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

March 17, 2011

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Thursday, March 17, 2011 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 3:01 p.m. by the Chairperson, Rafael Cestero, who noted the presence of a quorum. The Members present were Felix Ciampa, Mark Page, Charles G. Moerdler and Denise Notice-Scott. The Members absent were Harry E. Gould, Jr. and David M. Frankel. A list of observers is appended to these minutes.

The Chairperson called for the approval of the minutes of the meeting held on January 28, 2011.

Upon a motion duly made by Mr. Moerdler, and seconded by Ms. Notice-Scott, 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, Members and others in attendance. He stated that on March 16th of 2009, Mayor Michael R. Bloomberg appointed Rafael Cestero Commissioner of the Department of Housing Preservation and Development ("HPD"), and slightly more than a month later Mr. Cestero chaired his first HDC board meeting. He said that roughly two years later—although for Mr. Cestero that may feel like a lifetime—he's now chairing what is most likely his last board meeting. Mr. Jahr said that by his count, this would be Mr. Cestero's 13th board meeting, and an extraordinary amount has been achieved during his time as Chairperson, while he has led the Mayor's, HPD's and HDC's affordable housing effort.

Mr. Jahr stated that by now, for better or worse, the Members were accustomed to his reeling off strings of numbers, and he would do that today. He said that during Mr. Cestero's tenure as Chairperson, HDC had closed 58 deals containing 29,398 apartments—the units will be homes to around 90,000 New Yorkers—and in support of those developments, the Corporation lent over $1.5 billion in senior and subordinate debt. He said that as you know, these developments are a mix of new construction and preservation, low-income, mixed-income, Mitchell Lama and public housing, and that they've been located in every borough of New York City. He said that HDC could not have accomplished all this without the Members' support and Mr. Cestero's superb leadership.

Mr. Jahr stated that when Mr. Cestero stepped into his positions at HPD and HDC, he did so at a time when the economic crisis in the nation and the City was rapidly unfolding, and the

City's capital and expense budgets were suffering the painful consequences. He said that the effects of the Great Recession had continued throughout his tenure as Commissioner; so, at the time, he thought to himself "Why in the world does he want this position?"-- and through his actions, he's answered that question—because he has been up to the task. Mr. Jahr stated that you can drive from neighborhood to neighborhood in this City and see the indelible imprint Mr. Cestero has left on its communities during these hard economic times, all the developments newly constructed or renovated by HDC and HPD, all the blocks brought back to life. But, he said, Mr. Cestero's contributions have not been limited to that.

Mr. Jahr stated that it was hard to remodel an aircraft carrier when it's out to sea, but Mr. Cestero reorganized HPD—he didn't tinker at the edges, he reengineered the agency for the first time in perhaps three decades—so that its structure corresponded to its new tasks, and the City's budgetary realities; simultaneously, he repositioned HPD to reflect the new challenges and opportunities offered up to it by a wounded real estate market. He said that he took on negligent financial institutions and property owners to protect the massive capital investments of the City and those of responsible financial institutions and property owners, and he stood with tenants and communities who were not prepared to accept the deteriorating conditions around them.

Mr. Jahr stated that Mr. Cestero's performance has truly been remarkable, and the City and its communities are infinitely better for it, as is HDC. He said that for those of us at HDC, he has been a great leader, great colleague, and great friend. He said that he has recognized the boundaries between our two institutions, but his creativity and drive, and willingness to break new ground has been a source of real inspiration. He said that the Corporation would miss his leadership and his great human presence and touch enormously, but that HDC could also take real satisfaction from the fact that we have had this opportunity to work with him, and, of course, we wish him an abundance of good luck and success in his life after HPD. Mr. Jahr stated that after today's meeting, there would be some simple refreshments available to celebrate Mr. Cestero's tenure as HDC's Chairperson, and he hoped that the Members would be able to take a moment to join in that celebration.

