*” for any Bond Year, as applied to any Senior Obligations then Outstanding, means an amount of money equal to the aggregate of the principal amount of such Senior Obligations that mature during said Bond Year (including all required Sinking Fund Payments), reduced by the aggregate principal amount of such Senior Obligations that would at or before such Bond Year be retired by reason of the payment when due and application in

accordance with the Indenture and the Supplemental Indenture creating such Senior Obligations of Sinking Fund Payments payable before such Bond Year for the retirement of Outstanding Bonds.

“*Program*” means the Corporation’s program of making a Loan or Loans to NYCHA pursuant to the provisions of the Indenture.

“*Project Loan Account*” means each loan account for a Series of Bonds established by the related Supplemental Indenture.

“*Rating Agency*” means at least one of (i) Moody’s, (ii) S&P, (iii) Fitch and (iv) any other nationally recognized securities rating agency, to the extent any such agency described in (i) through (iv) above has been requested by the Corporation to issue a rating on the Bonds and such agency has issued and continues to assign a rating on such Bonds at the time in question.

“*Rebate Fund*” means the Rebate Fund established pursuant to the Indenture.

“*Record Date*” means, (a) with respect to any Interest Payment Date described in subsection (a) of that defined term, (1) in the case of Bonds that are not Book Entry Bonds, the Trustee’s close of business on the 15th day of the calendar month next preceding such Interest Payment Date, regardless of whether such day is a Business Day, and (2) in the case of Book Entry Bonds, the Trustee’s close of business on the Business Day preceding the Interest Payment Date, and (b) with respect to any other Interest Payment Date, a date selected by the Trustee.

“*Redemption Date*” means the date upon which Bonds are to be called for redemption pursuant to the Indenture.

“*Redemption Price*” means, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof.

“*Refunding Bonds*” means any Bond issued to refund Bonds previously issued pursuant to the Indenture.

“*Reserved Rights*” means those certain rights of the Corporation under the Loan Agreements to indemnification, to payment of the Loan Expense Fee, and to payment or reimbursement of other fees and expenses of the Corporation, and its right to give and receive notices and to enforce notice and reporting requirements, its right to specifically enforce NYCHA’s covenants (provided that any such enforcement, other than enforcement of covenants relating to the exclusion from income taxation of interest on the Bonds, may not impair or conflict with any rights of the Trustee to enforce the provisions of the Loan Agreements or the Indenture) and its rights to give or withhold consent to amendments, changes, modifications and alterations to the Loan Agreements.

“*Revenue Fund*” means the Revenue Fund established pursuant to the Indenture.

“*Revenues*” means that portion of NYCHA’s Capital Fund Grant Monies permitted by HUD to be paid to the Trustee, subject to the availability of appropriations, for Loan Debt Service in accordance with the terms of each Loan Agreement and pursuant to each written approval of Bonds by HUD and each Capital Fund Financing Amendment. Revenues may include any Capital Fund Grant Monies available to and received from NYCHA for payment of Loan Debt Service and under any effective Annual Plan and Annual Capital Fund ACC Amendment, including funds remaining unobligated from previous NYCHA fiscal years, without regard to NYCHA fiscal year for which those funds were initially made available (but only to the extent necessary for Loan Debt Service). Revenues shall also include Capital Fund Grant Monies or other available funds delivered by NYCHA to the Trustee to pay the Redemption Price of Bonds being called for redemption pursuant to the special optional redemption provisions of a Supplemental Indenture and any sums received by NYCHA with respect to proceeds of insurance or condemnation awards that are not applied to repair, rebuilding or replacement or paid by NYCHA for purposes of curing any Event of Default (but not including amounts in the Loan Fund applied to redeem Bonds) for application to payment due under a Loan in accordance with the terms of application of moneys upon an Event of Default contained in the applicable Supplemental Indenture.

“S&P” means S&P Global Ratings, New York, New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation. Any reference in the Indenture to such Rating Agency shall be of no force and effect from and after the time, if any, that such Rating Agency shall no longer maintain a rating on the Bonds.

“*Securities Depository*” means a person that is registered as a clearing agency under Section 17A of the Securities Exchange Act of 1934 or whose business is confined to the performance of the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of such Act for the purposes of Section 17A thereof.

“*Senior Obligation*” means (a) any Bonds issued by the Corporation under the Indenture and (b) any bonds or other obligations issued pursuant to the Indenture.

“*Series*” means all of the Bonds authenticated and delivered on original issuance in a simultaneous transaction, pursuant to the same Supplemental Indenture and designated as a Series in such Supplemental Indenture regardless of variations in maturity, interest rate, Sinking Fund Payments or other provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for (but not to refund) such Bonds as provided in the Indenture.

“*Sinking Fund Payment*” means, as of any particular date of calculation, the amount required to be paid by the Corporation on a certain future date for the retirement of Outstanding Bonds that mature after said future date, but does not include any amount payable by the Corporation by reason of the maturity of a Bond or by call for redemption at the election of the Corporation.

“*Stabilized Base Unit Count*” means 112,645, which is the number of public housing units subject to the ACC as adjusted for planned anticipated additions and subtractions (including anticipated subtractions through conversions pursuant to the HUD Programs) as of the date of issuance of the Series 2022A Bonds.

“*State*” means the State of New York.

“*Subordinate Obligation Debt Service Fund*” means the Subordinate Obligation Debt Service Fund established pursuant to the Indenture.

“*Subordinate Obligation*” means any bonds, notes or evidences of indebtedness (not including Senior Obligations) issued by the Corporation as permitted by the Indenture, and any other subordinate obligation identified in a Supplemental Indenture.

“*Supplemental Indenture*” means any indenture in full force and effect that has been duly executed and delivered by the Corporation and the Trustee; but only if and to the extent that such Supplemental Indenture is executed and delivered in accordance with the provisions of the Indenture, including approval by HUD.

[“*Tax Certificate*” means the Arbitrage and Use of Proceeds Certificate executed by an Authorized Officer of the Corporation (which includes certain certifications by NYCHA) in connection with the issuance of each Series of Bonds.]

“*Trust Estate*” means the property conveyed to the Trustee pursuant to the Granting Clauses of the Indenture. The Costs of Issuance Fund and the Rebate Fund and any rebate owing to the U.S. Treasury are not part of the Trust Estate.



## Conditions Precedent to Delivery of Bonds (Section 2.5)

The Bonds of each Series shall be authenticated and delivered upon the order of the Corporation, but only upon the receipt by an Authenticating Agent of:

- (1) a copy of the Supplemental Indenture authorizing such Series of Bonds, executed and delivered by the Corporation (or alternative issuer as permitted under the Indenture) and the Trustee and containing the following:
  - (a) the authorized principal amount and designation of such Bonds;
  - (b) the purposes for which the proceeds of such Bonds shall be used, which shall be one or more of the following: (i) the making of deposits into the Accounts for the purpose of financing Loans, (ii) the refunding of any Bonds, (iii) the payment of Costs of Issuance, (iv) the funding of capitalized interest or (v) any combination of the foregoing;
  - (c) the Dated Dates and maturity dates of such Series of Bonds;
  - (d) the interest rates, if any, of and principal amounts payable upon such Bonds (or the manner of determining such rates or amounts) and the Interest Payment Dates, if any, and Principal Payment Dates therefor;
  - (e) the denominations of, and the manner of dating, numbering and lettering such Bonds;
  - (f) subject to the Indenture, the Paying Agents and the places of payment of such Bonds or the manner of appointing and designating the same;
  - (g) provisions concerning the forms of such Bonds and of the Authenticating Agent's certificate of authentication;
  - (h) any other provisions deemed advisable by the Corporation as shall not conflict with the provisions of the Indenture;
  - (i) the Redemption Price, if any, of and, subject to the provisions of the Indenture, the redemption terms for such Bonds;
  - (j) the amounts and due dates of the Sinking Fund Payments, if any, for any of such Bonds;
  - (k) the Bond Insurer, if any; and
  - (l) if applicable, designation that the Bonds of such Series are Federally Taxable Bonds;
- (2) a Bond Counsel's Opinion to the effect that (i) the Indenture and the Supplemental Indenture, if any, have been duly authorized, executed and delivered by the Corporation and are valid and binding upon the Corporation and enforceable in accordance with their terms (except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency and other laws affecting creditors' rights and remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law)); (ii) the Indenture and, if applicable, such Supplemental Indenture create the valid pledge and lien which it or they purport to create of and on the Trust Estate, subject to the use and application thereof for or to the purposes and on the terms and conditions permitted by the Indenture and such Supplemental Indenture; and (iii) upon the execution, authentication and delivery thereof, such Bonds will have been duly and validly authorized and issued in accordance with the laws of the State, including the Act as amended to the date of such Opinion of Counsel, and in accordance with the Indenture and such Supplemental Indenture;

- (3) a written order as to the delivery of such Bonds, signed by an Authorized Officer of the Corporation;
- (4) evidence of the receipt by the Trustee of the amount of the proceeds of such Bonds to be deposited with the Trustee pursuant to the Indenture, which shall be conclusively established by the executed certificate of the Trustee so stating, receipt of funds sufficient to cause the amounts in the Debt Service Reserve Fund to equal the Debt Service Reserve Requirement;
- (5) executed Loan Agreements which, in the aggregate, provide for the payment of the related Loan Debt Service;
- (6) in the case of Bonds (other than the initial three Series of Bonds) issued pursuant to the Indenture, evidence that the provisions of the Indenture have been complied with as of the date of delivery of such Series;
- (7) HUD Letter to NYCHA approving the issuance of such Series of Bonds;
- (8) Capital Fund Financing Amendment between HUD and NYCHA relating to such Series of Bonds; and
- (9) such further documents and moneys as are required by the provisions of the Indenture or of any Supplemental Indenture entered into pursuant to the Indenture.

#### **Conditions Precedent to Delivery of Refunding Bonds (Section 2.6)**

(A) In addition to the requirements of the section above, Refunding Bonds of any Series shall be authenticated by an Authenticating Agent only upon the receipt by the Authenticating Agent of:

- (1) evidence of the receipt by the Registrar of instructions to the Registrar to give due notice of the payment or redemption of all the Bonds to be refunded and the Bond Payment Dates or Redemption Dates, if any, upon which such Bonds are to be paid or redeemed, which shall be conclusively established by the executed certificate of the Registrar so stating;
- (2) if Bonds are to be refunded that also are to be redeemed subsequent to the next succeeding forty-five (45) days, evidence of the receipt by the Registrar of instructions to the Registrar to mail, as provided in the Indenture, notice of the redemption of such Bonds on a specified date prior to their Redemption Date, which shall be conclusively established by the executed certificate of the Registrar so stating; and
- (3) evidence of the receipt by the Trustee of (i) moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued) in an amount sufficient to effect payment or redemption at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the due date or Redemption Date, or (ii) noncallable Government Obligations for the purpose of effecting a refunding of Bonds, the principal of and interest on which when due (without reinvestment thereof), together with the moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued), if any, contemporaneously deposited with the Trustee, will be sufficient to pay when due the applicable principal or Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the Redemption Date or dates of maturity thereof, which moneys or noncallable Government Obligations shall be held by the Trustee or any one or more of the Paying Agents in the Debt Service Fund or a separate escrow account to be created pursuant to an escrow agreement entered into for that purpose. Such receipt shall be conclusively established by the executed certificate of the Trustee so stating.

(B) Except as otherwise provided in the Indenture, neither the noncallable Government Obligations nor moneys deposited with the Trustee pursuant paragraph (A)(4) above nor principal or interest payments on any such noncallable Government Obligations shall be withdrawn or used for any purpose other than the payment of the applicable principal or Redemption Price of and interest on the Bonds to be refunded, together with accrued interest on such Bonds to the Redemption Date, and any cash received from such principal or interest payments, if not then needed for such purpose, shall be deposited into the Revenue Fund.

### **Alternative Issuers (Section 2.7)**

Subject to the approval of the Corporation and HUD and the receipt of evidence from the Rating Agencies that such action will not have an adverse effect on the then-current ratings of the Bonds Outstanding, NYCHA may issue additional bonds under a separate indenture, either on its own or through an alternative issuer selected by NYCHA. The Corporation agrees that any additional bonds issued by NYCHA, or by an alternative issuer approved by HUD and the Corporation, under a separate indenture may be issued on a parity basis without any further approval or consent of the Corporation and shall be the sole responsibility of NYCHA. NYCHA or any such other entity may issue such bonds or other obligations if it enters into a written agreement under which it agrees to be bound by the terms and conditions of the Indenture as if such other obligations were Bonds. In addition, no such bonds or other obligations shall be issued unless there shall be delivered to the Trustee an opinion of Bond Counsel (or other bond counsel of nationally recognized standing in the field of law relating to municipal, state and public agency financing selected by NYCHA or by the alternative issuer) to the effect that the issuance of such bonds or other obligations by such entity is in accordance with such conditions to issuance contained in the Indenture and shall not impair the exclusion of interest on any Outstanding Bonds from federal income taxation.

### **Transfer of Bonds (Section 3.5)**

(A) Each Bond shall be transferable only upon the books of the Corporation, which shall be kept for such purpose at the Designated Corporate Trust Office of the Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond, the Corporation shall issue in the name of the transferee a new Bond or Bonds, of the same aggregate principal amount, Series, priority, interest rate and maturity as the surrendered Bond.

(B) The Corporation and any Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Corporation as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Corporation nor any Fiduciary shall be affected by any notice to the contrary.

### **Regulations With Respect to Exchanges and Transfers (Section 3.6)**

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Corporation shall execute and an Authenticating Agent shall authenticate and deliver Bonds in accordance with the provisions of the Indenture. For every such exchange or transfer of Bonds, whether temporary or definitive, the Corporation or an Authenticating Agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and, except (i) with respect to the delivery of definitive Bonds in exchange for temporary Bonds, or (ii) as otherwise provided in the Indenture, may charge a sum sufficient to pay the cost of preparing each new Bond (except for any Bonds held in custody for the benefit of any Cash Equivalent provider pursuant to a Supplemental Indenture) issued upon such exchange or transfer, which sums shall be paid by the Bondholder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Corporation shall not be obligated to issue, exchange or transfer any Bond during a period beginning on the opening of business on the date Bonds are selected for redemption and ending on the date of the mailing of notice of such redemption or transfer or exchange Bonds called or being called for redemption, except the unredeemed portion of Bonds being redeemed in part.

### **Bonds Mutilated, Destroyed, Stolen or Lost (Section 3.7)**

Subject to the applicable laws of the State, in case any Bond shall become mutilated or be destroyed, stolen or lost, the Corporation shall execute and an Authenticating Agent shall authenticate a new Bond of like Series, interest rate, maturity, principal amount and other terms of the Bond so mutilated, destroyed, stolen or lost. In the case of a mutilated Bond, such new Bond shall be delivered only upon surrender and cancellation of such mutilated Bond. In the case of a Bond issued in lieu of and substitution for a Bond that has been destroyed, stolen or lost, such new Bond shall be delivered only upon filing with the Trustee of evidence satisfactory to establish to the Trustee that such Bond has been destroyed, stolen or lost and to prove the ownership thereof and upon furnishing the Corporation and the Trustee with indemnity satisfactory to them. The person requesting the authentication and delivery of a new Bond pursuant to this section shall comply with such other reasonable regulations as the Trustee may prescribe and pay such expenses as provided by any applicable law as the Corporation and the Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it. Evidence of such cancellation shall be given to the Corporation.

If, after the delivery of such replacement Bond, the original Bond in lieu of which such replacement Bond was issued is presented for payment or registration, the Trustee shall seek to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom and shall be entitled to recover from the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Trustee or the Corporation in connection therewith.

### **Application of Bond Proceeds, Accrued Interest and Premium (Section 4.1)**

Except as otherwise provided in a Supplemental Indenture, the net proceeds of sale of any Series of Bonds (paid by the underwriters after deducting the underwriter's compensation, including expenses), other than the proceeds of Refunding Bonds shall, as soon as practicable upon the delivery of the Bonds, by the Trustee pursuant to the Indenture, be applied as follows:

- (1) the amount needed to pay Costs of Issuance related to such Series shall be deposited into the Cost of Issuance Fund;
- (2) upon the delivery of a Series of Bonds, the amount, if any, received as accrued interest or capitalized interest, as designated by a Supplemental Indenture, shall be deposited in the Debt Service Fund unless otherwise provided in a Supplemental Indenture;
- (3) the amount (or Cash Equivalents) required to cause the Debt Service Reserve Fund to equal the Debt Service Reserve Requirement, if any, taking into account the issuance of such Bonds, shall be deposited to the credit of the Debt Service Reserve Fund; and
- (4) the balance remaining after such deposits have been made shall be deposited in the Loan Fund.

### **Establishment of Accounts (Section 5.2)**

(A) In order best to provide for the proper administration of all moneys received as proceeds of the Bonds, there are hereby created and established the following Accounts (items (i) through (v) constituting part of the Trust Estate) and any Supplemental Indenture authorizing a Series of Bonds may establish additional Funds and additional Accounts within any Funds thereby established or hereunder listed:

- (i) the Loan Fund (with individual Series Project Loan Accounts);
- (ii) the Revenue Fund;
- (iii) the Debt Service Fund;
- (iv) the Debt Service Reserve Fund;

- (v) the Subordinate Obligation Debt Service Fund;
- (vi) the Costs of Issuance Fund; and
- (vii) the Rebate Fund.

