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

January 28, 2011

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Friday, January 28, 2011 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 11:33 a.m. by the Chairperson, Rafael Cestero, who noted the presence of a quorum and thanked the Members for being adaptable to rescheduling the meeting after yesterday's snow storm. The Members present were Felix Ciampa, Harry E. Gould, Jr. and Denise Notice-Scott. The Members absent were Mark Page, David M. Frankel and Charles G. Moerdler. A list of observers is appended to these minutes.

The Chairperson called for the approval of the minutes of the meeting held on December 1, 2010.

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

RESOLVED, to adopt the minutes of such meeting.

The Chairperson stated that the next item on the agenda would be the President's Report. He called upon Marc Jahr, President of the Corporation, to make this presentation.

Mr. Jahr thanked the Chairperson, and welcomed the Members and others in attendance. He said that he realized that this meeting was rescheduled at short notice, and he greatly appreciated the Members' flexibility in fitting it into their schedules. Mr. Jahr stated that one fine snow storm and a couple of news cycles had transpired since Mr. Cestero announced that he would be resigning his position as Commissioner of HPD and Chair of HDC's Board on March 31st. He said that all of us at HDC and in the affordable housing and community development industry were saddened by that decision. He said that Mr. Cestero had provided terrific leadership to HPD and HDC during an exceptionally challenging period of time, and the Corporation would sorely miss that leadership. However, Mr. Jahr said, since before he leaves Mr. Cestero would preside over one more Board meeting in March, he would spare him and all of the Members the embarrassment of some soppy remarks today.

Mr. Jahr stated that he would like to take a moment to look back over 2010 and recite some numbers, and provide the Members with some comparative 2009 numbers. He said that this past year was another productive one for HDC, consistent with its 2009 performance. He said that in 2009, HDC closed on twenty-seven (27) deals comprised of 4,117 apartments, including nineteen (19) LAMPs, seven (7) New HOPs, and one (1) Mitchell Lama preservation project. He said that excluding the massive NYCHA deal, in 2010 HDC closed on twenty-nine (29) deals containing 4,876 apartments, including seventeen (17) LAMPs, eight (8) New HOPs, three (3) Mitchell Lamas, and one (1) 501(c)(3) development; add in the NYCHA deal and the Corporation did thirty-one (31) developments and 25,015 apartments.

Mr. Jahr stated that sliced another way, HDC financed 2,739 units or 57% of our units in preservation deals, and 2,117 apartments in new construction developments. He said that in 2009, the split between new construction and preservation was 2,266 to 2,073 or 54% to 46%. In addition, he said, in 2010, over 85,000 square feet of new commercial space was created in developments financed by HDC, bringing to over 1.7 million square feet the amount of commercial space HDC has financed since the inception of the Mayor's Housing Plan, helping to add to the range of retail services and amenities available in the City's neighborhoods. He added that during the midst of all this activity, HDC's staff still managed to convert from construction to permanent financing 36 developments containing 4,055 units, as opposed to 32 developments in 2009 containing 4,142 units. Mr. Jahr stated that to accomplish all that, in our 2010 Fiscal Year HDC issued nearly $1.6 billion in bonds, while in the course of the calendar year it issued slightly over $1 billion.

Mr. Jahr stated that as a result of this activity, in 2010, even though for technical reasons they didn't include the Corporation's issuance for the NYCHA deal, Thomson Reuters ranked HDC number 1 in the nation in the issuance of Multi-Family housing revenue bonds, and its share of the market was an extraordinary 22.8%. He said that if you add in New York State HFA's issuance, HDC's combined share of the national market, according to Thomson, was 40.6%. He noted that quite honestly, this is how it should be: New York City has the largest rental housing market in the nation and it should lead the nation in Multi-Family issuance. Nonetheless, he said, it's not inevitable, and the fact that HDC consistently leads the nation is a measure of the commitment of the Mayor to affordable housing, and the strength of HDC's relationship with HPD and the partnerships it has built with the State's housing agencies, its underwriters and lenders, as well as with developers, both non-profit and for-profit.