Mr. Jahr stated that the life of the Corporation continues, so he wanted to talk about a couple of additional items before we move on to the balance of the agenda; in the first instance: some more numbers. He said that HDC would be seeking the Members' approval of the issuance of bonds that would allow the Corporation to finance, among other things, seven developments, containing 1,727 apartments, with total development costs of approximately $331 million dollars. He said that one of these developments, "Richmond Place" was a LAMP, a new construction, low-income development located in Queens—something of a rarity for HDC. He said that reflecting the Corporation's priorities, the balance of the developments—the other six—were preservation deals, of which three were located in The Bronx, two in Manhattan, and one in Brooklyn.

Mr. Jahr stated that each of these deals had a history, a story, which he said that he won't bore them with, but for noting that the three Bronx deals date back to the early days of Mayor Koch's $4.2 billion housing plan, when The Bronx was more rubble than housing. He said that 25-30 years later, having endured more than their share of wear and tear as the Bronx was rebuilt, they needed to be "freshened up." He said that putting together the financing packages for these deals had been at times quite arduous, and had required that the Corporation work closely with HUD both down in Washington and in the regional office here in New York. He said that it has been good working with the HUD staff, and that the Corporation looked forward to collaborating more with them in the future on these sorts of preservation deals.

Mr. Jahr stated that the Brooklyn deal, Kent Village, was another Mitchell Lama Preservation deal—a 534 apartment development located in Williamsburg—that more than 30 years after it was built, long before the neighborhood became the epicenter for hipsters and artists, also required significant rehabilitation and financial restructuring.

Finally, Mr. Jahr stated, one of the Manhattan deals, Revive 103, also dates back to the early years of Mayor Koch's Ten Year Plan. Only 30 units and nestled into an East Harlem block, he said, it could fit on to one or two floors of Kent Village; however, like that project, it was undertaken at a time when the neighborhood was embattled and the notion that the surrounding community would be touched by gentrification would've seemed far-fetched. He said that now we will be financing its rehabilitation and extending the term of its affordability in a neighborhood still undergoing change.

Next Mr. Jahr stated that at the December 2010 Board meeting, Terry Gigliello and Jim Quinlivan made a presentation on HDC's asset management activities; during the course of it they talked about the role the Corporation plays in overseeing the marketing and lease-up of units in the developments it finances. Mr. Jahr stated that recently the principal of a firm which we had referred to the City's Department of Investigation for possible fraudulent activity—we suspected that they were falsifying tax documents for applicants to our developments—was sentenced to three (3) months in jail and 5 years of probation. He said that HDC recognizes that the affordable housing we finance, the apartments that are produced, are valuable commodities susceptible to abuse. He said that the Corporation hopes that successful prosecutions like this one will send a strong message that attempts to game the system will be severely punished.

Finally, Mr. Jahr stated that over the past couple of months, he, Rich Froehlich and Mat Wambua had gone down to Washington on a couple of occasions to meet with officials at Treasury, elected representatives and advocates. He said that they've focused their attention on the future of multi-family housing finance in the post-GSE world, and on the creation of a mixed-income option in the low-income housing tax credit law. Mr. Jahr stated that the future of Fannie Mae and Freddie Mac, and the structure of the nation's housing finance system would probably not be substantially resolved until after the 2012 elections, but it's important that the Corporation is heard on the issue of affordable multi-family housing finance. He said that the Corporation has standing in that discussion—in 2010 we were the 3rd largest affordable multi-family lender in the United States behind Citi and BofA, while in 2009, we were #2.