(B) The following shall be credited to the Loan Fund to be used for the NYCHA Program as directed to the Trustee by NYCHA:

- (1) all proceeds from the sale of the Bonds (including premium, but excluding accrued interest, capitalized interest, amounts deposited into the Costs of Issuance Fund and proceeds from the sale of Refunding Bonds); and
- (2) all other moneys required or directed to be transferred to the Loan Fund pursuant to any Supplemental Indenture and any other amounts determined by the Corporation to be deposited therein from time to time. All moneys in the Loan Fund shall be used for the purposes and disbursed as provided in Section 5.3 of the Indenture.

(C) All Revenues shall be credited to the Revenue Fund as received.

(D) The following shall be credited to the Debt Service Fund:

- (1) accrued interest from the sale of the Bonds, if any;
- (2) capitalized interest on the Bonds, if any;
- (3) any amounts transferred from the Revenue Fund pursuant to Section 5.4 of the Indenture;
- (4) any amounts transferred from the Debt Service Reserve Fund pursuant to Section 5.8 of the Indenture; and
- (5) any amounts transferred from the Loan Fund pursuant to Section 5.3(A)(2) of the Indenture.

(E) Amounts shall be credited to the Subordinate Obligation Debt Service Fund from the Revenue Fund pursuant to Section 5.4 of the Indenture.

(F) All such Accounts and any subaccounts thereof established as provided in the Indenture shall be held and maintained by the Trustee and shall be identified by the Trustee according to the designations provided in the Indenture in such manner as to distinguish such Accounts from the accounts established by the Corporation, and held and maintained by the Trustee, for any other of its obligations. All moneys or securities held by the Trustee or any Depository pursuant to the Indenture shall be held in trust and applied only in accordance with the provisions of the Indenture. All moneys credited to the Accounts shall be used for the purposes and disbursed as provided in the Indenture. Notwithstanding any other provision in the Indenture, to the extent required to comply with the rebate requirements embodied in the tax covenants of the Corporation contained in the Indenture, earnings on the investment of funds held hereunder shall be deposited in the Rebate Fund.

### **Loan Fund (Section 5.3)**

(A) Subject to the provisions of subsection (C) below, moneys in the Loan Fund with respect to each Series of Bonds shall be used, except as otherwise provided by any Supplemental Indenture, only for the following purposes:

- (1) to make Loans (i) to finance capital projects and modernization improvements and/or (ii) to prepay loan debt service for the purpose of refunding all or part of the Corporation's

Outstanding 2005A Bonds (NYCHA), in each case pursuant to the NYCHA Program under executed Loan Agreements;

- (2) to make deposits to the Debt Service Fund for the purpose of paying principal of or interest on Senior Obligations, whether at maturity or earlier redemption or purchase to the extent of any deficiency therein; and
- (3) any amount remaining in the Loan Fund after all Senior Obligations have been retired shall be repaid to NYCHA for use consistent with the Capital Fund Program, provided that prior to any such transfer the Corporation shall have furnished the Trustee with a Bond Counsel's Opinion to the effect that such transfer will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(B) Upon receipt by the Trustee of a requisition in the form appended to the related Loan Agreement, the Trustee shall transfer from the related Project Loan Account in the Loan Fund to NYCHA the amount of Net Loan Proceeds so requisitioned for the NYCHA Program.

As soon as possible after the closing of the financing of each Loan, the Corporation shall transmit to the Trustee a Certificate of an Authorized Officer of the Corporation stating the due dates and amounts of scheduled payments of principal and interest thereon and the principal balance remaining after each payment.

(C) At any time the Corporation may direct the Trustee to apply amounts in the Loan Fund to the redemption, purchase or retirement of Bonds in accordance with their terms (any such application to require HUD approval to the extent the terms of such redemption, purchase or retirement require HUD consent) and the provisions of the Indenture and any Supplemental Indenture.

#### **Revenue Fund (Section 5.4)**

(A) Pursuant to each Loan Agreement, the Trustee shall receive for deposit in the Revenue Fund, from or on account of NYCHA, those moneys agreed to by HUD (pursuant to the HUD Letter and the Capital Fund Financing Amendment), the Corporation and NYCHA. Such moneys shall, upon receipt, be credited by the Trustee to the Revenue Fund and constitute Revenues under the Indenture. The Trustee shall promptly notify the Corporation in the event there is a failure to receive from HUD or from NYCHA when due the full amount set forth in each Loan Agreement. All amounts so received shall be deposited in the Revenue Fund.

(B) Promptly upon receipt of amounts in the Revenue Fund, the Trustee shall make disbursements from the Revenue Fund, in the following order of priority, except as otherwise provided in a Supplemental Indenture:

- (1) first, to the Debt Service Fund, the amount necessary to make the payments required pursuant to Section 5.5(A) of the Indenture, and subject to the limitations contained in Section 5.5(B) of the Indenture, on the next succeeding Bond Payment Date;
- (2) second, to the Debt Service Reserve Fund in the amount required to bring the balance therein (taking into account the full drawable amount on all Cash Equivalents deposited therein) to equal the Debt Service Reserve Requirement;
- (3) third, to the Debt Service Fund, to be applied to the redemption of Bonds, (a) amounts representing Capital Fund Grant Monies or other available funds delivered by NYCHA to pay the Redemption Price of Bonds being called for redemption pursuant to the special optional redemption provisions of a Supplemental Indenture, and (b) the proceeds of insurance or condemnation not applied to restoration of public housing units of NYCHA following casualty loss or condemnation;
- (4) fourth, to the Corporation in the amount included in a written requisition from the Corporation in payment of any one or more components of the Loan Expense Fee;

- (5) fifth, to the Subordinate Obligation Debt Service Fund an amount, if any, equal to the amount required by any Supplemental Indenture authorizing the issuance or incurrence of Subordinate Obligations to be deposited therein on such date and without priority, one over the other, to any accounts within the Subordinate Obligation Debt Service Fund, as specified by a Certificate filed with the Trustee; and
- (6) sixth, to the Rebate Fund, the balance; provided, that to the extent set forth in a Certificate accompanied by a Bond Counsel's Opinion to the effect that any such transfer shall not adversely affect the exclusion of interest on the Bonds from federal income taxation, to the Loan Fund, the balance.

(C) Whenever so directed in a Certificate, the Trustee shall make payments from the Rebate Fund to the federal government in accordance with the Code to the extent necessary to comply with the Corporation's covenants in the Indenture, and to comply with any Tax Certificate signed by an Authorized Officer of the Corporation and delivered in conjunction with the delivery of any Series of the Bonds.

### **Debt Service Fund (Section 5.5)**

Except as otherwise provided in a Supplemental Indenture, the Trustee shall make disbursements from the Debt Service Fund as follows:

(A) On each Bond Payment Date, amounts sufficient for the following payments and in the following order of priority:

- (1) first, to the Paying Agent the interest due on Outstanding Senior Obligations on such Bond Payment Date, and
- (2) second, to the Paying Agent the amount required for payment of the principal or Redemption Price of Senior Obligations due (whether by maturity or redemption) or called for redemption on such Bond Payment Date.

(B) Notwithstanding the provisions of this section, no payments shall be required to be made into the Debt Service Fund so long as the amount on deposit therein shall be sufficient to pay the final maturing Outstanding Senior Obligations in accordance with their terms, including the payment of any Sinking Fund Payments payable in connection therewith.

(C) As soon as practicable after the sixtieth day preceding the due date of any Sinking Fund Payment, the Trustee shall proceed to call for redemption pursuant to the Indenture, on such due date, Bonds of the Series and maturity for which such Sinking Fund Payment was established in such amount as shall be necessary to complete the retirement of a principal amount of the Bonds of such maturity equal to the required unsatisfied balance of such Sinking Fund Payment.

(D) Upon the purchase or redemption of Bonds for which Sinking Fund Payments have been established, an amount equal to the principal amount of the Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Payment thereafter to become due. If, however, there shall be filed with the Trustee written instructions of an Authorized Officer of the Corporation specifying a different method for crediting Sinking Fund Payments upon any such purchase or redemption of Bonds, then such Sinking Fund Payment shall be credited as shall be provided in such instructions. After any such crediting, HUD shall be notified by the Corporation or by NYCHA in writing of a new debt service schedule for the Bonds at least sixty (60) days prior to the next date on which HUD is scheduled to pay Capital Fund Grant Monies to the Trustee for Loan Debt Service.

(E) Any earnings derived from the investment of amounts deposited with the Trustee pursuant to the Indenture shall, to the extent not required to provide amounts sufficient for the payment or redemption of Bonds in accordance with the conditions for issuance of Refunding Bonds set forth therein, be deposited in the Debt Service Fund.

### **Costs of Issuance Fund (Section 5.6)**

The Corporation hereby creates and establishes a Costs of Issuance Fund, which funds shall not be a part of the Trust Estate. That portion of the proceeds of a Series of Bonds that is deposited into the Costs of Issuance Fund shall be available for disbursement to pay Costs of Issuance relating to such Series against receipt of a Certificate of an Authorized Officer of the Corporation. In connection with the issuance of any particular Series, the Corporation may direct the underwriters of such Series to deduct their compensation from the offering price, such that only the net purchase price is deposited with the Trustee for application to the appropriate Accounts in accordance with the Indenture.

### **Subordinate Obligation Debt Service Fund (Section 5.7)**

The moneys in the Subordinate Obligation Debt Service Fund shall be transferred by the Trustee as provided in a Certificate to the trustees or paying agents under the appropriate Supplemental Indenture or other indentures or resolutions authorizing the issuance of Subordinate Obligations for the purpose of paying such amounts as may be required to be paid by such indentures or resolutions.

### **Debt Service Reserve Fund (Section 5.8)**

(A) Amounts required to be on deposit in the Debt Service Reserve Fund may be represented by cash and/or Cash Equivalents. Upon written direction from an Authorized Officer of the Corporation, any cash or Cash Equivalents deposited in the Debt Service Reserve Fund may be substituted for in whole or in part with an equal amount of Cash Equivalents or cash, respectively. Moneys (first, from cash and the proceeds of liquidation of investments, and, second, from proceeds of Cash Equivalents) held for the credit of the Debt Service Reserve Fund shall be transferred to the Debt Service Fund whenever amounts are required to be so deposited therein pursuant to the Indenture.

(B) Moneys (excluding any Cash Equivalents) held for the credit of the Debt Service Reserve Fund as of any Principal Payment Date or Interest Payment Date on Senior Obligations which represent the amount on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement established for a Series of Bonds, after payment of principal of and interest on the Bonds of such Series due on such date, shall be transferred to the credit of the Loan Fund until no Bonds of such Series shall be Outstanding, and then, first, to the payment of Loan Debt Service and, second, to NYCHA for application in accordance with the Capital Fund Program.

(C) A Supplemental Indenture authorizing the issuance of a Series of Bonds may provide that the Debt Service Reserve Requirement with respect to such Series of Bonds is to be funded by Cash Equivalents. Whenever the Indenture shall refer to "moneys" on deposit to the credit of the Debt Service Reserve Fund, "moneys" shall be deemed to include said Cash Equivalents and such Cash Equivalents shall be valued on each applicable date, for purposes of the Debt Service Reserve Requirement, at the full amount drawable thereunder as of such date.

### **Deposits (Section 5.9)**

(a) In order to permit amounts to be available for use at the time when needed, any such amounts may, if and as directed by the Corporation, be deposited in the corporate trust department of the Trustee which may honor checks and drafts on such deposit with the same force and effect as if it were not the Trustee. The Trustee shall allow and credit on such amounts at least such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(b) All amounts deposited by the Trustee pursuant to subsection (a) above shall be continuously and fully secured (a) by lodging with the Trustee as custodian, as collateral security, Investment Securities having a market value (exclusive of accrued interest) not less than the amount of such deposit, and (b) in such other manner as may then be required by applicable Federal or state laws and regulations regarding security for the deposit of public funds. It shall not be necessary, unless required by applicable law, for the Trustee to give security under this section for the deposit of any amounts to the extent that such deposit is insured by the Federal Deposit Insurance Corporation, or its successor, or that are held in trust and set aside by the Trustee for the payment of any Bonds, or for the Trustee to give



security for any moneys that shall be represented by obligations or certificates of deposit (of issuers other than the Trustee) purchased as an investment of such moneys.

(c) All amounts so deposited by the Trustee shall be credited to the particular Account from which such amounts were derived.

#### **Investment of Certain Funds (Section 5.10)**

(A) Subject to the right of the Corporation to direct the investment or deposit of funds hereunder (after consultation with NYCHA, and with the intent of maximizing returns, taking into consideration HUD investment guidelines and the General Depository Agreement (HUD Form 51999) dated as of the date hereof by and between NYCHA and the Trustee, Corporation investment guidelines, and Federal tax requirements) and except as specifically otherwise provided for herein, moneys in any Account shall be continuously invested and reinvested or deposited and redeposited by the Trustee in the highest yield Investment Securities that may be reasonably known to the Trustee, or deposited and redeposited as provided in the Indenture, with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds. The Corporation may (except as provided below) direct the Trustee in writing to, or in the absence of direction, the Trustee shall, invest and reinvest the moneys in any Account in Investment Securities so that the maturity date or date of redemption at the option of the owner thereof shall be equal to the lesser of (i) six (6) months or (ii) the dates that coincide as nearly as practicable with (but in no event later than) the times at which moneys are needed to be expended. The Investment Securities purchased shall be held by the Trustee, or for its account as Trustee, and shall be deemed at all times to be part of such Account, and the Trustee shall keep the Corporation advised as to the details of all such investments upon any request therefor.

(B) Investment Securities purchased as an investment of moneys in any Account held by the Trustee under the provisions of this Indenture shall be deemed at all times to be a part of such Account but the income or interest earned and gains realized in excess of losses suffered by an Account due to the investment thereof shall, except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, be deposited in the Revenue Account or shall be credited as Revenues to the Revenue Account from time to time and reinvested.

(C) To the extent permitted by law and subject to the limitations on investments included in this Indenture, the Trustee may commingle any amounts on deposit in the Accounts held under this Indenture for the purpose of purchasing Investment Securities. However, the Trustee shall maintain and keep separate accounts of such Accounts at all times.

(D) The Trustee shall, at the written direction of the Corporation, use reasonable commercial efforts to sell at the best price obtainable, or present for redemption or exchange, any Investment Security purchased by it pursuant to this Indenture whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Account for which such investment was made.

(E) Upon receipt of written instructions from an Authorized Officer of the Corporation, the Trustee shall exchange any coin or currency of the United States of America or Investment Securities held by it pursuant to the Indenture for any other coin or currency of the United States of America or Investment Securities of like amount.

(F) The Trustee shall not be responsible for any loss realized from the purchase or sale of any Investment Security.

#### **Valuation and Sale of Investments (Section 5.11)**

(A) In computing the amount in any Account, obligations purchased as an investment of moneys therein shall be valued at amortized value or if purchased at par, at par.

(B) Except as otherwise provided herein, the Trustee shall use reasonable commercial efforts to sell at the best price obtainable, or present for redemption, any Investment Security whenever it shall be requested in writing by an Authorized Officer of the Corporation to do so or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Account held by it. An Investment Security may be credited on a pro rata basis

to more than one Account and need not be sold in order to provide for the transfer of amounts from one Account to another.

### **Disposition of Unclaimed Funds (Section 5.13)**

Amounts held by the Trustee for the payment of principal or Redemption Price of, or interest on, Bonds held by particular Bond owners with respect to which no claim for payment has been made shall be disposed of as provided by applicable law, or if there shall be no such applicable law, shall be returned to NYCHA three years after the date on which payment of such amounts would have been due and set aside and held solely for the payment of such principal or Redemption Price of, or interest on, such Bonds.

### **Selection of Bonds to Be Redeemed (Section 6.4)**

In the event of redemption of less than all the Outstanding Bonds of like Series, priority and maturity, the Trustee shall assign to each such Outstanding Bond a distinctive number for each minimum denomination of the principal amount thereof so as to distinguish each such minimum denomination from each other portion of the Bonds subject to such redemption. The Trustee shall select by lot, using such method of selection it shall deem proper in its sole discretion, from the numbers of all such Bonds then Outstanding of such maturity, as many numbers as, at the minimum denomination for each number, shall equal the principal amounts of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; but only so much of the principal amount of each such Bonds of a denomination of more than the minimum denomination shall be redeemed as shall equal the minimum denomination for each number assigned to it and so selected. For the purposes of this section, Bonds which have theretofore been selected by lot for redemption shall not be deemed Outstanding.

Any integral multiple of a minimum denomination may, if so specified by the provisions of a Supplemental Indenture, be utilized in connection with the partial redemption of Bonds issued pursuant to such Supplemental Indenture and such Bonds shall be subject to selection for redemption in the amount of such multiple but otherwise in accordance with this section.

### **Notice of Redemption (Section 6.5)**

When the Trustee shall receive notice from the Corporation of its election or direction to redeem Bonds and when redemption of Bonds is required by the Indenture, the Trustee shall give notice, in the name of the Corporation, of the redemption of such Bonds. Such notice shall specify the Series, maturities of the Bonds to be redeemed, the Redemption Date, any conditions precedent to such redemption and the place or places where amounts due upon such redemption will be payable and, if less than all the Bonds of any like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date, assuming the satisfaction of all conditions precedent to such redemption, there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of registered Bonds to be redeemed in part only, together with interest accrued to the Redemption Date, and that from and after such date interest thereon shall cease to accrue and be payable. Except as otherwise provided in a Supplemental Indenture, such notice shall be given by first class mail or registered or certified mail, return receipt requested (such delivery method to be determined by the Trustee), not less than thirty (30) days before the Redemption Date, to the registered Owners of any Bonds or portions of Bonds that are to be redeemed, at their last addresses, if any, appearing upon the registry books, but failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of Bonds with respect to which no such failure occurred. With respect to Book Entry Bonds, if the Trustee sends notice of redemption to the Securities Depository pursuant to the Letter of Representations, the Trustee shall not be required to give the notice set forth in the immediately preceding sentence. Upon direction in writing by the Corporation, further notice shall be given by the Trustee in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

In addition to the foregoing, the redemption notice shall contain with respect to each Bond being redeemed, (1) the date of issue, (2) the interest rate, (3) the maturity date, and (4) any other descriptive information determined

by the Trustee to be needed to identify the Bonds. If a redemption is a Conditional Redemption as permitted by the Indenture, the notice shall so state. The Trustee shall also send each notice of redemption at least thirty (30) days before the redemption date to (A) any Rating Service then rating the Bonds to be redeemed; (B) all of the registered clearing agencies known to the Trustee to be in the business of holding substantial amounts of bonds of a type similar to the Bonds; and (C) one or more national information services that disseminate notices of redemption of bonds such as the Bonds.