Mr. Jahr stated that with January coming to a close, 2011 is shaping up to be as robust and interesting a year as either 2009 or 2010. He said that today the Corporation would ask for the Members' approval of only one deal, but at the March Board meeting it would submit a much larger array of projects for the Members' consideration. He said that there's always attrition, but presently there are 13 deals, containing 3,300 units and requiring $240 million in volume cap in our 1st quarter pipeline. He said that three are new construction, 10 are preservation deals, and they're located in all five boroughs. He said that some of these would slip in to the 2nd quarter, but the 2nd quarter pipeline is equally as swollen. He said that there was no reason to believe that 2011 would be any less active than 2010 or 2009 as HDC continues its efforts to meet the goals of the Mayor's Housing Plan.

Mr. Jahr stated that there were three additional items he wished to briefly mention to the Members. First, he said that prior to this meeting, the Board's Audit Committee met, and he was pleased to report it approved the Corporation's financial statements for fiscal year 2010. He said that these statements confirmed that 2010 was another year of financial growth for the Corporation. He said that of perhaps greater importance, the Corporation's auditors, Ernst & Young, issued a clean opinion and there were no management letter comments, an outcome that reflects the leadership of Rich Froehlich, the Corporation's Treasurer, Cathleen Baumann, and its Controller, Bharat Shah, and all the hard, fine work of their accounting staff.

Next, Mr. Jahr stated that recently, to partially meet the extensive requirements of the Public Authorities Accountability Act or "P Triple A", he sent each of the Members two items: an acknowledgment of fiduciary duties and responsibilities and a form that allows each Member to evaluate the Board's performance. He said that as a reminder, each of these documents needs to be returned to HDC's Internal Auditor, Shirley Jarvis, if we are to meet the statute's requirements. He said that of course, if the Members had any questions concerning this matter, they should not hesitate to ask him.

Finally, Mr. Jahr gave a heads up. He said that on December 20th, the SEC approved a proposed rule that would define appointed HFA Board Members who were not municipal employees or elected officials as "municipal advisors", a designation which would trigger a myriad of unwarranted requirements. He said that both the National Association of Local Housing Finance Agencies and the National Council of State Housing Agencies, of which we are members, have registered their opposition to this proposed rule, and he may be reaching out to the Members in the future to further discuss this matter. He said that the Corporation may suggest that the Members submit comments to the SEC as well. Mr. Jahr stated that that concludes his remarks, and if there were no questions or comments, the Members could move on to the next item on the agenda.

The Chairperson stated that the next item of business would be the approval of the origination of a construction and permanent mortgage loan for a low-income rental project financed under the Corporation's LAMP Preservation Program. He called upon Ruth Moreira, Assistant Vice President for Development of the Corporation, to advise the Members regarding this item.

Ms. Moreira referred the Members to the memorandum before them entitled "Origination of Construction Loan and Permanent Loan for Haven Plaza Project" dated January 20, 2011 (the "Haven Plaza Memorandum"). Ms. Moreira stated that she was pleased to recommend that the Members approve the Corporation's origination of a loan to finance the acquisition and rehabilitation of the Haven Plaza Project (the "Project") located on Manhattan's lower east side. She said that the loan would be made under the Corporation's LAMP Preservation Program in an amount not to exceed $40,000,000 and consist of a first position taxable construction loan and a subsequent tax-exempt construction and permanent loan.

Ms. Moreira stated that the Project was originally constructed in 1966 and consists of a cluster of 4 multi-family residential buildings containing 371 residential rental units, a two level parking garage and commercial space. She said that in June of 2009, the Project secured two renovation loans totaling approximately $9,713,000.00 from the New York City Department of Housing Preservation and Development to fund repairs currently underway. She said that a second round of renovation work would be financed with the proceeds of the Corporation's loan. She said that this construction was expected to have a term of 30 months and entails a rehabilitation budget of $26,000,000; the improvements include upgrades to various mechanical systems as well as in-unit capital improvements.

Ms. Moreira stated that the Project sponsor was Haven Plaza Housing Development Fund Company, Inc., a single purpose not-for-profit entity managed by a board of directors whose members are elected annually by New York Catholic Homes Inc., the affordable housing division of Catholic Charities, Archdiocese of New York; the executive director of Catholic Charities is Monsignor Kevin Sullivan. She said that the sponsor would convey beneficial ownership to another single purpose not-for-profit entity, Haven Plaza Square LLC managed by a board of directors elected by the Project sponsor. She added that both entities were new borrowers for HDC.

Ms. Moreira stated that the Project is subject to various regulatory restrictions affecting its rents and tenancy: 191 units would be affordable to households earning from 50% to 80% of the Area Median Income (AMI); 136 units are subject to a HUD project-based Section 8 HAP Contract; and all of the units must be rented to tenants whose incomes do not exceed 165% of AMI. She said that the borrower would enter into an HDC regulatory agreement which would incorporate all of these restrictions.