Mr. Jahr stated that as for the mixed-income tax credit option which HDC proposed, we were delighted to discover that it had been included in the President's budget. He said that if enacted into law, and like GSE reform we don't expect that to happen in the immediate future, the option would allow the Corporation to cross-subsidize units affordable to households at or below 30% of the Area Median Income ("AMI") with the proceeds from the rents of households at or below 90% of AMI. He said that this was a twofer: without additional subsidy the

Corporation would be able to provide housing for extremely low-income families, and we get to create mixed-income developments that can provide affordable housing to often neglected moderate-income families. Again, he said, given the nature of Congress, HDC does not expect this piece of legislation to be enacted in the near future, but making it into the President's budget was a triumph, and puts the Corporation in an immeasurably better position to pursue its enactment. Mr. Jahr stated that that concludes his remarks, other than to say that on behalf of all of HDC he thanked the Chairperson for his leadership and service, and again wished him the best of luck in the future.

The Chairperson thanked Mr. Jahr and stated that he would reserve for the end of the meeting his brief comments in response to Mr. Jahr's overly generous remarks.

The Chairperson stated that the next item on the agenda would be the Approval of Authorizing Resolutions relating to the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2011 Series B, C and D; amendments of the Supplemental Resolutions relating to the Corporation's Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series 1 and NIBP Series 2; and amendments of the Supplemental Resolutions relating to the Corporation's Multi-Family Housing Revenue Bonds, 2009 Series C-3, 2008 Series H-2-A and 2008 Series H-2-B. He called upon Joan Tally, Senior Vice President of Development for the Corporation, to advise the Members regarding this item.

Ms. Tally referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2011 Series B, C and D, Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), 2009 Series 1-3 and 2-3, Amendments to Multi-Family Housing Revenue Bonds, 2009 Series C-3 and 2008 Series H-2-A, H-2-B Supplemental Resolutions" dated March 10, 2011 (the "Open Resolution Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the One Hundred Forty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series B, the One Hundred Forty-Six Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series C, the One Hundred Forty-Seventh Supplemental Resolution Authorizing the Issuance of the Multi-Family Housing Revenue Bonds, 2011 Series D, the Third Supplement to the One Hundred Twenty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series I and the Third Supplement to the One Hundred Twenty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series 2 and Certain Other Matters In Connection Therewith, the Resolution Authorizing Adoption of the Amendment to the One Hundred Thirteenth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series C-3 and Certain Other Matters in Connection Therewith, and the Resolution Authorizing Adoption of the Second Amendment to the One Hundred Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series H-2 and Certain Other Matters in Connection Therewith (each, an "Authorizing Resolution" and collectively, the "Authorizing Resolutions"); (ii) the One Hundred Forty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series B, the One Hundred Forty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series C, the One Hundred Forty-Seventh Supplemental

Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series D, the Third Supplement to the One Hundred Twenty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series 1, the Third Supplement to the One Hundred Twenty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series 2, the Amendment to the One Hundred Thirteenth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds 2009 Series C-3, and the Second Amendment to the One Hundred Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series H-2 (each, a "Supplemental Resolution" and collectively, the "Supplemental Resolutions"); (iii) the Preliminary Official Statement relating to the 2011 Series B, C and D Bonds, the Supplement to the Official Statement Dated December 9, 2009 Relating to the Federal New Issue Bond Program, 2009 Series 1-3, and the Supplement to the Official Statement Dated December 9, 2009 Relating to the Federal New Issue Bond Program, 2009 Series 2-3 (each, an Official Statement" and collectively, the "Official Statements"); and (iv) the Bond Purchase Agreement, all of which are appended to these minutes and made a part hereof.

Ms. Tally stated that she was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2011 Series B, 2011 Series C and 2011 Series D (collectively, the "2011 Bonds") in an amount not to exceed $197,320,000. She said that the Members were also recommended to approve the third roll-out of the Corporation's Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), 2009 Series 1-3 and 2009 Series 2-3 (collectively, the "2009 Bonds") in an amount not to exceed $97,100,000. She said that as the Members may recall, these Treasury Bonds were issued in December 2009 pursuant to the New Issue Bond Program ("NIBP"). She said that this third roll-out would bring the total lent under the program to approximately $240,000,000 and would leave a balance of $260,000,000 for roll-out for the rest of 2011.