#### **Payment of Redeemed Bonds (Section 6.6)**

Notice having been given by mail in the manner provided in the Indenture, and all conditions precedent to redemption having been met, the Bonds or portions thereof so called for redemption shall become due and payable on the Redemption Date so designated at the Redemption Price, plus interest accrued and unpaid to the Redemption Date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the Redemption Date. If there shall be called for redemption less than the entire principal amount of a Bond, the Corporation shall execute, the Authenticating Agent shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered at the option of the Owner, Bonds of like Series, priority and maturity in any of the authorized denominations. If, on the Redemption Date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the Redemption Date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been mailed as aforesaid, and all conditions precedent to redemption shall have been met, then, from and after the Redemption Date, interest on the Bonds or portions thereof of such Series and maturities so called for redemption shall cease to accrue and become payable. If said moneys shall not be available on the Redemption Date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption. Copies of all notices given pursuant to this section shall be sent by the Trustee to HUD.

#### **Conditional Redemption (Section 6.8)**

Each Supplemental Indenture authorizing a Series of Bonds may provide that one or more of the redemption provisions applicable to such Series will be conditional upon the occurrence of any event including, but not limited to, receipt by the Trustee of sufficient funds on the applicable redemption date, and in any such event the notice of redemption shall advise that it is so conditioned. The Corporation shall provide prompt written notice to the Trustee if the Corporation determines that conditions to any redemption will not be met.

#### **Power to Incur Senior Obligations and Pledge Revenues (Section 7.4)**

The Corporation represents that it is duly authorized under all applicable laws to incur the Senior Obligations and to execute and deliver the Indenture and to pledge the Revenues and other moneys, securities, funds, rights and interests purported to be pledged by the Indenture in the manner and to the extent provided in the Indenture. The Senior Obligations and the provisions of the Indenture are and will be the valid and legally enforceable obligations of the Corporation in accordance with their terms and the terms of the Indenture.

#### **Tax Covenants (Section 7.6)**

The Corporation shall at all times do and perform all acts and things necessary or desirable and shall refrain from such acts as shall be necessary in order to assure that interest paid on the Bonds, other than Federally Taxable Bonds, shall, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof under provisions of the Code.

The Corporation shall comply with all requirements of any Tax Certificate executed and delivered by an Authorized Officer of the Corporation in connection with a Series of Bonds, unless the Corporation has received a Bond Counsel's Opinion to the effect that such compliance is no longer necessary in order to assure that interest paid on such Series of Bonds is excludable from the gross income of the recipients thereof. To the extent set forth in any

Tax Certificate, the Corporation shall cause the Trustee to make rebate payments to the U.S. Treasury from amounts held in the Rebate Fund.

#### **Budget and Collection of Revenues (Section 7.7)**

(A) Each Loan Agreement shall require NYCHA to budget from amounts to be received by NYCHA pursuant to the Capital Fund Program in each fiscal year of NYCHA amounts sufficient to pay all Senior Obligations when due and all Loan Debt Service when due, and further to agree not to budget, requisition from HUD or expend amounts to be received pursuant to the Capital Fund Program in any fiscal year of NYCHA if the effect of such budget, requisition or expenditure would be to reduce the amount of Revenues to be received by NYCHA pursuant to the Capital Fund Program for such fiscal year below the amount needed, or materially adversely affect the availability of Revenues at the times required, to pay all Senior Obligations when due and all Loan Debt Service when due. Each Loan Agreement shall require NYCHA to agree to include such budgeted amount in its annual financial plan submitted to HUD.

(B) Each Loan Agreement shall require NYCHA to execute and deliver and present to HUD for execution and delivery a Capital Fund Financing Amendment, which directs HUD to pay directly to the Trustee from Capital Fund Program moneys available to NYCHA in the amount necessary to pay Loan Debt Service, and to execute separate Annual Financing Amendments (as defined in the Loan Agreement) to authorize such payments. Amounts to be paid by HUD shall be requested to be paid to the Trustee no earlier than three (3) Business Days and no later than one (1) Business Day before each Bond Payment Date.

(C) The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other moneys, securities and funds pledged under the Indenture and all the rights of the Owners of Senior Obligations under the Indenture against all claims and demands. From and after the sale and delivery of any of the Bonds of the Corporation, the Bonds shall be incontestable by the Corporation.

#### **Issuance of Additional Bonds (Section 7.8)**

(A) The Corporation shall not hereafter create or permit the creation of or issue any additional Series of Bonds that will be secured by a charge or lien on the Revenues and assets pledged hereunder, except that additional Series of Bonds may be issued from time to time, subject to the provisions of paragraph (B) below, subsequent to the issuance of the initial three Series of Bonds under the Indenture, on a parity with the Bonds of such initial three Series of Bonds and secured by an equal charge and lien on the Revenues and assets pledged hereunder and payable equally therefrom, and may be entered into from time to time with the priority and secured as provided in the Indenture.

(B) No additional Series of Bonds shall be issued subsequent to the issuance of the initial three Series of Bonds under the Indenture unless:

- (1) the principal amount of the Additional Bonds then to be issued, together with the principal amount of bonds, notes and other obligations theretofore issued pursuant to applicable law, will not exceed in aggregate principal amount any limitation thereon imposed by law;
- (2) prior to the issuance and delivery of any such additional Bonds, the Corporation shall file with the Trustee:
  - (a) the written approval by HUD of the issuance of such Additional Bonds,
  - (b) a Certificate demonstrating that the lesser of (y) the Capital Fund Grant Monies received by NYCHA in the immediately preceding Federal fiscal year and (z) the average annual amount of Capital Fund Grant Monies received by NYCHA, as evidenced by Annual Capital Fund ACC Amendments between NYCHA and HUD under the Capital Fund Program in the three Federal fiscal years immediately preceding the issuance of the Additional Bonds, equals or exceeds an amount equal to three (3) times the aggregate

annual Loan Debt Service, determined in reference to all Loans outstanding and the additional Loan or Loans proposed to be made, and

- (c) the written consent of each Bond Insurer, if any, and advice from the Rating Agencies that such action will not have an adverse effect on the then-current ratings of the Bonds Outstanding;
- (3) the applicable provisions of the Indenture shall have been complied with as of the date of delivery of such Series;
- (4) at the time of issuance of such Additional Bonds, the Corporation shall not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture except, in the case of Refunding Bonds, if the initial application of the proceeds of such Bonds shall cure such default; and
- (5) NYCHA is not in default under any Loan Agreement.

The Corporation agrees to provide 30 days' prior written notice to each of the Rating Agencies of the issuance of additional Bonds pursuant to the Indenture. Such notice shall generally describe the additional Bonds proposed to be issued.

(C) The Corporation hereby expressly reserves the right to enter into one or more additional trust indentures for its purposes, including purposes relating to the Program, and reserves the right to issue other obligations not secured by the Trust Estate for such purposes.

#### **Alteration of Rights of Owners of Senior Obligations (Section 7.13)**

Except as otherwise provided in the Indenture, no limitations or alterations of the rights vested in the Corporation to fulfill the terms of the Indenture, and no impairment of the rights and remedies of the Owners of Senior Obligations shall be made, until the Senior Obligations, together with the interest thereon and interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of those Owners of Senior Obligations, are fully met and discharged.

#### **Supplemental Indentures Not Requiring the Consent of Owners of Bonds (Section 8.1)**

For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture not requiring the consent of Owners of Bonds may be executed by the Corporation and the Trustee for the following purposes:

- (1) to close the Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Indenture on, the authentication and delivery of additional Series of Bonds or the incurrence of other Senior Obligations;
- (2) to add to the covenants and agreements of the Corporation in the Indenture other covenants and agreements to be observed by the Corporation that are not contrary to or inconsistent with the Indenture as theretofore in effect;
- (3) to add to the limitations and restrictions in the Indenture other limitations and restrictions to be observed by the Corporation that are not contrary to or inconsistent with the Indenture as theretofore in effect;
- (4) to surrender any right, power or privilege reserved to or conferred upon the Corporation by the terms of the Indenture, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Corporation contained in the Indenture;

(5) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture of the Trust Estate;

(6) to modify any of the provisions of the Indenture in any respect whatever, but only if (i) such modification shall be, and be expressed to be, effective only after all Bonds Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds issued after the date of the execution and delivery of such Supplemental Indenture;

(7) to authorize the issuance of one or more Series of Bonds, and to prescribe the terms and conditions upon which such Bonds may be issued or incurred;

(8) to create additional special trust accounts for the further securing of all Bonds issued pursuant to the Indenture if together with such Supplemental Indenture there is filed a Bond Counsel's Opinion to the effect that the creation and operation of such account will in no way impair the existing security of the Holder of any Outstanding Senior Obligation;

(9) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provisions in the Indenture;

(10) to provide for additional duties of the Trustee and other Fiduciaries;

(11) to satisfy the requirements of a Rating Agency in order to obtain, maintain or improve the rating on any of the Bonds;

(12) to provide for the orderly sale of Bonds;

(13) in connection with the issuance of Bonds other than the initial three Series of Bonds, to provide for the making of Loans, and the disbursement of amounts from the Accounts in connection with such Loans, to persons other than NYCHA, pursuant to Loan Agreements among such persons, the Corporation, the Trustee and NYCHA, in each case for the benefit of mixed-use privately-owned housing developments involving NYCHA sponsorship or participation;

(14) to make any other change that is not to the prejudice of the Trustee or Holders of the Senior Obligations and that, in the judgment of the Trustee acting in reliance on a Bond Counsel's Opinion, is necessary or desirable to maintain the tax exempt status of the Bonds (other than Federally Taxable Bonds);

(15) to make any change that, in the judgment of the Trustee, is not materially adverse to the interests of the Trustee or the Owners of Senior Obligations; or

(16) to make any change that has been submitted to and reviewed by each Rating Agency and for which each Rating Agency shall have confirmed in writing that such change will not itself result in the withdrawal or lowering of the rating on any Outstanding Bonds, without taking into account ratings based upon the coverage of any Bond Insurance Policy.

### **Supplemental Indentures Effective upon Consent of Owners of Bonds (Section 8.2)**

At any time or from time to time, a Supplemental Indenture may be executed by the Corporation and the Trustee subject to consent by Owners of Bonds in accordance with and subject to the provisions of the Indenture. Any such Supplemental Indenture shall become fully effective in accordance with its terms upon the execution thereof by the Corporation and the Trustee and upon compliance with the provisions of the Indenture.

### **General Provisions (Section 8.3)**

(A) The Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of the Indenture. Nothing contained in the Indenture shall affect or limit

the right or obligation of the Corporation to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of the Indenture or the right or obligation of the Corporation to execute and deliver to any Fiduciary any instrument that is to be delivered to said Fiduciary pursuant to the Indenture.

(B) Any Supplemental Indenture permitted or authorized by the Indenture may be executed by the Corporation and the Trustee without the consent of any of the Owners of Bonds, but shall become effective only on the conditions, to the extent and at the time provided in the Indenture. The copy of every Supplemental Indenture delivered to the Trustee shall be accompanied by a Bond Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully executed by the Corporation in accordance with the provisions of the Indenture and the Act, is authorized or permitted by the Indenture and the Act, assuming due authorization, execution and delivery by the other parties thereto, is valid and binding upon the Corporation, and will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(C) The Trustee is hereby authorized to accept the delivery of any Supplemental Indenture referred to and permitted or authorized by the Indenture and to make all further agreements and stipulations that may be contained therein, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Bond Counsel's Opinion) that such Supplemental Indenture is authorized or permitted by the provisions of the Indenture.

(D) No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

(E) No Supplemental Indenture shall be effective, other than a Supplemental Indenture authorizing the issuance of Additional Bonds pursuant to the Indenture, until the Trustee receives written confirmation from each Rating Agency that the execution and delivery of such Supplemental Indenture will not itself adversely affect the rating on any Outstanding Bonds.

(F) No Supplemental Indenture shall be effective without the prior written consent of HUD and each Bond Insurer.

### **Powers of Amendment (Section 9.2)**

Except as provided in the Indenture, any modification of or amendment thereof and of the rights and obligations of the Corporation or the Owner of any Senior Obligation under a Supplemental Indenture, may be made by a Supplemental Indenture consented to by the Bond Insurers and, in the event such Supplemental Indenture shall be executed pursuant to the Indenture, with the written consent given as provided in the Indenture (i) of the Owners of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in aggregate principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the terms of any Sinking Fund Payment, of the Owners of 100% in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Payment and Outstanding at the time such consent is given. If any such modification or amendment will not take effect so long as any Bonds of any specified maturity remain Outstanding however, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. Notwithstanding the foregoing, no modification or amendment contained in any such supplemental indenture shall permit any of the following, without the consent of each Bondholder whose rights are affected thereby: (a) a change in the terms of stated maturity or redemption of any Bond or of any installment of interest thereon; (b) a reduction in the principal amount of or redemption premium on any Bond or in the rate of interest thereon or a change in the coin or currency in which such Bond is payable; (c) the creation of a lien on or a pledge of any part of the Trust Estate, or the money or assets pledged under the Indenture or any part thereof; (d) the granting of a preference or priority of any Bond or Bonds over any other Bond or Bonds; (e) a reduction in the aggregate principal amount of Bonds of which the consent of the Bondholders is required to effect any such modification or amendment; or (f) a change in the provisions of the Indenture. Notwithstanding the foregoing, the holder of any Bond may extend the time for payment of the principal of or interest on such Bond; provided, however, that upon the occurrence of an Event of Default, funds available hereunder for the payment of the principal and interest on the Bonds shall not be applied to any payment so extended until all principal and interest

payments that have not been extended have first been paid in full. For the purposes of this section, a Series shall be deemed to be affected by a modification or amendment of the Indenture if the same adversely affects or diminishes the rights of the Owners of Bonds of such Series. The Trustee may in its sole discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity would be affected by any modification or amendment of the Indenture and any such determination shall be binding and conclusive on the Corporation and all Owners of Bonds.

### **Consent of Owners of Bonds (Section 9.3)**

A copy of any Supplemental Indenture making a modification or amendment that is not permitted by the provisions of the Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Owners of Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Registrar on behalf of the Corporation to the Owners of Bonds to be affected by such proposed amendment or modification. Such Supplemental Indenture shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of the Bond Insurers and the Owners of the percentages of Outstanding Bonds specified in the Indenture, and (b) a Bond Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully approved by the Corporation in accordance with the provisions of the Indenture, is authorized or permitted hereby and, assuming due authorization, execution and delivery by the other parties thereto, is valid and binding upon the Corporation, and (ii) a notice shall have been delivered as hereinafter provided in this section.

The consent of an Owner of a Bond to any modification or amendment shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Indenture. A certificate by the Trustee (a copy of which shall be retained by the Trustee) that it has examined such proof and that such proof is sufficient in accordance with the Indenture shall be conclusive that the consents have been given by the Owners of the Bonds described in such Certificate of the Trustee. Any such consent shall be binding upon the Owner of the Bonds giving such consent and upon any subsequent Owner of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof) unless such consent is revoked in writing by the Owner of such Bonds giving such consent or a subsequent Owner thereof by filing with the Trustee, at least three (3) Business Days prior to the time when the written statement of the Trustee hereinafter provided for in this section is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by the Indenture. The fact that a consent has not been revoked may likewise be proved by a Certificate of the Trustee (a copy of which shall be retained by the Trustee) to the effect that no revocation thereof is on file with the Trustee.

At any time after the Owners of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Corporation and the Trustee a written statement that the Owners of such required percentages of Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture approved by the Corporation and dated as of a specific date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentages of Bonds and will be effective as provided in this section shall be given to Owners of Bonds by the Corporation by mailing such notice to the Owners of Bonds not more than ninety (90) days after the Owners of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture and the written statement of the Trustee provided hereinabove for is filed. The Corporation shall file with the Trustee proof of the mailing of such notice. A record, consisting of the papers required or permitted by this section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Corporation, the Fiduciaries and the Owners of all Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof of the first mailing of the notice of such consent, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period, except that any Fiduciary and the Corporation during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.



Notwithstanding anything else in the Indenture, if a supplemental indenture is to become effective under the Indenture on the same date as the date of issuance of Additional Bonds, the consents of the underwriters or purchasers of such Additional Bonds shall be counted for purposes of the Indenture.

#### **Modifications by Unanimous Consent (Section 9.4)**

The terms and provisions of the Indenture and the rights and obligations of the Corporation and of the Owners of the Bonds hereunder may be modified or amended in any respect upon the execution by the Corporation and the Trustee of a Supplemental Indenture and the consent of the Bond Insurers and the Owners of all the Bonds then Outstanding, such consent to be given as provided in the Indenture, but no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Bondholders. No notice of any such modification, amendment, assent or publication thereof shall be required.

