



MEMORANDUM

To: The Chairperson and Members

From: Eric Enderlin *E.E.*
President

Date: November 22, 2022

Subject: Amendments to Multi-Family Rental Housing Revenue Bonds (2 Gold Street) Bond Resolution and Multi-Family Mortgage Revenue Bonds (201 Pearl Street Development) Bond Resolution

On March 23, 2006, the Members adopted the Multi-Family Rental Housing Revenue Bonds (2 Gold Street) Bond Resolution (the “2 Gold Street Bond Resolution”) approving issuance of the Corporation’s Multi-Family Rental Housing Revenue Bonds (2 Gold Street), 2006 Series A and 2006 Series B (the “2 Gold Street Bonds”). The proceeds of the Bonds were used to refund prior bonds of the Corporation the proceeds of which were used by 2 Gold L.L.C. (the “2 Gold Street Mortgagor”), a New York limited liability company, for the purpose of paying a portion of the costs of constructing and equipping a 51-story building containing 650 residential units and retail and commercial space located at 2 Gold Street in the Borough of Manhattan.

On November 9, 2006, the Members adopted the Multi-Family Mortgage Revenue Bonds (201 Pearl Street Development) Bond Resolution (the “201 Pearl Street Bond Resolution”) approving issuance of the Corporation’s Multi-Family Mortgage Revenue Bonds (201 Pearl Street Development), 2006 Series A and 2006 Series B (the “201 Pearl Street Bonds”). The proceeds of the Bonds were used by 201 Pearl L.L.C. (the “201 Pearl Street Mortgagor”), a New York limited liability company, for the purpose of paying a portion of the costs of constructing and equipping a 28-story building containing 189 residential units and retail and commercial space located at 201 Pearl Street in the Borough of Manhattan. (The 2 Gold Street Bond Resolution and the 201 Pearl Street Bond Resolution are hereinafter referred to collectively as the “Bond Resolutions”, the 2 Gold Street Bonds and the 201 Pearl Street Bonds are hereinafter referred to collectively as the “Bonds” and the 2 Gold Street Mortgagor and the 201 Pearl Street Mortgagor are hereinafter referred to collectively as the “Mortgagors”).

The Bonds are variable rate demand bonds, whose interest rates presently are reset on a weekly basis by a Remarketing Agent pursuant to a Remarketing Agreement between the Remarketing Agent, the related Mortgagor and the Corporation, with Bond holders having the option to tender their Bonds for repurchase on seven days' notice through remarketing by the Remarketing Agent to new investors or, in the event such remarketing were not to be successful, repurchase with funds provided by Fannie Mae, the credit facility provider, under the related Direct Pay Credit Enhancement Instrument that secures such Bonds.

The Bond Resolutions and the Remarketing Agreements permit the respective Mortgagors to, from time to time, replace the current Remarketing Agent with a successor Remarketing Agent provided the successor meets certain qualifications, including that it have a rating equal to or higher than a BBB– long term rating or an A-3 short term rating issued by S&P Global Ratings (“S&P”), the rating agency that rates the Bonds.

The Mortgagors desire to appoint, as such a successor Remarketing Agent, BNY Mellon Capital Markets LLC, which does not maintain credit ratings with S&P or any other rating agency, although its parent entity does maintain ratings exceeding the above minimum levels. The Mortgagors have requested that the Corporation amend the respective Bond Resolutions to permit such appointment.

The proposed amendments would modify the above-described Remarketing Agent rating requirement in each Bond Resolution to provide that the requirement may be satisfied either by the Remarketing Agent or by a parent entity. Each such amendment is permissible with sufficient notice to the applicable Bond holders (providing an opportunity to tender their Bonds, if desired), and consent of the credit facility provider to the amendment, both of which would be required prior to the amendments taking effect. The amendments would not impact S&P's ratings of the Bonds.

Action By Members

The Members are requested to approve authorizing resolutions which provide for (a) the adoption of the First Supplemental Resolution to the Multi-Family Rental Housing Revenue Bonds (2 Gold Street) Bond Resolution and the First Supplemental Resolution to the Multi-Family Mortgage Revenue Bonds (201 Pearl Street Development) Bond Resolution which provide for the amendments to the respective Bond Resolutions and (b) the execution by the President or any authorized officer of the Corporation of all other documents required for the amendments.