Ms. Tally stated that interest on the 2011 Bonds is expected to be exempt from Federal, state and local income tax. She said that the 2009 Bonds were issued as taxable bonds; however the Corporation would now apply volume cap so that up to $97,100,000 in bonds would be tax exempt. She said that the 2011 Bonds and the 2009 Bonds would utilize approximately $130 million in new private activity bond volume cap and $20 million in recycled bond volume cap. She said that the 2011 Series B, C and D Bonds were expected to be issued on a fixed-rate basis at a rate not to exceed 6.5% with an approximate final maturity date of November 1, 2043.

Ms. Tally stated that the Supplemental Resolutions relating to the 2011 Bonds constitute the 145th through 147th Supplemental Resolutions approved under the Corporation's Open Resolution originally adopted by the Members in 1993.

Ms. Tally stated that in connection with the issuance of the 2011 Bonds, the Corporation would remarket a portion of its Multi-Family Housing Revenue Bonds, 2010 Series L-1 and L-2, issued in December 2010. She said that the L-1 Bonds would be remarketed in an amount not to exceed 12,620,000 at a fixed rate not expected to exceed 6.5% with an approximate final maturity of November 1, 2026. Ms. Tally stated that the L-2 Bonds would be remarketed in an amount not to exceed $45,400,000 at a fixed rate not expected to exceed 4% with an approximate final maturity of November 1, 2015.

Ms. Tally said that the 2011 Bonds and the 2009 Bonds were expected to be issued in the modes described today; however, a senior officer of the Corporation may determine to issue the Bonds in multiple issuances pursuant to the same supplemental resolutions and to reallocate bond amounts issued under any particular series as long as the total amount of 2011 Bonds issued does not exceed $197,320,000.

Ms. Tally stated that the Corporation intends to use the 2011 Series B and C Bonds and the 2009 Bonds to finance the new construction, or acquisition and rehabilitation, of 5 developments located in the Bronx, Manhattan and Queens with a total 1,251 units, and noted that project descriptions were attached to Open Resolution Memorandum. Ms. Tally stated that all of the developments were being financed under the Corporation's Low Income Affordable Marketplace Program ("LAMP") with units affordable to households earning no more than 60% of the Area Median Income ("AMI"). She said that two of the LAMP Developments would also receive low interest subordinate financing from the Corporation and that it's expected that up to $7,400,000 of corporate reserves would be used to finance the two subordinate loans.

Ms. Tally stated all of the permanent mortgages being funded with proceeds of the 2011 Series B and C Bonds and the 2009 Bonds were anticipated to benefit from permanent mortgage insurance coverage provided by REMIC, SONYMA, or Fannie Mae. She said that additionally the underwriting of three projects anticipated to be financed with 2009 Series 1-3 Bonds are subject to review by Freddie Mac, as the Corporation's New Issue Bond liaison.

Ms. Tally stated that the Corporation intends to utilize the proceeds of the 2011 Series D Bonds, in an amount not to exceed 28,500,000, to refund a portion of the Corporation's Multi-Family Housing Revenue Bonds, 2001 Series A, which were originally used to provide financing for Carnegie East House, a 104 unit assisted living facility in Manhattan. She said that the proposed refunding was intended to achieve a lower interest rate that could be passed on to the mortgagor.

Ms. Tally stated that additionally, the Members were requested to approve authorizing resolutions and amendments to supplemental resolutions to allow the Corporation to remarket a portion of the 2008 Series H-2-A, 2008 Series H-2-B and 2009 Series C-3 Bonds. She said that these bonds were issued as variable rate obligations and would be remarketed as fixed rate term rate bonds, in order to reduce the Corporation's exposure to variable interest rate risk.