#### **Events of Default (Section 10.1)**

(A) Each of the following events is an “Event of Default”:

(1) payment of the principal of or Redemption Price, if any, on any Bond when and as the same shall become due, whether at maturity or upon call for redemption or otherwise, shall not be made when and as the same becomes due;

(2) payment of any installment of interest on any of the Bonds shall not be made when and as the same shall become due;

(3) if bankruptcy, reorganization, arrangement, receivership, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by NYCHA (other than (i) such proceedings instituted by NYCHA against other parties and (ii) NYCHA being placed into a management receivership sought or imposed by or in cooperation with HUD);

(4) the Corporation shall fail or refuse to comply with the provisions of the Indenture, or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained in the Indenture or in any Supplemental Indenture or the Bonds, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Trustee or the Owners of not less than 25% in principal amount of the Outstanding Bonds; provided that the Trustee or such Owners of not less than 25% in principal amount of the Outstanding Bonds shall not provide written notice to the Corporation pursuant to this paragraph of any such failure, refusal or default until and after the Trustee has complied with the provisions of paragraph (B) below; or

(5) with respect to any Series of Bonds, the occurrence of any Event of Default pursuant to the Supplemental Indenture authorizing such Series.

(B) The Trustee shall not give the written notice referred to in paragraph (A)(4) above unless or until (i) the Corporation has been advised by the Trustee that the Trustee believes that a reasonable basis exists to issue such written notice; (ii) a period of ten (10) Business Days has expired after receipt by the Corporation of such advice, during which period the Corporation shall have the opportunity to contest the basis for such written notice; and (iii) the Trustee has provided the Corporation with written confirmation that the Trustee disagrees with the Corporation’s position on the matter in question.

#### **Remedies (Section 10.2)**

Upon the happening and continuance of any Event of Default specified in paragraphs (1), (2) and (3) of the section above, the Trustee shall promptly notify the Corporation and each Fiduciary of the existence of such Event of Default and shall proceed, or upon the happening and continuance of any Event of Default specified in paragraphs (4)

and (5) of the section above, the Trustee shall promptly notify the Corporation and each Fiduciary of the existence of such Event of Default and may proceed (and, upon the written request of the Owners of not less than 25% in principal amount of the Outstanding Bonds and with respect to an Event of Default specified in paragraph (4) of the section above, shall proceed) in its own name, subject to the provisions of Article XI, to protect and enforce the rights of the Owners of the Senior Obligations by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

- (1) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Owners of Senior Obligations, including the right to require the Corporation to carry out the covenants and agreements contained in the Indenture, and to require the Corporation to carry out any other covenants or agreements with Owners of Senior Obligations and to perform its duties as prescribed by law;
- (2) by bringing suit upon the Senior Obligations;
- (3) by action or suit in equity, to require the Corporation to account as if it were the trustee of an express trust for the Owners of Senior Obligations; or
- (4) by action or suit in equity to enjoin any acts or things that may be unlawful or in violation of the rights of the Owners of Senior Obligations.

In the enforcement of any rights and remedies under the Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due and unpaid from the Corporation for principal, interest or otherwise, under any provisions of the Indenture or a Supplemental Indenture or of the Senior Obligations, with, to the extent permitted by law, interest on overdue payments at the rate of interest specified in such Senior Obligations, together with any and all costs and expenses of collection and of all proceedings thereunder and under such Senior Obligations, without prejudice to any other right or remedy of the Trustee or of the Owners of Senior Obligations, and to recover and enforce a judgment or decree against the Corporation for any portion of such amounts remaining unpaid, with interest, costs and expenses (including without limitation pretrial, trial and appellate attorney fees), and to collect from the Corporation any moneys adjudged or decreed to be payable.

Upon the occurrence of any Event of Default, and on the filing of suit or other commencement of judicial proceedings to enforce the rights of the Owners of Senior Obligations under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues, pending such proceedings, with such powers as the court making such appointment shall confer.

### **Priority of Payments After Default (Section 10.3)**

In the event that upon the happening and continuance of any Event of Default the funds held by the Trustee and Paying Agents shall be insufficient for the payment of principal or Redemption Price and interest then due on the Senior Obligations, such funds (other than funds held for the payment of particular Senior Obligations that have theretofore become due at maturity) and any other amounts received by the Trustee acting pursuant to this Article, after providing for the payment of any expenses necessary in the opinion of the Trustee to protect the interest of the Owners of Senior Obligations and for the payment of the fees, charges, expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under the Indenture, shall be applied as follows:

**FIRST:** To the payment to the persons entitled thereto of all installments of interest then due on Senior Obligations in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

**SECOND:** To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Senior Obligations that shall have become due, with interest upon such principal or Redemption Price at the interest rate set forth in such Senior Obligations from the respective dates upon which they shall have become due and payable,

and, if the amounts available shall not be sufficient to pay in full all the Senior Obligations due, together with such interest, then to the payment, first of such interest ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

So long as no Senior Obligations are Outstanding, to the payment of Subordinate Obligations in accordance with the provisions of the Supplemental Indentures executed in connection with the issuance or incurrence of such Subordinate Obligations.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional money becoming available for such application in the future. The deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Corporation, to any Owner of a Senior Obligation or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of the Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall also select a Record Date for such payment date. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date. The Trustee shall not be required to make payment to an Owner of a Bond any unpaid amount relating to such Bond unless such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

#### **Termination of Proceedings (Section 10.4)**

In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then in every such case the Corporation, the Trustee and the Owners of Senior Obligations shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

#### **Owners of Bonds' Direction of Proceedings (Section 10.5)**

Anything in the Indenture to the contrary notwithstanding, the Owners of not less than 25% in principal amount of the Bonds then Outstanding, shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Indenture, and that the Trustee shall have the right to decline to follow such direction that in the opinion of the Trustee would be unjustly prejudicial to Owners of Bonds not parties to such direction.

#### **Limitation on Rights of Owners of Bonds (Section 10.6)**

(A) Except as otherwise specifically provided by the Indenture, no Bondholder shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law hereunder, or for the protection or enforcement of any right under the Indenture unless such person is an Owner of one or more Bonds then Outstanding, and (1) an Event of Default shall have occurred and is continuing; (2) such Owner previously shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, (3) the Owners of not less than 25% in principal amount of the Bonds then Outstanding, shall have made written request of the Trustee after the right to exercise such powers of right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Indenture or granted under the law or to institute such action, suit or proceeding in its name, (4) there shall have been offered to the Trustee reasonable security and indemnity against the fees, costs, expenses and liabilities to be incurred therein or thereby, (5) the Trustee shall have refused or neglected to comply with such request within sixty (60) days after its receipt of such written request and offer of indemnity and (6) no direction inconsistent with such request has been given to the Trustee during such 60-day period by the holders of a majority in aggregate principal amount of the Bonds then Outstanding; and such notification request and offer of indemnity are hereby declared in

every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under the Indenture or for any other remedy hereunder or by law. It is understood and intended that, except as otherwise above provided, no one or more Owners of Bonds hereby secured shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right hereunder, except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the benefit of all Owners of Bonds. Nothing contained in the Indenture shall affect or impair the absolute and unconditional right of any Owner of a Bond to receive payment of principal of, redemption premium, if any, and interest on the Bonds on and after the due date thereof, and to enforce the payment of the principal of and interest on its Bonds, or the obligation of the Corporation to pay the principal of and interest on each Bond issued or incurred hereunder, to the Owner thereof at the time and place in said Bond expressed.

Anything to the contrary notwithstanding contained in this section, or any other provision of the Indenture, each Owner of a Bond by its acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under the Indenture or any Supplemental Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable pretrial, trial and appellate attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding at least 25% in principal amount of the Bonds Outstanding, or to any suit instituted by any Owner of a Bond for the enforcement of the payment of any Bond on or after the respective due date thereof expressed in such Bond.

#### **Waiver of Defaults (Section 10.10)**

The holders of a majority in aggregate principal amount of the Outstanding Bonds may, by written notice to the Trustee and with the consent of the Bond Insurers, waive any existing Event of Default and its consequences, except an Event of Default under paragraphs (A)(1) or (A)(2) of the section above entitled "Event of Default". Upon any such waiver, the Event of Default shall be deemed cured and shall cease to exist for all purposes. No waiver of any Event of Default shall extend to or effect any subsequent Event of Default or shall impair any right or remedy consequent thereto.

#### **Notice of Event of Default (Section 10.11)**

The Trustee shall give to the Owners of Bonds notice of each Event of Default hereunder known by a trust officer in the corporate trust department of the Trustee within ninety (90) days after actual knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided, that, except in the case of default in the payment of the principal of, Redemption Price or interest on any of the Bonds, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the interest of the Owners of Bonds. Each such notice of Event of Default shall be given by the Trustee by mailing written notice thereof: (i) to all Owners of Bonds, as the names and addresses of such Owners appear upon the books for registration and transfer of Bonds as kept by the Trustee, and (ii) to such other persons as is required by law.

#### **Further Notices of Event of Default (Section 10.12)**

The Trustee shall promptly mail written notice of the occurrence of any Event of Default to any Bond Insurer; provided that such notice shall in no event be required to be given prior to the Bondholders receiving notice pursuant to the Indenture. Such notices shall be given as set forth in the respective instruments creating such Bond Insurance Policy. In addition, the Trustee shall promptly mail written notice to HUD of the occurrence of any Event of Default.

#### **Rights of Bond Insurer (Section 10.13)**

Notwithstanding anything contained in the Indenture to the contrary, but subject to the provisions of any applicable Supplemental Indenture, any Bond Insurer shall be treated as the exclusive Owner of Bonds upon which

such Bond Insurer is obligated pursuant to a Bond Insurance Policy, for the purposes of calculating whether or not the Owners of the requisite percentage of Bonds then Outstanding have consented to any request, consent, directive, waiver or other action permitted to be taken by the Owners of the Bonds under the Indenture; provided, that the foregoing shall not include the right of Owners to consent to amendments described in the third sentence of the Indenture except with respect to Bonds as to which the Bond Insurer shall have paid amounts in respect of principal or interest, and provided, further, that such Bond Insurer shall cease to be so regarded as Owner of such Bonds in the event such Bond Insurer is in default of its obligations under the applicable Bond Insurance Policy.

### **Certain Rights of the Trustee (Section 11.2)**

Except as otherwise provided in the Indenture:

(A) the Trustee may rely and is protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(B) whenever in the Indenture the Trustee deems it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence thereof is specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate;

(C) the Trustee may consult with counsel and the written advice of such counsel or an opinion of counsel shall be full and complete authorization and protection for any action taken, suffered or omitted by it in good faith and in accordance with such advice or opinion;

(D) the Trustee is under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Bondholders unless such holders have offered to the Trustee security or indemnity satisfactory to the Trustee as to its terms, coverage, duration, amount and otherwise with respect to the costs, expenses and liabilities that may be incurred by it in compliance with such request or direction, and the provision of such indemnity shall be mandatory for any remedy taken upon direction of the holders of 25% or more in aggregate principal amount of the Bonds;

(E) the Trustee is not required to make any inquiry or investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee determines to make such further inquiry or investigation, it is entitled to examine the books, records and premises of the Corporation in person or by agent or attorney;

(F) the Trustee may execute any of its trusts or powers or perform any duties under the Indenture either directly or by or through agents or attorneys, and may in all cases pay, subject to reimbursement as provided in the Indenture, such reasonable compensation as it deems proper to all such agents and attorneys reasonably employed or retained by it, and the Trustee shall not be responsible for any misconduct or negligence of any agent or attorney appointed with due care by it;

(G) the Trustee is not required to take notice or deemed to have notice of any default or Event of Default hereunder, except Events of Default under paragraphs (A)(1) or (A)(2) of such section above, unless a Authorized Officer of the Trustee has actual knowledge thereof or has received notice in writing of such default or Event of Default from the Corporation or the holders of at least 25% in aggregate principal amount of the Outstanding Bonds, and in the absence of any such notice, the Trustee may conclusively assume that no such default or Event of Default exists;

(H) the Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under the Indenture;

(I) in the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of holders of Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, pursuant to the provisions of the Indenture, the Trustee, in its sole discretion, may determine what action, if any, shall be taken;

(J) the Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under the Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of the Indenture and final payment of the Bonds;

(K) the permissive right of the Trustee to take the actions permitted by the Indenture shall not be construed as an obligation or duty to do so; and

(L) except for information provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

#### **Compensation and Expenses of the Trustee (Section 11.5)**

Unless otherwise provided by contract with the Trustee, the Corporation shall pay to the Trustee, from time to time, reasonable compensation for all services rendered by it hereunder and also reimbursement for all its reasonable expenses, charges, legal fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties hereunder; provided, however, that such obligations of the Corporation shall not be secured by a lien on any funds or property held by the Trustee under the Indenture. The sources of payment of such expenses, charges, legal fees and other disbursements shall be the Loan Expense Fee increment of Loan Debt Service and, to the extent such amounts shall be insufficient therefor, the obligation of NYCHA to fund such amounts from any available funds of NYCHA (but not from federal funds).

#### **Qualifications of Trustee (Section 11.6)**

There shall at all times be a trustee under the Indenture that shall be a trust company or commercial bank, which shall be a Federal depository institution or a state chartered depository institution, having the powers of a trust company within the State, having capital, surplus and undivided profits aggregating at least \$100,000,000 if there be such a trust company or bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Indenture. If such institution publishes reports of condition at least annually, pursuant to law or the requirements of any supervising or examining authority above referred to, then for purposes of this section, the combined capital and surplus of such institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this section, it shall resign promptly in the manner and with the effect specified in the Indenture.

#### **Resignation or Removal of Trustee; Appointment of Successor Trustee (Section 11.7)**

(A) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under the Indenture.

(B) The Trustee may resign at any time by giving written notice to the Corporation. Upon receiving such notice of resignation, the Corporation shall promptly appoint a successor Trustee by an instrument in writing. If an instrument of acceptance has not been delivered to the resigning Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor Trustee.

(C) Prior to the occurrence and continuance of an Event of Default hereunder, or after the curing or waiver of any such Event of Default, the Corporation or the holders of a majority in aggregate principal amount of the Outstanding Bonds may remove the Trustee and shall appoint a successor Trustee. In the event there shall have occurred and be continuing an Event of Default under the Indenture, the holders of a majority in aggregate principal amount of the Outstanding Bonds may remove the Trustee and shall appoint a successor Trustee. In each instance such removal and appointment shall be accomplished by an instrument or concurrent instruments in writing signed by the Corporation or such holders, as the case may be, and delivered to the Trustee, the Corporation, and holders of the Outstanding Bonds.

(D) If at any time: (1) the Trustee shall cease to be eligible and qualified under the Indenture and shall fail or refuse to resign after written request to do so by the Corporation or the holder of any Bond, or (2) the Trustee shall become incapable of acting or shall be adjudged insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take charge or control of the Trustee, its property or affairs for the purpose of rehabilitation, conservation or liquidation, then in either such case (A) the Corporation may remove the Trustee and appoint a successor Trustee in accordance with the provisions of the Indenture; or (B) any holder of a Bond then Outstanding may, on behalf of the holders of all Outstanding Bonds, petition a court of competent jurisdiction for removal of the Trustee and appointment of a successor Trustee.

(E) The Corporation shall give written notice of each resignation or removal of the Trustee and each appointment of a successor Trustee to each holder of Bonds then Outstanding as listed in the Bond Register. Each such notice shall include the name and address of the applicable corporate trust office of the successor Trustee.

#### **Acceptance of Appointment by Successor Trustee (Section 11.8)**

(A) Every successor Trustee appointed under the Indenture shall execute, acknowledge and deliver to the Corporation and the predecessor Trustee an instrument accepting its appointment. The resignation or removal of the retiring Trustee shall thereupon become effective, and the successor Trustee shall, without further act, deed or conveyance become vested with all the estates, properties, rights, powers and duties of the predecessor Trustee. Upon the request of the Corporation or the successor Trustee, the predecessor Trustee shall execute and deliver an instrument transferring to the successor Trustee all the estates, properties, rights, powers and duties of the predecessor Trustee under the Indenture, and shall duly assign, transfer, deliver and pay over to the successor Trustee all the Trust Estate and moneys and other property then held under the Indenture. The successor Trustee shall promptly give written notice of its appointment to the holders of all Bonds Outstanding in the manner prescribed in the Indenture, unless such notice has previously been given.

(B) No successor Trustee shall accept appointment as provided in the Indenture unless, as of the date of such acceptance, it is eligible and qualified under the provisions of the Indenture.

#### **Merger, Succession or Consolidation of Trustee (Section 11.9)**

Any corporation or association: (a) into which the Trustee is merged or with which it is consolidated; (b) resulting from any merger or consolidation to which the Trustee is a party; or (c) succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor Trustee without the execution or filing of any document or the taking of any further action. Any such successor must nevertheless be eligible and qualified under the provisions of the Indenture.

#### **Defeasance (Section 12.1)**

(A) If the Corporation shall pay or cause to be paid to the Owners of the Obligations, the principal, purchase price and interest to become due thereon, at the times and in the manner stipulated therein and in the Indenture, and pay or cause to be paid to each Fiduciary its fees, costs and expenses, then the pledge of the Trust Estate, including any Revenues and other moneys, securities, funds and property hereby pledged and all other rights granted hereby shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Corporation, execute and deliver to the Corporation all such instruments as may be necessary and desirable to evidence such

discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Corporation all moneys or securities held by them pursuant to the Indenture that are not required for the payment of Obligations.