Ms. Moreira stated that it was anticipated that HDC would sell a 100% participation in the construction loan to Citibank. She said that it was also anticipated that the Corporation would buy back Citibank's participation in December 2011, with a portion of the proceeds from the final roll out of the multifamily New Issue Bond Program ("NIBP") along with the issuance of market bonds. She said that the terms and conditions of the proposed December 2011 bond issuance would be brought to the Members for their review at that time.

Ms. Moreira stated that it was anticipated that the bond-funded tax-exempt loan would be secured by a standby credit enhancement agreement from Freddie Mac both during the construction period and also during the 30 year permanent loan term. She noted that the risks were outlined in the Haven Plaza Memorandum.

Upon a motion duly made by Mr. Gould, and seconded by Ms. Notice-Scott, the Members unanimously:

RESOLVED, to approve (A) the origination of the taxable construction loan for the Haven Plaza Project and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish such financing and (B) the origination of the tax-exempt construction and permanent loan for the Haven Plaza Project and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish such financing.

The Chairperson stated that the next item for consideration by the Members would be the Approval of the Corporation's Property Disposition Guidelines pertaining to disposition of certain property owned by the Corporation. He called upon Richard M. Froehlich, Executive Vice President and General Counsel for the Corporation, to advise the Members regarding this item.

Mr. Froehlich referred the Members to the Memorandum before them entitled "Annual Report on Property Disposal Guidelines" dated January 20, 2011 (the "Property Disposal Guidelines Memorandum") and the attachments thereto including (i) the Property Disposal Guidelines and Report; and (ii) the Resolution of the Members of the New York City Housing Development Corporation Approving Guidelines for Disposition of Certain Property Owned by the Corporation, all of which are appended to these minutes and made a part hereof.

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

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

RESOLVED, to approve the Corporation's Property Disposal Guidelines pertaining to disposition of certain property owned by the Corporation and the Annual Property Report for Fiscal Year ending October 31, 2010.

The Chairperson asked if there was any other business. Mr. Ciampa stated that there was one item. He reported that earlier that day, the Audit Committee met and approved the annual financial statements for the Corporation.

At 11:45 a.m., there being no further business, upon a motion duly made by Ms. Notice-Scott, and seconded by Mr. Gould, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz
Assistant Secretary

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ATTENDANCE LIST

R. Gregory Henniger	Hawkins Delafield & Wood LLP
Robin Ginsburg	MR Beal & Company
Samphas Chhea	“ ”
James McIntyre	Morgan Stanley
Amy Bartoletti	Ramirez & Co., Inc.
Barbara Feldman	BOA Merrill Lynch
Kent Hiteshew	JPMorgan
Diana Glanternik	Office of Management & Budget
Jennifer Steinberg	“ ”
Sean Cullen	RBC Capital Markets
Mike Koessel	Citi
Inna Spector	NYC Department of Investigation
Alan Jaffe	Goldman Sachs & Co.
Jillian Ziarko	“ ”
Marc Jahr	New York City Housing Development Corporation
Richard M. Froehlich	“ ”
Mathew M. Wambua	“ ”
Joan Tally	“ ”
Diane J. Pugacz	“ ”
Melissa Barkan	“ ”
Claudine Brown	“ ”
Susannah Lipsyte	“ ”
Ted Piekarski	“ ”
Kristen Smith	“ ”
Eileen M. O’Reilly	“ ”
Rashida McGhie	“ ”
Elizabeth Oakley	“ ”
Kerry Yip	“ ”
Mary McConnell	“ ”
Bharat Shah	“ ”
Cathleen Baumann	“ ”
Teresa Gigliello	“ ”
Mary Hom	“ ”
Tinru Lin	“ ”

Mary John	"	"
Ruth Moreira	"	"
Shirley Jarvis	"	"
Marcus Randolph	"	"
Jerry Mascuch	"	"
Sonia Medina	"	"
Ellen Duffy	"	"
Will Martin	"	"
Cheuk Yu	"	"
Lauren Smartt	"	"
Simon Bacchus	"	"
Urmas Naeris	"	"
Cathy Foody	"	"
Joanne Roberts	"	"
Marlene Salomon	"	"
Michael Ray	"	"
Pellegrino Mariconda	"	"