If the Corporation shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of any of the Outstanding Senior Obligations the principal, purchase price and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, and pay or cause to be paid to each Fiduciary its fees, costs and expenses relating to such Senior Obligations, such Senior Obligations shall cease to be entitled to any lien, benefit or security hereunder and all covenants, agreements and obligations of the Corporation to the Owners of such Senior Obligations shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall, upon the request of the Corporation, execute and deliver to the Corporation all such instruments as may be necessary and desirable to evidence such discharge and satisfaction.

If the Corporation shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of any of the Outstanding Subordinate Obligations the principal, purchase price and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, and pay or cause to be paid to each Fiduciary its Fees, costs and expenses relating to such Subordinate Obligations, such Subordinate Obligations shall cease to be entitled to any lien, benefit or security hereunder and all covenants, agreements and obligations of the Corporation to the Owners of such Subordinate Obligations shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall, upon the request of the Corporation, execute and deliver to the Corporation all such instruments as may be necessary and desirable to evidence such discharge and satisfaction.

Notwithstanding the foregoing and paragraph (B) below, the provisions of the Indenture relating to payment, registration, transfer and redemption of Bonds, as well as the tax covenants of the Corporation contained in the Indenture, shall remain in effect until final maturity or the Redemption Date of the Obligations.

(B) Bonds or interest installments for the payment of which moneys shall have been set aside and shall be held in trust by the Fiduciaries (through deposit by the Corporation of funds for such payment or otherwise) shall, at the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this section. Except as otherwise provided in any Supplemental Indenture, all Bonds shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this section if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided in the Indenture notice of redemption on said date of such Bonds, (ii) there shall have been deposited with the Trustee either moneys in an amount that shall be sufficient, and/or noncallable Defeasance Obligations the principal of and the interest on which when due will provide moneys that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Corporation shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, on said Bonds. Except as provided in subsection (D) below, neither Defeasance Obligations or moneys deposited with the Trustee pursuant to this section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of or Redemption Price, if any, and interest on said Bonds; but any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable and to the extent not adverse to the tax-exempt status of such Bonds or any refunding obligations, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if any, and interest to become due on said Bonds on and prior to such maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien or pledge. Notwithstanding the provisions of the immediately preceding sentence hereof, the Trustee may sell, transfer or otherwise dispose of the Defeasance Obligations deposited with the Trustee pursuant to this section, provided that the amounts received upon any such sale, transfer or other disposition, or a portion of such amounts, shall be applied to the purchase of other non-callable Defeasance Obligations, the principal of and the interest on which when due will provide moneys that, together with the moneys,



if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be.

(C) The deposit required by subsection (B) above may be made with respect to Bonds within any particular maturity, in which case such maturity of Bonds shall no longer be deemed to be Outstanding under the terms of the Indenture, and the Owners of such defeased Bonds shall be secured only by such trust funds and not by any other part of the Trust Estate, and the Indenture shall remain in full force and effect to protect the interests of the Owners of Bonds remaining Outstanding thereafter.

(D) Anything in the Indenture to the contrary notwithstanding, the Corporation may, in its sole discretion, in connection with the defeasance to maturity of Bonds, reserve the right at such time of defeasance to provide that such Bonds shall remain subject to redemption prior to maturity in accordance with their terms.

(E) Anything in this Indenture to the contrary notwithstanding, subject to the applicable laws of the State, any amounts held by the Trustee in trust for the payment and discharge of any of the Bonds held by particular Bond owners with respect to which no claim for payment has been made shall be disposed of as provided by applicable law, or if there shall be no such applicable law, shall be returned to the Corporation three years after the date on which payment of such amounts would have been due.

(F) Written notice of the defeasance of any Bonds shall be given to each of the Rating Agencies and to HUD and if the Corporation is using federal funds received from NYCHA to effectuate such defeasance, the Corporation shall receive HUD's approval prior to any such defeasance becoming effective.

#### **No Recourse Under Indenture or on Senior Obligations (Section 13.6)**

All covenants, stipulations, promises, agreements and obligations of the Corporation contained in the Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Corporation and not of any officer, employee, member or agent of the Corporation in its individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Senior Obligations or for any claim based thereon or on the Indenture against any officer, employee, member or agent of the Corporation or against any person executing the Senior Obligations.

#### **HUD Not Liable (Section 13.7)**

The covenants, promises, agreements and obligations of the Corporation contained in the Indenture are not obligations of HUD, and the Senior Obligations are not obligations of, or guaranteed by, HUD or the United States of America.

#### **Collection of Revenues; Recording and Filing (Section 13.8)**

(A) The Trustee covenants to cooperate with and assist the Corporation, and perform all acts reasonably requested by the Corporation, with respect to assuring the timely receipt of Revenues from HUD on behalf of NYCHA.

(B) The Trustee covenants that it will, at the expense of the Corporation, cause the Corporation to record and file all continuation of financing statements (and supplements) related to the Indenture and all Supplemental Indentures, in such manner and in such places as may from time to time be required by law in order to preserve and protect fully the security of any Owners of Bonds and the rights of the Trustee hereunder.

#### **Governing Law (Section 13.10)**

The Indenture shall be governed by and construed in accordance with the laws of the State of New York.

**Severability (Section 13.11)**

If any one or more of the covenants or agreements, or portions thereof, provided in the Indenture on the part of the Corporation, or of the Trustee or of any Paying Agent, to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of the remaining provisions of the Indenture or of the Senior Obligations; but the Owners of Senior Obligations shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

**Federal Public Housing Requirements Control (Section 13.13)**

To the extent that any provision of the Indenture is in conflict with the requirements of the United States Housing Act of 1937, as amended, the applicable provisions of Title 24 of the Code of Federal Regulations, or the Annual Contributions Contract, as amended (collectively, "Federal public housing requirements"), such Federal public housing requirements shall control and govern in such instances of conflict.

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## SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

[\*\*To be updated\*\*]

The following is a summary of certain provisions of the Loan Agreement (referred to in this Appendix B-1 as the “Agreement”). This summary does not purport to be complete and reference is made to the Agreement for full and complete statements of its provisions.

**The Loan (Section 2.1)**

General. The Corporation agrees, upon the terms and subject to the conditions set forth in the Agreement, to make the Loan from the proceeds of the Series 2022A Bonds to NYCHA in the principal amount of \$ \_\_\_\_\_ upon the terms and conditions set forth in the Agreement.

Repayment Terms. Interest shall accrue on the outstanding principal balance of the Loan beginning on the date of delivery of the Series 2022A Bonds until fully paid. Interest is payable on each Payment Date beginning the Business Day preceding [\_\_\_\_\_] through the date of payment in full of the outstanding balance of the Loan. Loan Debt Service is repayable in accordance with the schedule set forth in the Agreement. The portion of the Loan Debt Service representing the Loan Expense Fee shall be used to pay the cost of, or reimburse the Corporation for the cost of, any required financial audits, cash flows, Trustee fees and expenses, including as continuing disclosure dissemination agent, rating agency fees and expenses of analytical services rendered for rating agencies.

Prepayment of the Loan. Except as otherwise set forth in the Agreement, the Loan is not subject to prepayment at the option of NYCHA prior to [\_\_\_\_\_]. The Loan is subject to prepayment at the option of NYCHA, in whole or in part, at any time on or after [\_\_\_\_\_] in an amount equal to 100% of the principal amount to be prepaid, plus unpaid interest accrued to the date fixed for redemption of the Series 2022A Bonds. Notice of any such optional prepayment must also be given to HUD, and written evidence of such notice must be provided to the Trustee.

The Loan is subject to prepayment at the option of NYCHA or the Corporation in the event that NYCHA reduces the number of public housing units subject to the ACC to a number more than 5% below its Stabilized Base Unit Count, in an amount necessary to maintain the required coverage ratio established by HUD in the Capital Fund Financing Amendment.

The Loan shall also be prepaid in the event of a casualty loss or condemnation action to the extent required by the Indenture.

Any partial prepayment of the Loan shall be in a minimum amount equal to the lesser of the outstanding principal balance of the Loan or \$5,000 and integral multiples of \$5,000. Any partial prepayment shall be applied to principal installments due under the Loan in any order determined by the Corporation after consultation with NYCHA.

NYCHA shall notify the Corporation of any proposed optional prepayment of the Loan at least 60 but not more than 90 days before the date of the proposed prepayment (the “Date of Prepayment”). On receipt of the notice, the Corporation shall determine the date Series 2022A Bonds will be redeemed (the “Date of Redemption”) with the proceeds of the prepayment and will so notify NYCHA. In the case of an optional prepayment, on the Date of Prepayment, in addition to the prepayment, NYCHA shall pay interest on the prepaid portion of the Loan at the loan interest rate to the Date of Prepayment, plus all reasonable costs and expenses incurred by the Corporation and the Trustee in connection with the prepayment (including but not limited to negative arbitrage and any costs in connection with the redemption of the Series 2022A Bonds being redeemed with the prepayment) calculated to the Date of Redemption.

HUD shall be notified in writing of any proposed prepayment at least 60 (sixty) days prior to the next date on which HUD is scheduled to pay Loan Debt Service to the Trustee. Should HUD incorrectly pay all or a portion of Loan Debt Service to the Trustee after a prepayment, the Trustee shall return such overpayment to HUD within three days of the receipt by the Trustee thereof.

Any prepayment shall be applied (i) first, at the option of the Corporation, to the extent that amounts on deposit in the Debt Service Reserve Fund are less than the Debt Service Reserve Requirement (after giving effect to the change, if any, in Loan Debt Service payments after such Prepayment) to bring the balance in the Debt Service Reserve Fund up to the Debt Service Reserve Requirement, and (ii) second, to be paid to the Trustee (and credited against amounts due under the Loan) for application to the redemption of Series 2022A Bonds in accordance with the Indenture and the Agreement not later than the Business Day prior to the date fixed for redemption of the Series 2022A Bonds. In the event of a partial prepayment of the Loan, the Corporation, with the consent of each Rating Agency, NYCHA and HUD, shall revise the Loan Debt Service payment schedule as set forth in the Agreement, provided (i) the Corporation files with the Trustee, in its capacity as Trustee for the Series 2022A Bonds, and the Rating Agencies a Cash Flow Statement (as defined in the Indenture) with respect to the availability of funds to pay the outstanding balance of the Series 2022A Bonds, (ii) NYCHA files with HUD the revised Loan Debt Service payment schedule, which shall have been agreed upon by NYCHA and the Corporation, for purpose of causing direct payments to be made to the Trustee in accordance therewith, (iii) the Trustee receives from NYCHA and HUD a revised Capital Fund Financing Amendment or other written approval, which reflects HUD's commitment to make the payments set forth in such revised Loan Debt Service payment schedule, and (iv) the Trustee receives confirmation from each of the Rating Agencies that such revised Loan Debt Service payment schedule will not adversely affect the then current rating on the Bonds.

Payments to Corporation; Pledge of Revenues. Payments on the Loan and other Loan Debt Service shall be made by a transfer to the Trustee by HUD (subject to the availability of appropriations), on behalf of NYCHA, of Capital Fund Grant Monies, which payments on the Loan are required under the Agreement to be made by NYCHA in an amount equal to the Loan Debt Service payable during the related Federal fiscal year pursuant to the Capital Fund Financing Amendment and the HUD Letter for deposit into the Revenue Fund in accordance with the Agreement. NYCHA irrevocably pledges and assigns to the Corporation and the Trustee, as security for the Loan, such Capital Fund Grant Monies as are paid to the Trustee by HUD pursuant to the Capital Fund Financing Amendment, the HUD Letter, and all amounts in the Funds.

Annual Plan and Annual Capital Fund ACC Amendments. NYCHA agrees to budget from amounts to be received pursuant to the Capital Fund Program in each Federal fiscal year amounts sufficient to make the foregoing deposits and payments, and further agrees not to obligate, requisition from HUD (subject to the availability of appropriations) or expend amounts to be received pursuant to the Capital Fund Program in any Federal fiscal year if the effect of such obligation, requisition or expenditure would be to reduce the amount of Revenues to be received by the Trustee pursuant to the Capital Fund Program for such Federal fiscal year below the amount needed to pay the annual Loan Debt Service scheduled to be paid from funds received with respect to such Federal fiscal year and any previously unpaid Loan Debt Service (including any amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement), or otherwise materially adversely affect the availability of Revenues or other payments made by NYCHA, at the times required, to make the foregoing deposits and payments. NYCHA agrees to submit each Annual Plan in timely fashion as required, and to execute each Annual Capital Fund ACC Amendment in at least the amount necessary for payment of annual Loan Debt Service and any previously unpaid Loan Debt Service (including any amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement, if any). NYCHA agrees to submit the executed Annual Capital Fund ACC Amendment to HUD (subject to the availability of appropriations) in at least an amount necessary to pay Loan Debt Service and any previously unpaid Loan Debt Service (including any amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement) not later than 75 days prior to the start of each Federal fiscal year or the earliest date on which such Amendment may be executed under the rules and regulations of HUD (if such date is later); provided, that NYCHA shall submit the executed Annual Capital Fund ACC Amendment to HUD in the amount necessary to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement upon any drawing on amounts held in the Debt Service Reserve Fund (including Cash Equivalents therein) to fund debt service on the Series 2022A Bonds (and any Capital Fund Grant Monies received in response to such submission shall be deposited directly into the Debt Service Reserve Fund). NYCHA further covenants and agrees that if in any Federal fiscal year, (i) the applicable Annual Plan shall not have been approved by HUD or (ii) the Annual Capital Fund ACC Amendment shall not have been executed, in either case by the later of (i) October 1 of the first year following the end of the applicable Federal fiscal year with respect to which such funds were appropriated or (ii) 60 days prior to the first scheduled Loan Debt Service payment date following such October 1, NYCHA shall promptly submit to HUD an Annual Plan and/or an Annual Capital Fund ACC Amendment to the extent and in an amount sufficient to make the applicable Loan Debt Service payment, subject to the availability of appropriations (which HUD has agreed, in the HUD Letter issued in

connection with the Series 2022A Bonds, subject to the availability of appropriations and as provided by law, to approve immediately upon receipt from NYCHA). In all events, NYCHA shall not deduct from Loan Debt Service shown in any Annual Plan or Annual Capital Fund ACC Amendment any amounts otherwise available under the Indenture for payment of Loan Debt Service, including amounts held in the Debt Service Reserve Fund and interest earnings on funds and accounts.

#### **Liability of NYCHA for Loan Debt Service (Section 2.2)**

NYCHA shall be liable for payments for Loan Debt Service solely to the extent of Capital Fund Grant Monies paid by HUD for such purpose; provided, that in the event that Capital Fund Grant Monies paid for the purpose of Loan Debt Service shall have been delivered to NYCHA in error (rather than directly to the Trustee), NYCHA shall be liable to pay such funds over to the Trustee.

#### **Eligible Costs to be Paid by NYCHA, subject to HUD Approval (Section 2.3)**

NYCHA acknowledges that, upon issuance of the Series 2022A Bonds, a portion of the Loan proceeds will be deposited into the Costs of Issuance Fund held by the Trustee pursuant to the Indenture and used by the Corporation to pay the Costs of Issuance in the amount set forth in the Agreement. NYCHA covenants and agrees that Net Loan Proceeds will be applied solely for the defeasance and advance refunding of the Corporation's Outstanding 2013 Bonds (NYCHA) as a result of the advance of funds to NYCHA for the future prepayment of the 2013 NYCHA Loan in full on July 1, 2023.

#### **Reimbursement of Costs Incurred (Section 2.4)**

If an Event of Default occurs under the Agreement, and the Trustee or the Corporation employs attorneys or incurs other expenses for the collection of amounts due under the Agreement or the enforcement of any covenant herein, or if the Trustee shall incur extraordinary expenses in connection with its duties under the Indenture, NYCHA shall on demand pay to the Trustee or the Corporation, as the case may be, from any available funds of NYCHA, the reasonable fees of their attorneys and any other reasonable expenses so incurred. In no event shall costs described in this section be payable from federal funds.

#### **Interest on Additional Payments and Reimbursements (Section 2.5)**

Whenever any sum other than principal, premium (if any), and interest is due and payable from NYCHA to the Trustee, the Corporation, or any other party, as a direct payment, reimbursement, or otherwise, and no specific provision is made with respect to the payment or rate of interest thereon, the sum due and payable shall bear interest from such due date, until paid in full at the Loan rate.

#### **Claims Relating to the NYCHA Program (Section 2.6)**

To the extent permitted by applicable law, NYCHA agrees to indemnify and save the Corporation and the Trustee, without duplication, harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of, or from any work or thing done on, the NYCHA Program during the Term of Agreement, including, without limitation, (a) any condition of the NYCHA Program, (b) any breach or default on the part of NYCHA in the performance of any of its obligations under the Agreement, (c) any act of fraud, willful misconduct or negligence of NYCHA or of any of its agents, contractors, servants, employees or licensees, (d) any claim or request for payment by NYCHA's contractors, subcontractors or vendors. NYCHA shall indemnify and save the Corporation and the Trustee harmless from any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon and upon notice from the Corporation or the Trustee, NYCHA shall defend them or any of them in any such action or proceeding. All amounts owing from NYCHA hereunder shall be payable from any available funds of NYCHA (but not from any federal funds).

## **Unconditional Obligations of NYCHA (Section 2.12)**

The payment of the Loan from the sources identified in the Agreement shall be absolute and unconditional, regardless of any defense or any rights of set-off, recoupment, or counterclaim that NYCHA might otherwise have against the Trustee, the Corporation or any other parties to the transaction. During the term of the Agreement, NYCHA shall make all Loan payments from the sources identified in the Agreement without abatement or set-off notwithstanding any bankruptcy, insolvency, liquidation, dissolution, or nonexistence of the Corporation, the nonperformance by the Trustee or the Corporation of any obligation under the Series 2022A Bonds, or any other circumstance or event that might otherwise relieve NYCHA from its obligation to make the prescribed payment. Until the principal, premium, if any, and interest on the Loan has been fully paid, NYCHA (i) will perform all of the obligations and agreements contained in the Agreement, and (ii) will not terminate the Agreement for any reason, including but not limited to: commercial frustration of purpose; the occurrence of any acts or circumstances that may constitute a failure of consideration; any change in the tax laws of the United States of America or of the State or any political subdivision thereof; or any failure of the Trustee or the Corporation to perform and observe any agreement or obligation, express or implied, arising in connection with the Agreement.

## **Application of Loan Proceeds under the Indenture; Pledge of Funds (Section 3.1)**

(a) Upon the delivery of the Series 2022A Bonds and at the direction of the Corporation and as set forth in the Indenture, the Trustee shall deposit an amount of the Loan equal to the Costs of Issuance directly into the Cost of Issuance Fund established in accordance with the Indenture. The Trustee shall then make the deposit to the credit of the Debt Service Reserve Fund required by the Indenture and deposit the Net Loan Proceeds into the Series 2022A Project Loan Account of the Loan Fund.

(b) A pledge of the Revenues is made by NYCHA in favor of the Corporation and the Trustee, and the same are pledged, to secure the payment of Loan Debt Service in the priorities set forth therefor in the Indenture.

(c) To the fullest extent provided by the Public Housing Law of the State and other applicable laws, the money and property pledged shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and such lien shall be valid and binding against all parties having claims in tort, contract or otherwise against NYCHA, irrespective of whether such parties have notice of the claim.

## **Establishment of Funds (Section 3.2)**

(a) There have been established with the Trustee under the Indenture the following Funds: (i) the Loan Fund (within which the Series 2022A Project Loan Account is to be established), (ii) the Revenue Fund, (iii) the Debt Service Fund, (iv) the Debt Service Reserve Fund, (v) the Costs of Issuance Fund and (vi) the Rebate Fund; provided that the Costs of Issuance Fund and the Rebate Fund shall not constitute trust funds under the Indenture.

(b) The following shall be deposited in the Loan Fund (in the Series 2022A Project Loan Account):

- (1) Net Loan Proceeds deposited therein pursuant to Section 3.1 of the Agreement, and
- (2) interest earnings on the Loan Fund.

(c) The following shall be deposited in the Debt Service Reserve Fund:

- (1) the amount of the Loan deposited therein pursuant to Section 3.1 of the Agreement,
- (2) to the extent the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, funds shall be deposited by the Trustee into the Debt Service Reserve Fund from the Revenue Fund pursuant to the Agreement until the amount on deposit therein is equal to the Debt Service Reserve Requirement, and
- (3) Funds shall also be deposited in the Debt Service Reserve Fund pursuant to the Agreement.

- (d) The following shall be deposited into the Revenue Fund upon receipt:
  - (1) all Revenues.

**The Loan Fund (Section 3.3)**

Upon the deposit of Net Loan Proceeds into the Series 2022A Project Loan Account of the Loan Fund pursuant to the Agreement, NYCHA and the Corporation hereby direct the Trustee to transfer the entire amount to be held as a defeasance escrow under the 2013 Escrow Deposit Agreement for the defeasance and advance refunding of the Corporation's Outstanding 2013 Bonds (NYCHA) as a result of the advance of funds to NYCHA for the future prepayment of the 2013 NYCHA Loan in full on July 1, 2023.

**Revenue Fund (Section 3.4)**

(a) In accordance with the Agreement, the Trustee shall receive from HUD and/or from NYCHA, as the case may be, for deposit in the Revenue Fund, all Revenues, NYCHA having taken the action required under the Agreement to request delivery of such Revenues in the amount of the Loan Debt Service and previously unpaid Loan Debt Service (including any amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement). Such amounts shall be transferred by the Trustee:

first, to the Debt Service Fund, the amount necessary to make the payments required pursuant to the Indenture;

second, to the Debt Service Reserve Fund in the amount required to bring the balance therein to equal the Debt Service Reserve Requirement;

third, to the Debt Service Fund, to be applied to the redemption of Bonds, the proceeds of insurance not applied to restoration of a project following casualty loss or condemnation;

fourth, to the Corporation in the amount included in a written requisition from the Corporation in payment of any one or more components of the Loan Expense Fee; and

to the extent set forth in a Certificate, to the Loan Fund, the balance.

(b) The Trustee may also deposit moneys in the Revenue Fund as provided in the Agreement and such moneys as may be received from NYCHA directly for components of the Loan Expense Fee to the extent not received directly from HUD.

**Debt Service Reserve Fund (Section 3.5)**

(a) The Trustee shall make disbursements from the Debt Service Reserve Fund on each Payment Date, in an amount equal to the amount of the Loan Debt Service payment due on such Payment Date, less any amount on deposit in the Revenue Fund for such Loan Debt Service payment.

(b) In the event the amount on deposit in the Debt Service Reserve Fund on any Payment Date (after taking into account any amounts to be paid from the Debt Service Reserve Fund for Loan Debt Service on such date) is less than the Debt Service Reserve Requirement, funds shall be deposited therein to the extent of any such deficiency pursuant to the Agreement, and notice of such deficiency shall be given to the Rating Agency. To the extent moneys on deposit in the Debt Service Reserve Fund exceed the Debt Service Reserve Requirement, [the Corporation shall direct the Trustee in writing to transfer the amount of such monies not in excess of such excess to NYCHA to be applied for capital costs under the NYCHA Program.] Any amount remaining in the Debt Service Reserve Fund that is in excess of the Debt Service Reserve Requirement after the Loan has been paid in full, unmatured Cash Equivalents have been returned to the providers thereof, and any other amounts due and owing to the Corporation under the Agreement have been paid, shall be paid to NYCHA for application in accordance with the Capital Fund Program,



provided that no such transfer shall be made until there shall have been filed with the Trustee a statement by an Authorized Corporation Representative that there are no funds owing to the Corporation under the Agreement.

#### **Additional Debt Subordinate (Section 4.2(r))**

NYCHA covenants and agrees that it will not make any additional pledge of Capital Fund Grant Monies of NYCHA (other than a pledge to secure additional bonds issued on behalf of NYCHA under the Master Indenture, if any) (i) except on a subordinate basis to the pledge of Capital Fund Grant Monies given to secure loans (including the Loan) financed by bonds issued under the Master Indenture, (ii) only after receiving confirmation from each Rating Agency that such issuance will not adversely affect the then current rating of bonds (not taking any bond insurance into account) financed under the Master Indenture and (iii) only with written approval by HUD.

#### **Use of Proceeds of Loan (Section 5.1)**

The Net Loan Proceeds shall be retained and administered by the Trustee and disbursed in accordance with the Agreement. While held by the Trustee, the proceeds of the Loan and all amounts held by the Trustee shall constitute part of the security for the Loan and be subject to a lien in favor of the Corporation and the Trustee securing payment of the Loan and payment of all Loan Debt Service. If any Event of Default occurs, funds in the Funds shall, at the option of the Corporation, be applied to redeem all or a portion of the outstanding balance of the Series 2022A Bonds at the earliest possible date and credited to amounts due under the Loan.

#### **Investment of Funds (Section 5.2)**

(a) Amounts held in any Fund not required for immediate disbursement shall be invested or reinvested as provided in the Indenture upon direction of the Corporation (after consultation with NYCHA, and with the intent of maximizing returns, taking into consideration HUD investment guidelines, Corporation investment guidelines and Federal tax requirements). All earnings from the investment or reinvestment of Funds shall be for the benefit of NYCHA, subject to the provisions of the Indenture. Amounts held in Funds under the Indenture may be commingled with amounts held in other Funds held under the Indenture for purposes of investment. The Corporation, NYCHA and the Trustee shall not incur any liability in connection with any such investment.

(b) Funds held in Funds may be invested only in Investment Securities. Because funds held in Funds under the Agreement may be invested only in Investment Securities, certain amounts may remain uninvested for certain periods of time. NYCHA, the Corporation and the Trustee shall not be liable or responsible for any loss of income resulting from the fact that any funds remain uninvested.

(c) The Trustee may, and to the extent required for payments to be made from any Fund shall, sell any such investments at any time. The proceeds of any such sale, all interest income, and all payments at maturity and upon redemption of the investments shall be credited to the Fund with respect to which such investments were made. Any loss resulting from the investments shall be charged to the Fund with respect to which such investments were made. NYCHA, the Corporation and the Trustee shall not have any liability for any loss incurred by reason of any such investments.

#### **Events of Default (Section 6.1)**

The following events shall be Events of Default under the Agreement:

(a) NYCHA fails to pay (from Revenues delivered by HUD), subject to appropriation and availability of Capital Fund Grant Monies, when due and payable, (i) the principal of, premium, if any, or interest or any other charges or sums under the Loan (whether upon maturity, on any installment payment date, after notice of prepayment, by call for redemption or otherwise), or (ii) any other payment required by the Agreement to be paid by NYCHA;

(b) Subject to appropriation and availability of Capital Fund Grant Monies, NYCHA defaults in the punctual observance or performance of any other agreement or obligation under any of the Documents, and the default remains unremedied for 30 days (or other cure period specified in the relevant Document) after Notice to NYCHA of

the default. If the default cannot be corrected within 30 days (or other applicable cure period), it shall not be an Event of Default if NYCHA is taking appropriate corrective action to cure the default;

(c) NYCHA fails to execute the Annual Capital Fund ACC Amendment (or Annual Plan or any other document necessary for the delivery of the Capital Fund Grant Monies) in sufficient time and in an amount sufficient to insure payment of each semiannual Loan Debt Service payment; or

(d) NYCHA shall fail or refuse to comply with the provisions of the Agreement, or shall default in the performance or observance of any of the covenants, agreement or conditions on its part contained in the Agreement, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Corporation, the Trustee or the Owners of not less than 25% in principal amount of the outstanding Series 2022A Bonds (as defined in the Indenture);

provided, however, that notwithstanding anything in the Agreement to the contrary, a failure by NYCHA to make payment of any amounts due thereunder shall not constitute a default or Event of Default if such failure is directly due to a failure by the U.S. Congress to appropriate funds for the Capital Fund Program, or due to the unavailability of funds to NYCHA which have been appropriated by the U.S. Congress for the Capital Fund Program during the period such funds are held by HUD and not delivered to the Trustee.

### **Remedies on Default (Section 6.2)**

Whenever any Event of Default occurs, the Corporation or the Trustee may:

(a) Legal Action.

- (i) upon the delivery of Notice to NYCHA, by mandamus or other proceeding at law or in equity, enforce all rights of the Corporation or the Trustee under the Agreement and require NYCHA to carry out any agreement with or for the benefit of the Corporation or the Trustee and to perform its duties under the Agreement, including, and without limitation of any sort, the preparation, submission and execution of any documents required in order to ensure the timely receipt of Capital Fund Grant Monies by the Trustee;
- (ii) upon the delivery of Notice to NYCHA, by action in equity, enjoin any acts that may be unlawful or in violation of the rights of the Corporation or the Trustee; or
- (iii) upon the delivery of Notice to NYCHA, take any action at law or in equity necessary or desirable to collect the payments and other amounts then due, or exercise any rights or remedies under, or enforce performance and observance of, any obligation or agreement of NYCHA or any other party under the Agreement or under any of the other Documents.

(b) Trustee to Enforce Rights of Corporation. Upon the delivery of Notice to NYCHA, the Trustee and its successors and assigns may enforce every right granted to the Corporation under the Agreement. In any case where action by the Trustee requires simultaneous or subsequent action by the Corporation, the Corporation will cooperate with the Trustee and take any action necessary to effectuate the purposes and intent of the Agreement.

(c) No Acceleration. Notwithstanding any other provision of the Agreement or the Indenture, neither the Corporation nor the Trustee shall have the right to declare the principal of the Bonds to be immediately due and payable upon an Event of Default.

### **Binding Effect; Successors; No Assignment (Section 7.2)**

The Agreement shall inure to the benefit of and shall be binding upon each of the parties and their respective successors and permitted assigns. Any successor trustee appointed by the Corporation pursuant to the Indenture shall, without further action or deed but upon Notice to NYCHA, become fully vested with all of the Funds and succeed to all of the rights and responsibilities assigned to the Trustee under the Agreement. Except as set forth in the previous

sentence and the Agreement, the Agreement may not be assigned without the prior written consent of the other parties to the Agreement.

**Amendment (Section 7.4)**

The Agreement may not be amended except by a written instrument executed by all of the parties thereto and (i) with the prior written consent of HUD, (ii) confirmation that any such amendment will not adversely affect the then current rating of the Bonds by the Rating Agencies, and (iii) to the extent that any such amendment would be materially adverse to the Owner of any Bond, as determined by the Trustee, with the prior written consent of a majority in principal amount of the Owners of the Bonds so affected at the time such consent is given.

**Governing Law (Section 7.6)**

The Agreement shall be interpreted in accordance with and governed by the laws of the State of New York.

**Successors and Assigns (Section 7.7)**

The Agreement may not be assigned, in whole or in part, by NYCHA without the prior written consent of the Corporation, except to a duly authorized governmental successor or court appointed receiver for NYCHA that has been approved by HUD as authorized to receive Capital Fund Program moneys to the extent described therein.

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**HUD APPROVAL LETTER**



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING  
OFFICE OF CAPITAL PROGRAMS DIVISION

March 3, 2022

Mr. Gregory Russ  
Chief Executive Office  
New York City Housing Authority  
90 Church St  
New York, NY 10007

Dear Mr. Russ:

Thank you for your submission to the U.S. Department of Housing and Urban Development (“HUD”) dated January 31, 2022, and subsequent supporting documents (collectively, the “Submission”) requesting certain approvals in connection with a Capital Fund Financing Program (as set forth and described in 24 CFR part 905, subpart E, the “CFFP Program”) refunding transaction with an estimated debt service term of eleven (11) years. In 2005, as a participant in the HUD CFFP program, the New York City Housing Authority (the “Authority”) borrowed the proceeds of the \$281,610,000 New York City Housing Development Corporation (the “NYCHDC”) Capital Fund Program Revenue Bonds (New York City Housing Authority Program), Series 2005A (the “Series 2005 Bonds”), which were issued on May 10, 2005. The proceeds of the Series 2005 Bonds were used to accelerate the modernization of the Authority’s public housing stock in accordance with a capital program established for this purpose. In 2013, the Authority both refunded the Series 2005 Bonds and borrowed additional funds to renovate an additional 39 projects through the issuance of the NYCHDC \$656,085,000 Capital Fund Grant Program Revenue Bonds (New York City Housing Authority Program) Series 2013A, Series 2013B-1 and Series 2013B-2 (the “Series 2013 Bonds”).

As set forth in the Submission, the Authority is requesting certain approvals in connection with a bond issuance by the NYCHDC in an amount not to exceed \$405,100,000 (the “2022 Bonds”) pursuant to a Trust Indenture with the U.S Bank National Association, N.A, as trustee (the “Trustee”). The proceeds of the 2022 Bonds will be loaned (the “Loan”) to the Authority by the NYCHDC pursuant to a Loan Agreement among the Authority, the NYCHDC and the Trustee. The Authority will enter into the General Depository Agreement GDA (HUD-51999, 8/23) described below between the Authority and the Trustee, as depository (the “Depository”), with respect to the deposit of the proceeds of the 2022 Bonds and the Capital Fund Allocations (as defined below) received by the Authority (the foregoing, together with the other documents executed by the Authority in connection with the issuance of the 2022 Bonds and making of the Loan, collectively, the “Loan Documents”). The Authority will use the proceeds of the Series 2022 Bonds together with moneys currently held by the Trustee under the Indenture for the Series 2013 Bonds in the amount of \$41,131,216.75 (representing amounts held in the Indenture funds held for the Series 2013 Bonds and interest earnings thereon as of January 1, 2022) to establish a new debt service reserve fund for the Series 2022 Bonds, to pay the costs of issuing the Series 2022 Bonds and to establish an irrevocable escrow fund containing qualified securities in an amount sufficient to advance refund and fully defease the outstanding Series 2013 Bonds through their first optional call date of July 1, 2023.

Based upon our review of the information and materials included with the Submission, the undersigned, on behalf of HUD, provides the following approvals and determinations.

1. HUD hereby approves the execution by the Authority of the Loan Documents in substantially the form submitted to HUD by the Authority as part of the Submission. Any substantive changes to the form of the Loan Documents that affect HUD’s rights or

obligations shall be submitted to HUD for review and approval by the Director of the Office of the Capital Program Division (the undersigned). Except as stated, no further approval of the Loan Documents by HUD shall be required. This approval does not constitute approval for any other agreements, series of bonds, or additional debt issued by the Authority.

2. Subject to the availability of appropriations, HUD hereby approves the use of Capital Fund grants (which is defined to include Capital Fund formula funds under Section 9(d) of the United States Housing Act of 1937 (the “Act”) and any applicable successor program (the “Capital Fund Program”), and including Demolition Disposition Transitional Funding grants and Replacement Housing Factor Funding grants, if applicable, collective with the formula fund grants, the “Capital Fund Allocations”) for payment of debt service on the Loan as presented in the estimated debt service schedule attached hereto (“Loan Debt Service”), and the pledge of such payments to the Trustee for the security and repayment of the holders from time to time of the 2022 Bonds. Following the execution of the Loan Documents, the final debt service schedule (the “Final Debt Service Schedule”) shall be submitted to HUD. Unless approved by HUD, the Final Debt Service Schedule shall not exceed the estimated debt service schedule in any year by more than ten percent (10%).
3. HUD hereby determines that the Authority constitutes a “public housing agency” within the meaning of section 3(b)(6) of the Act and that the Loan constitutes a housing program obligation issued by a public housing agency in connection with low-income housing projects as described in section 11(b) of the Act. The provisions of 26 U.S.C. § 149(c)(2)(C)(iii) state that the interest on such obligations shall not be exempt from taxation under section 11(b) unless issued before June 19, 1984, and the provisions of 26 U.S.C. § 149(c)(1) state that any exemption of income on bonds from taxation, unless otherwise excepted, must derive from the Internal Revenue Code. HUD offers no opinion on the tax status of the 2022 Bonds.
4. Provided that the Authority submits the documents described below in the Post Approval Documentation section of this letter, HUD hereby agrees, subject to the availability of appropriations, to make Loan Debt Service payments on the Loan as reflected on the Final Debt Service Schedule automatically and directly to the Trustee for the benefit of the holders of the 2022 Bonds from time to time. HUD will establish a system of direct payment, by wire transfer or otherwise, to the Trustee.
5. HUD hereby agrees that amounts paid to the Trustee to make Loan Debt Service payments under the Loan Documents as reflected on the Final Debt Service Schedule are authorized and under current law are not subject to recapture, and that no regulatory waiver is necessary to disclaim effectively any right, title and interest of the United States in and to such amounts. Nothing in this paragraph shall prevent HUD from recapturing funds from the Authority (as opposed to the Trustee) in accordance with applicable law.
6. HUD further agrees that the Loan is being made by an entity that relies on the full and timely payment of such HUD amounts, subject to the availability of appropriations and pursuant to this letter and the Capital Fund Financing Amendment to the Consolidated Annual Contributions Contract (the “ACC”). HUD further acknowledges and agrees that, notwithstanding the provisions of any HUD GDA that will be entered into between the Authority and the Depository permitting HUD as third-party beneficiary thereof to block payment from specified Authority accounts held with the Depository, HUD will not exercise such right if the effect would be to reduce or delay any scheduled debt service or

full or partial prepayment on the Loan. HUD further acknowledges and agrees that in the event of a conflict between this Section 6 and the GDA, the obligation of HUD set forth in the previous sentence shall prevail.

7. HUD hereby agrees that interest earned on amounts paid to the Trustee for Loan Debt Service may be applied to pay Loan Debt Service or other Capital Fund Program eligible work items and need not be returned to HUD. In addition, HUD hereby determines that no regulatory waiver is necessary to permit such use.
8. Nothing in this letter is intended to diminish HUD's authority to administer, monitor, and regulate the public housing program, including HUD's authority to exercise any administrative sanction provided by law; provided, however, that HUD hereby agrees that no subsequent change in the permissible use of Capital Fund Program moneys and no administrative sanction regarding the Authority will affect the eligibility of expenditures for debt service on the Loan or reduce Capital Fund Allocations to the Authority, except as required by law, below the levels needed to pay such debt service.
9. HUD hereby waives any additional notice or consent required under the Federal Assignment of Claims Act.
10. Neither the 2022 Bonds nor the Loan are an obligation of or guaranteed by HUD or the United States of America. No action taken pursuant to the Loan Documents shall result in any liability to the Federal government. Appropriate statements to such effect shall be included in the Loan Documents. HUD's review of the Authority's Submission is limited to a review for compliance with CFFP Program requirements, and does not extend to the review of underwriting, including assumptions regarding the future receipt of Capital Fund Allocations, for which the Authority is solely responsible and which it pledges at its own risk. Given the tight budgetary environment, the Authority should be aware of the potential impact of reductions in appropriations. Any reductions in appropriations could cause the Authority to have less Capital Fund Allocations available for modernization or other eligible uses.
11. The pledge of Capital Fund Allocations under the Loan Documents is authorized for the purpose of securing Loan Debt Service, which is the source of repayment to the holders from time to time of the 2022 Bonds.
12. To the extent that Capital Fund Allocations to the Authority are reduced or recaptured because Capital Fund Program amounts previously allocated to the Authority remain unobligated or unexpended in violation of Section 9(j)(1) or (5)(A) of the Act (or any successor(s) thereto), HUD agrees that, (i) unless otherwise prohibited by law, any unobligated Capital Fund Allocations that are available to the Authority may be used, on a first priority basis, to the extent necessary, to pay Loan Debt Service, and (ii) to the extent permitted or provided by law, the recapture of all funds unobligated or unexpended in violation of said provisions of Section 9(j) shall serve to cure such violation(s).

Except as expressly provided herein, nothing in this approval letter is intended to modify or waive the Capital Fund Program requirements, which are all applicable to the use of the proceeds from the Loan. The Capital Fund Program requirements include but are not limited to: the preparation and submission to HUD of annual Capital Fund plans and budgets and the execution and delivery of the Capital Fund Financing Amendment to the ACC in the form prescribed by HUD. Changes in the work items funded with



the proceeds beyond the thresholds described below are subject to written approval from the applicable HUD Field Office, in addition to any other HUD approvals that may be required:

- A change in the type of activity (e.g., development versus modernization) being financed.
- A change in the public housing project upon which the proceeds are being used.
- A reduction of twenty percent (20%) or more in the number of public housing units the proceeds will be used upon.
- An increase of twenty percent (20%) or more in the cost of non-dwelling space.

The Authority must report progress in completing work items funded with the proceeds from this issuance in an Annual Statement/Performance and Evaluation Report, which must be submitted to the applicable HUD Field Office on a quarterly basis, as well as incorporated in the Authority's annual Capital Fund plan. The Authority will continue to report progress until all work is completed, paid, and reflected in an annual audit. The Authority must report to the Field Office when the Prior Bonds have been paid off.

#### Post Approval Documentation Requirements.

Once the Authority and the Trustee have executed the documents relating to the Loan and the 2022 Bonds, the Authority must submit to HUD Headquarters a final closing binder containing copies of all executed documents relating to the Loan and the Bonds, together with a certification from the Authority and its counsel attesting that the changes requested by HUD have been made and that no other substantive changes to the Loan Documents contained in the Submissions (including no substantive changes to the Loan Documents changing HUD's rights or obligations) have been made since they were last approved by HUD. One (1) original and one (1) copy of the final closing binder must be received within 60 days of the issuance of the 2022 Bonds.

The Authority may proceed to execute three (3) originals of the Capital Fund Financing Amendment to the ACC. All three copies must be executed by the Authority and then delivered to the HUD New York City Field Office, where the Director of Public Housing will execute all originals on behalf of HUD. The Field Office will keep one original for their use and return the other two originals to the Authority. The Authority should retain one original, and the other original with two original signatures must be returned to the Office of the Capital Program Division at HUD Headquarters.

Additionally, unless extended by HUD in writing, within 60 days of the date of this letter, the Authority shall submit to HUD: (1) cover letter from the Authority transmitting the final debt service schedule and attesting that the payments do not exceed the estimated debt service schedule approved by HUD in any year by more than ten percent (10%), (2) the Final Debt Service Schedule, (3) a complete and fully executed Direct Deposit Sign-Up Form (Standard Form 1199A with original signatures from the Authority and the Trustee), (4) a Tab Delimited file in the format required for uploading into LOCCS, and (5) an executed copy(s) of the HUD GDA. The items noted in this and the preceding paragraph shall collectively constitute the "Post Approval Documentation." Please refer to the CFFP Post Approval Documentation website for more detailed information:

<http://www.hud.gov/offices/pih/programs/ph/capfund/postapp.cfm>.

All submissions should be sent to:

Tom Shelton  
 U.S. Department of Housing and Urban Development  
 Capital Program Division  
 451 7th Street, SW, Room 4146  
 Washington, DC 20410

Should you have any questions, please contact Tom Shelton, Office of the Capital Program Division at (202) 402-4799.

Sincerely,

**DAVID  
FLEISCHMAN**

Digitally signed by: DAVID  
FLEISCHMAN  
DN: CN = DAVID FLEISCHMAN C = US  
O = U.S. Government OU = Department  
of Housing and Urban Development,  
Office of Public and Indian Housing  
Date: 2022.03.03 12:43:33 -05'00'

David Fleischman  
Director, Capital Program Division

cc: Luigi D'Ancona, Public Housing Field Office Director

Enclosures:   Exhibit A – Estimated Debt Service Schedule  
                  Exhibit B – Capital Fund Financing Amendment to the Consolidated ACC





**U.S. Department of Housing and Urban Development**  
**Office of Capital Improvements**

**Capital Fund Financing Program (CFFP)**  
**Periodic Payment Debt Service Schedule -- Formula Funds Only**

Housing Authority Name: New York City Housing Authority  
 Amount of Proceeds: \$405,100,000  
 Interest Rate (or range of rates if multiple serial or term bonds): 2.33% - 4.15%  
 Interest Rate Fixed? Yes  
 If Variable Rate, Interest Rate Cap: N/A  
 Term (in years): 12 Years  
 FY and Amount of Most Recent Formula Grant: \$601,270,521  
 First Direct HUD Payment due: July 1, 2022  
 D/S Schedule Date: July 1, 2022

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Financing Year	Payment Date	Principal	Interest	Total Debt Service Payment	Ongoing Fees	Total Payment Amount	Adjusted Formula Grant	Total Payment from FY Grant	Percent of FY Grant Used for Payments	Date of Direct Payment of Formula Grant	FY of Grant Debt Service to be Paid From
1	07/01/22	\$ 38,660,000.00	\$ 4,425,811.73	\$ 43,085,811.73	\$ -	\$ 43,085,811.73	\$ 577,748,467	\$ 43,085,811.73	7%	-	2021
2	01/01/23	\$ 45,900,000.00	\$ 6,849,468.25	\$ 52,749,468.25	\$ 125,980.11	\$ 52,875,448.36	\$ 573,090,214	\$ 52,875,448.36	9%		2022
2	07/01/23	\$ -	\$ 6,314,733.25	\$ 6,314,733.25	\$ -	\$ 6,314,733.25	\$ 573,090,214	\$ 6,314,733.25	1%		2022
3	01/01/24	\$ 47,065,000.00	\$ 6,314,733.25	\$ 53,379,733.25	\$ 147,680.00	\$ 53,527,413.25	\$ 552,022,221	\$ 53,527,413.25	10%		2023
3	07/01/24	\$ -	\$ 5,695,828.50	\$ 5,695,828.50	\$ -	\$ 5,695,828.50	\$ 552,022,221	\$ 5,695,828.50	1%		2023
4	01/01/25	\$ 48,430,000.00	\$ 5,695,828.50	\$ 54,125,828.50	\$ 128,854.00	\$ 54,254,682.50	\$ 497,797,051	\$ 54,254,682.50	11%		2024
4	07/01/25	\$ -	\$ 4,971,800.00	\$ 4,971,800.00	\$ -	\$ 4,971,800.00	\$ 497,797,051	\$ 4,971,800.00	1%		2024
5	01/01/26	\$ 28,885,000.00	\$ 4,971,800.00	\$ 33,856,800.00	\$ 109,482.00	\$ 33,966,282.00	\$ 450,842,401	\$ 33,966,282.00	8%		2025
5	07/01/26	\$ -	\$ 4,498,086.00	\$ 4,498,086.00	\$ -	\$ 4,498,086.00	\$ 450,842,401	\$ 4,498,086.00	1%		2025
6	01/01/27	\$ 29,880,000.00	\$ 4,498,086.00	\$ 34,378,086.00	\$ 97,928.00	\$ 34,476,014.00	\$ 407,575,267	\$ 34,476,014.00	8%		2026
6	07/01/27	\$ -	\$ 3,985,644.00	\$ 3,985,644.00	\$ -	\$ 3,985,644.00	\$ 407,575,267	\$ 3,985,644.00	1%		2026
7	01/01/28	\$ 30,960,000.00	\$ 3,985,644.00	\$ 34,945,644.00	\$ 85,976.00	\$ 35,031,620.00	\$ 407,575,267	\$ 35,031,620.00	9%		2027
7	07/01/28	\$ -	\$ 3,431,460.00	\$ 3,431,460.00	\$ -	\$ 3,431,460.00	\$ 407,575,267	\$ 3,431,460.00	1%		2027
8	01/01/29	\$ 32,125,000.00	\$ 3,431,460.00	\$ 35,556,460.00	\$ 73,592.00	\$ 35,630,052.00	\$ 407,575,267	\$ 35,630,052.00	9%		2028
8	07/01/29	\$ -	\$ 2,832,328.75	\$ 2,832,328.75	\$ -	\$ 2,832,328.75	\$ 407,575,267	\$ 2,832,328.75	1%		2028
9	01/01/30	\$ 33,370,000.00	\$ 2,832,328.75	\$ 36,202,328.75	\$ 60,742.00	\$ 36,263,070.75	\$ 407,575,267	\$ 36,263,070.75	9%		2029
9	07/01/30	\$ -	\$ 2,198,298.75	\$ 2,198,298.75	\$ -	\$ 2,198,298.75	\$ 407,575,267	\$ 2,198,298.75	1%		2029
10	01/01/31	\$ 34,700,000.00	\$ 2,198,298.75	\$ 36,898,298.75	\$ 47,394.00	\$ 36,945,692.75	\$ 407,575,267	\$ 36,945,692.75	9%		2030
10	07/01/31	\$ -	\$ 1,512,973.75	\$ 1,512,973.75	\$ -	\$ 1,512,973.75	\$ 407,575,267	\$ 1,512,973.75	0%		2030
11	01/01/32	\$ 36,130,000.00	\$ 1,512,973.75	\$ 37,642,973.75	\$ 33,514.00	\$ 37,676,487.75	\$ 407,575,267	\$ 37,676,487.75	9%		2031
11	07/01/32	\$ -	\$ 781,341.25	\$ 781,341.25	\$ -	\$ 781,341.25	\$ 407,575,267	\$ 781,341.25	0%		2031
12	01/01/33	\$ 37,655,000.00	\$ 781,341.25	\$ 38,436,341.25	\$ 19,062.00	\$ 38,455,403.25	\$ 407,575,267	\$ 38,455,403.25	9%		
<b>TOTALS</b>		\$ 443,760,000.00	\$ 83,720,268.48	\$ 527,480,268.48	\$ 930,204.11	\$ 528,410,472.59		\$ 528,410,472.59			

Instructions:

1. Fill in the requested information for each year of the bond term.
2. Column (f) should include any fees (such as remarketing, trustee, draw fees, etc). Please provide a supporting schedule detailing the Ongoing Payment Requirements
3. Column (h): if the amount of the Formula Grant is anticipated to change due to demolition, disposition, etc., the most recent year's appropriation, net any applicable adjustments projected by the PHA should be used. PHA must use the most recent CFP Grant as basis for estimate.
4. Column (i) should be the sum of all payments reflecting in column (g) that are to be paid from a specific grant.

5. Columns (i), (J) and (l) must tie into each other.

6. Column (k): information regarding direct payments must only be provided if PHA is requesting that HUD make direct payments to Trustee or Lender. Direct payment may be initiated no more than three business days prior to when payment is due. Payments scheduled to be ir

\$ 95,835,279.98

\$ 59,694,466.50

\$ 59,821,657.00

\$ 38,828,600.00

\$ 38,876,172.00

\$ 38,931,288.00

\$ 38,987,920.00

\$ 39,034,657.50

\$ 39,096,597.50

\$ 39,155,947.50

\$ 39,217,682.50

initiated on weekends or holidays will not be initiated until the following business day.

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**CAPITAL FUND ACC FINANCING AMENDMENT**

**CAPITAL FUND FINANCING ACC AMENDMENT  
TO CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT  
New York City Housing Authority – NY005**

**Section 1.** This Capital Fund Financing Amendment to Consolidated Annual Contributions Contract (“Financing Amendment”) covers the Capital Fund Financing Program (the “Program”) for the modernization of public housing of the New York City Housing Authority, a housing authority which is a public body and body corporate and politic of the state of New York (the “Authority”) to be carried out pursuant to the Capital Fund Program authorized by section 9(d) of the U.S. Housing Act of 1937 (the “Act”) and any applicable successor programs (the “Capital Fund Program”), Replacement Housing Factor (“RHF”) Plan as approved by HUD, Demolition Disposition Transitional Funding (“DDTF”) Plan, together with the proceeds received from a certain taxable bond issue (the “2022 Bonds”) identified below, which are to be issued by the New York City Housing Development Corporation (the “Issuer”) and loaned to the Authority (the “Loan”). The repayment of which Loan is secured by a pledge of Capital Fund Program moneys (which is further defined to include Capital Fund Program formula funds, RHF funds and DDTF funds under Section 9(d) of the Act for debt service, collectively, the “Capital Fund Allocations”). Capital Fund Allocations are subject to the availability of appropriations.

**Section 2.** This Capital Fund Financing ACC Amendment is Amendment Number 197 to the Annual Contributions Contract Form HUD-53012 Number 333 dated April 12, 2005, (together with any amendments thereto, the “ACC”).

**Section 3.** The ACC is amended to evidence the approval by HUD of the 2022 Bonds identified in Section 1, and to permit the first priority pledge and payment of moneys received by the Authority under the Capital Fund Program (or any successor thereto) to such 2022 Bonds. This Financing Amendment is part of the ACC.

**Section 4.** The following provisions are applicable to the 2022 Bonds and the Program, notwithstanding any provision of the ACC to the contrary:

(A) References in the ACC to “notes” and “bonds” shall mean or refer to the 2022 Bonds. Amounts payable to the Authority by HUD pursuant to the Capital Fund Program (and any successor program thereto for funding modernization needs) and pledged by the Authority to the payment of debt service on the Loan shall be used exclusively for debt service on such Loan (“Loan Debt Service”), in accordance with the Bond Final Debt Service Schedule approved by HUD and described in Section 2 of the HUD approval letter (the “HUD Approval Letter”) delivered by HUD in connection with the issuance of the 2022 Bonds and the Loan but limited by Section 8 of the HUD Approval Letter, shall not be available for any other purpose, including but not limited to, the repayment of any notes or bonds (other than the 2022 Bonds) as described in the ACC.

(B) The 2022 Bonds do not constitute a debt or liability of HUD or the United States, the full faith and credit of the United States are not pledged to the payment of the 2022 Bonds, the Loan or Loan Debt Service, and the Loan Debt Service is not guaranteed by HUD or the United States.

(C) Nothing in this Financing Amendment is intended to diminish HUD's authority to administer, monitor, and regulate the public housing program, including HUD's authority to exercise any administrative sanction or remedy provided by law; provided, however, that except as required by law, HUD will not assert any claim or right under the ACC, including the exercise of administrative sanctions and remedies, if and to the extent that the effect of such claim or right would be to reduce the payment of Capital Fund Allocations to the Authority below the level necessary to pay Loan Debt Service or delay the time for payment of such moneys such that required amounts would not be available to pay Loan Debt Service when due. In the event that HUD shall determine to impose administrative sanctions upon the Authority which would have the effect of reducing the payment of Capital Fund Allocations to the Authority in any year by more than 20%, HUD shall have the right (in addition to all other rights and remedies available to HUD under the HUD Requirements as described in the ACC ), while such sanctions remain in effect, to require that unexpended proceeds of the 2022 Bonds already issued (except for amounts already obligated or encumbered for the payment of project costs or required for a debt service reserve or other structural purposes of such issue(s)) be applied, at the earliest permissible date, to redeem outstanding 2022 Bonds.

In the event that the Authority has not obligated at least 90% of the proceeds of the 2022 Bonds twenty three months after the date of the HUD Approval Letter, unless otherwise approved by HUD, unobligated proceeds of the 2022 Bonds shall be applied, to prepay the 2022 Bonds ("Mandatory Obligation Prepayment") such that 90% of the balance of the 2022 Bonds remaining after the Mandatory Obligation Prepayment shall be obligated no later than 24 months after the execution of the Bond Documents ("Obligation End Date").

In the event that the Authority has not expended 100% of the proceeds of the 2022 Bonds forty seven months after the date of the HUD Approval Letter, unless otherwise approved by HUD, unexpended proceeds of the 2022 Bonds shall be applied to prepay the 2022 Bonds ("Mandatory Expenditure Prepayment") such that 100% of the balance of the 2022 Bonds remaining after the Mandatory Expenditure Prepayment will have been expended no later than 48 months after the execution of the Bond Documents ("Expenditure End Date").

Within seven (7) days of the Obligation End Date, and then again within seven days of the Expenditure End Date, the Authority shall submit a Performance and Evaluation report to the appropriate HUD Field Office, documenting the obligation and expenditure of the 2022 Bond proceeds, along with a Certification signed by the Executive Director or Administrator of the Authority, attesting to its accuracy.

(D) Payment of Loan Debt Service is a permissible use of Capital Fund Allocations. Once the 2022 Bonds and Loan have been approved by HUD, no further approval shall be required for payment of Loan Debt Service with Capital Fund Allocations available to the Authority.

(E) The adoption of this Financing Amendment does not supersede or preclude the adoption of annual Capital Fund plans and annual Capital Fund Program Amendments to the ACC (HUD-52840-A )04/2018); provided, however, that if in any fiscal year, (i) the applicable annual Capital Fund plan shall not have been approved

by HUD or (ii) the annual Capital Fund Program Amendment to the ACC shall not have been accepted by the Authority, in either case, by the later of (i) October 1 of the first year following the end of the applicable Federal fiscal year with respect to which such funds were appropriated or (ii) 60 days prior to the first scheduled Loan Debt Service payment following such October 1, HUD agrees, subject to the availability of appropriations, to approve immediately upon receipt from the Authority (subject to any legal requirements or constraints applicable at the time), an annual Capital Fund plan and/or an annual Capital Fund Program Amendment to the extent and in an amount sufficient to make the applicable Loan Debt Service payment.

(F) Subject to the availability of appropriations and approval of the annual Capital Fund Plan (or a successor annual plan, if applicable) and Capital Fund Program Amendment to the ACC, and further provided that the Authority submits the Post Approval Documentation described in the HUD Approval Letter, HUD will make Capital Fund Allocations automatically and directly available to the trustee for the 2022 Bonds (the "Trustee") in accordance with the approved debt service schedule, to the extent required for payment of Annual Debt Service. Such direct payment shall be implemented by whatever means are available to HUD at the applicable time, but in any event, the Trustee shall be able to receive, based upon the direction of the Authority pursuant to and as embodied in this Financing Amendment, the necessary amounts without the need for payment to flow through the Authority.

(G) Amounts requisitioned by or payable to the Trustee for Loan Debt Service shall not be paid earlier than three (3) business days prior to the date upon which the Loan Debt Service is due. HUD agrees that, provided that the Authority submits the Post Approval Documentation described in the HUD Approval Letter, upon determining the amount of Capital Fund Allocations available to the Authority in any fiscal year, it will not permit disbursements of such moneys for purposes other than Loan Debt Service to an extent that would reduce the amounts available for such fiscal year below the amounts scheduled for Loan Debt Service in such fiscal year.

(H) The Authority certifies that the number of ACC units anticipated to be eligible for Capital Fund Allocations in each year through the maturity date of the financing will not be less than **112,645** ("Stabilized Base Unit Count") excepting additions and subtractions from the Authority's public housing portfolio prior to reaching the Stabilized Base Unit Count, all in amounts as shown on the attached portfolio schedule. The Authority covenants with HUD not to reduce the number of ACC units by more than 5% (cumulatively) below the Stabilized Base Unit Count (except for changes in the unit count prior to reaching the Stabilized Base Unit Count, but only in amounts as shown on the attached portfolio schedule) without the prior prepayment, redemption, defeasance or refunding of the 2022 Bonds to the extent necessary to maintain the same debt coverage ratio in the Bond year immediately following such reduction in ACC Units (based on the then current year's Capital Fund Program allocation but giving effect to the reduction in ACC Units in a manner acceptable to HUD) as existed prior to the reduction; provided, however, that in no event shall the Authority be required to maintain a debt service coverage ratio in excess of 3.0, and provided, further that if the reduction in units is required by law or HUD Requirements as described in the ACC, the Authority shall not be required to redeem or defease the 2022 Bonds prior to such reduction, but instead shall do so (to the extent necessary to maintain the same debt service coverage ratio as was in effect immediately preceding

such reduction in ACC Units) as soon as possible after becoming aware of the requirement of law or HUD Requirements as described in the ACC but only to the extent that Capital Fund Program funds are not otherwise needed by the Authority to address the health and safety issues or other requirements of law in the Authority's public housing portfolio, all as determined by HUD. The debt service coverage ratio for the 2022 Bonds shall be the ratio by dividing (a) the lower of (i) the amount of Capital Fund Allocations granted to the Authority for the fiscal year preceding the date of such determination, and (ii) the average of such amounts granted for the three most recent fiscal years preceding the date of such determination, by (b) the maximum Bond Debt Service (as defined in the Bond Documents) during any fiscal year.

(I) The proceeds of the 2022 Bonds may be expended only for purposes for which public housing monies may be expended which expressly includes the repayment of the Series 2013 bonds. The Authority shall provide for the application of the proceeds of the 2022 Bonds (in such detail as shall be reasonably required by HUD) in its annual and 5-year Capital Fund Plan.

### **Section 5.**

(A) By executing this Financing Amendment, the Authority represents, warrants and agrees that it will apply all proceeds of the 2022 Bonds (i) as approved by HUD in connection with HUD's consent to the issuance of the 2022 Bonds, and (ii) to expenditures which are permissible under the laws and regulations governing the Capital Fund Program (or any applicable successor). Additionally, the Authority represents warrants and agrees that it has insurance coverage in conformance with HUD Requirements as described in the ACC.

(B) Any financing documents entered into by the Authority shall contain language requiring any creditor of the Authority receiving payments from Capital Fund Program funds to return any overpayment to HUD within three business days after application of that payment to any outstanding debt, in the event that HUD incorrectly pays all or any Capital Fund Program funds in excess of what is due and owing to a creditor under any financing documents.

(C) By executing this Financing Amendment, the Authority certifies to HUD and, as applicable, agrees that:

(1) it will immediately notify HUD of (a) any material change in any representations, statements, certifications or other matters contained in the Authority's Submission as defined in and approved in accordance with the HUD Approval Letter, this Financing Amendment and any Riders thereto, (b) any default of which it has notice under any agreement submitted to HUD as part of the Submission, and (c) any changes to Loan Debt Service.

(2) it will ensure that the CFFP transaction, including but not limited to any financing documents entered into by or on behalf of the Authority (the "Authority Documents"), including HUD Requirements for admission to, continued occupancy of, management, and modernization or

development of public housing using funds from this transaction is in accordance with all HUD Requirements, including any HUD-approved waivers of regulatory requirements), this Financing Amendment, the HUD-approved CFFP Submission, the Authority's standard public housing admissions and occupancy policies adopted in accordance with Federal law and described in the Authority's approved Public Housing Agency Annual Plan if required, or any approved amendment to the Plan (the "Plan"), as those requirements may be amended from time to time.

(D) Excepting any of the Authority's assets arising under any program not administered by HUD under the Act, or as otherwise specifically approved in writing by HUD and described in Section 5(D)(1) below, all legal documents that are part of this transaction shall not and do not contain any guarantees, indemnifications, rights of set-off, or other pledges involving the assets of any public housing Project (as the term "Project" is defined in the ACC) or any Housing Choice Voucher (HCV) related assets of the Authority.

(1) The Trustee or any third party may have recourse to the following without further HUD approval: All Capital Fund Allocations (including RHF funds and DDTF funds) of the Authority.

(2) Other than as listed in Section 5 (D)(1) above, the Authority acknowledges that it will not and has not provided any party with a legal right of recourse against:

- a) any of its public housing Projects;
- b) any Operating Receipts (as the term "Operating Receipts" is defined in the ACC);
- c) any of its HCV receipts; or
- e) any of its public housing Operating Reserve Account as defined in the ACC and reflected in the Authority's annual operating budget.

(3) Should any assets of the Authority be identified at later date as meeting the criteria as set forth in this subsection (D), any guarantees, indemnifications, rights of set off, or other pledges involving those assets will be deemed null, void and unenforceable.

(4) The ACC applies and should any financing proceeds be used for non-public housing purposes, repayment of the financing proceeds used for non-public housing purposes is required to be made with eligible non-public housing funds. The failure of the Authority to comply with the ACC and this Financing Amendment may constitute a default as described in the ACC, and HUD reserves the right to enforce all remedies available to it under the ACC and any amendments thereto.

(5) Any financing documents entered into by the Authority, as debtor, must contain language specifically allowing for defeasance without penalty at the discretion of the Authority, without the need for any further approval from any creditor, and regardless of any other language to the contrary in the financing documents, and shall provide for the termination of the financing agreement, reimbursement agreement, security agreement, note or similar agreement and the release of any collateral and removal of any covenants required for this transaction without penalty to the Authority once such defeasance is completed. Penalties do not include premiums a creditor may charge for the carrying costs associated with allowing a defeasance.

(E) The Authority warrants that it will include, or cause to be included:

(1) In all its agreements or contracts with the participating parties to the transaction, and in all contracts with any party involving the use of Capital Fund Allocations, a provision that nothing contained in the ACC or this Financing Amendment and any Riders thereto, nor in any agreement or contract between the parties, nor any act of HUD, the Authority, or any of the parties, will be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD, and that the obligations created pursuant to this transaction do not constitute a debt or liability of HUD or the United States, the full faith and credit of the United States is not pledged to the payment of the obligations, payment of the obligations is not guaranteed by HUD or the United States, and no action taken by these parties or in these documents shall result in any liability to the federal government.

(2) In all legal documents that are part of this transaction, there shall be no cross-default provisions between this financing transaction and any other financing transaction to which the Authority is a party, except for debt of the Authority to the Trustee.

## **Section 6.**

(A) Counsel must opine to the following for each requirement listed in this Section:

(1) An examination of the authority of the Authority to enter into the documents and all persons executing the documents on behalf of the parties has been made and that the parties and said persons were authorized to enter into and execute the documents; and

(2) Each document constitutes a valid and legally enforceable agreement or contract under the laws of the State of New York (the "State") and the commitments and/or agreements evidenced thereby can be carried out in accordance with their terms under the law of the State, and that there is nothing in the Authority Documents that conflicts with, or is inconsistent with, the HUD Approval Letter and this Financing Amendment.

(B) Counsel may rely upon the certification of other persons, or the written statements or opinions of other counsel, provided that a copy of each such certification, statement, or opinion must be attached to the opinion of that counsel.

(C) If Counsel predicates an opinion upon "information and belief," then in all such cases the Counsel's Opinion must contain, or have attached thereto, a statement or description of all of the information upon which the belief of Counsel is predicated.

In consideration of the foregoing covenants, the parties do hereby set forth their seals:

NEW YORK CITY HOUSING AUTHORITY

By \_\_\_\_\_  
Gregory Russ  
Chief Executive Office

UNITED STATES OF AMERICA  
Secretary of Housing and Urban Development

By \_\_\_\_\_

Luigi D'Ancona  
Public Housing Director

Date: \_\_\_\_\_



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**PROPOSED FORM OF BOND COUNSEL OPINION**

NEW YORK CITY HOUSING  
DEVELOPMENT CORPORATION  
110 William Street  
New York, New York 10038

Ladies and Gentlemen:

We, as bond counsel to the New York City Housing Development Corporation (the “Corporation”), a corporate governmental agency, constituting a public benefit corporation, created and existing under and pursuant to the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of New York), as amended (the “Act”), have examined a record of proceedings relating to the issuance by the Corporation of \$\_\_\_\_\_ aggregate principal amount of Capital Fund Grant Program Revenue Bonds (New York City Housing Authority Program), Series 2022A (the “2022 Bonds”).

The 2022 Bonds are authorized to be issued pursuant to the Act, a resolution of the Corporation adopted on [\_\_\_\_\_], 2022, and the Master Trust Indenture, dated as of September 1, 2013 (the “Master Indenture”), by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), as supplemented by the Third Supplemental Trust Indenture, dated as of [\_\_\_\_\_], 2022, by and between the Corporation and the Trustee (the “Third Supplemental Indenture”; the Master Indenture and the Third Supplemental Indenture being collectively referred to as the “Indenture”). The 2022 Bonds are being issued for the purpose of financing a loan (the “Loan”) to the New York City Housing Authority (“NYCHA”) for the purpose of providing funds to make the deposits provided in the Indenture, including for the refunding of certain of the Corporation’s outstanding obligations (the “Prior Bonds”).

The 2013 Bonds are dated, mature, are payable, bear interest and are subject to redemption as provided in the Indenture.

We have not examined nor are we passing upon the Loan Agreement (as defined in the Master Indenture). In rendering this opinion, we have assumed the validity and enforceability of the Loan Agreement.

Upon the basis of the foregoing, we are of the opinion that:

1. The Corporation has been duly created and validly exists as a corporate governmental agency constituting a public benefit corporation, under and pursuant to the laws of the State of New York (including the Act), and has good right and lawful authority, among other things, to finance the Loan, including for the refunding of the Prior Bonds, to provide sufficient funds therefor by the execution and delivery of the Indenture and the issuance and sale of the 2022 Bonds, and to perform its obligations under the terms and conditions of the Indenture, including financing the Loan and refunding the Prior Bonds, as covenanted in the Indenture.

2. The Indenture has been duly authorized, executed and delivered by the Corporation, is in full force and effect, and is valid and binding upon the Corporation and enforceable in accordance with its terms.

3. The 2022 Bonds have been duly authorized, sold and issued by the Corporation in accordance with the Indenture and the laws of the State of New York (the “State”), including the Act.

4. The 2022 Bonds are valid and legally binding special revenue obligations of the Corporation payable solely from the revenues, funds or moneys pledged for the payment thereof pursuant to the Indenture, are enforceable in accordance with their terms and the terms of the Indenture, and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Indenture.

5. The Bonds, including the 2022 Bonds, are secured by a pledge in the manner and to the extent set forth in the Indenture. The Indenture creates the valid pledge of and lien on the Trust Estate (as defined in

the Master Indenture) which the Indenture purports to create, subject only to the provisions of the Indenture permitting the use and application thereof for or to the purposes and on the terms and conditions set forth in the Indenture.

6. Pursuant to the Indenture, the Corporation has validly covenanted in the manner and to the extent provided in the Indenture, among other things, to finance the Loan, including for the refunding of the Prior Bonds, subject to the requirements of the Indenture with respect thereto.

7. The 2022 Bonds are not a debt of the State or The City of New York and neither is liable thereon, nor shall the 2022 Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged for the payment thereof.

8. Interest on the 2022 Bonds is included in gross income for Federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

9. Under existing statutes, interest on the 2022 Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

We express no opinion regarding any other Federal or state tax consequences with respect to the 2022 Bonds. We render our opinion under existing statutes and court decisions as of the issue date, and we assume no obligation to update our opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation or otherwise. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exemption from personal income taxes of interest on the 2022 Bonds under state and local tax law.

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the 2013 Bonds and the Indenture may be limited by bankruptcy, insolvency and other laws affecting creditors' rights or remedies heretofore or hereafter enacted and is subject to the general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We have examined an executed 2022 Bond and in our opinion the form of said Bond and its execution are regular and proper.

Very truly yours,