Ms. Tally stated that the Members were also being requested to authorize the Corporation to originate two loans from the Corporation's unrestricted reserves, both of which would be reimbursed from bond funds issued as part of future releases from the New Issue Bond Program. Ms. Tally stated that the first loan would provide financing for the rehabilitation of Kent Village, a 534-unit Mitchell Lama development located in Brooklyn, pursuant to the Mitchell Lama repair program. She said that the Members' approval was sought because the repair loan of approximately $22 million exceeds the $10 million program limit. She said that later in the year, when the bonds are issued, the project's financing would undergo a larger Mitchell Lama restructuring at which time it would be brought back to the Members for approval. She said that the second loan would provide permanent financing for the rehabilitation of a 30-unit multi-family building in Manhattan that was originally financed by the Corporation in 1989. She said that it was anticipated that the Corporation's reserves would be reimbursed in June with proceeds from the next New Issue bond release.

Finally, Ms. Tally stated, the Members are requested to authorize the Corporation to pledge one of its first-position permanent loans to the Open Resolution. She said that the loan was secured by Maple Plaza, a cooperative housing development located in Manhattan that was originally financed in 1996. She said that pledging the current loan to the Open Resolution would provide additional security and collateral to the indenture.

Ms. Tally stated that the risks and fees associated with 2009 and 2011 Bonds were outlined in the Open Resolution Memorandum and that it was expected that the Bonds would be rated AA by S&P and Aa2 by Moody's.

Mr. Moerdler then disclosed for the record that members of his firm, but not he, represent each of the following entities for certain purposes, but not for any of the purposes before the Members today: JPMorgan, Goldman Sachs & Co., Citigroup and Wells Fargo.

In a moment of nostalgia, Mr. Moerdler then stated that more than a lifetime ago as Commissioner of Housing and Buildings, HPD's predecessor entity, he slapped more violations for housing maintenance code and building code on one of these buildings than you could shake a stick at, and he was glad to see that it's in better shape today.

Richard M. Froehlich, Executive Vice President and General Counsel for the Corporation, then described the provisions of the Authorizing Resolutions to the Members and the actions the Members were being requested to approve.

Upon a motion duly made by Mr. Moerdler, and seconded by Mr. Page, the Members unanimously:

RESOLVED, to approve (A) the Authorizing Resolution that provides for (i) the adoption of Supplemental Resolutions to the Open Resolution providing for the issuance of the 2011 Bonds, (ii) the adoption of Third Supplements to amend the Supplemental Resolutions to the Open Resolution providing for the release of the 2009 NIBP Bonds, (iii) the distribution of Preliminary and final Official Statements for the 2011 Bonds and any Additional NIBP Parity Bonds, (iv) the refunding of certain outstanding bonds of the Corporation, (v) the execution of bond purchase agreement(s) with the Underwriter(s) of the 2011 Series B, 2011 Series C and 2011 Series D Bonds and any Additional NIBP Parity Bonds or a direct purchaser of any or all of the 2011 Series B, 2011 Series C and 2011 Series D Bonds and any Additional NIBP Parity Bonds and the execution of a Release Certificate by the Corporation for the 2009 Series 1-3 and 2009 Series 2-3 Bonds, (vi) the use of the Corporation's unrestricted reserves to fund capitalized interest and mortgage reserves for 2009 NIBP Bonds and 2011 Bonds, as may be required, and to pay all costs associated with the release from escrow of the proceeds of the 2009 Series 1-3

Bonds, the 2009 Series 2-3 Bonds and any Additional NIBP Parity Bonds, (vii) the use of the Corporation's general obligation as a "Cash Equivalent" (under the Open Resolution) to satisfy the Debt Service Reserve Account requirement with respect to the 2009 NIBP Bonds and 2011 Bonds and to pledge for the benefit of the 2009 Series 1-3 Bonds, the 2009 Series 2-3 Bonds and any Additional NIBP Parity Bonds, (viii) the execution by the President or any Authorized Officer of the Corporation of a commitment to release additional bond proceeds under NIBP, and (ix) the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to issue the 2011 Bonds, to make the mortgage loans relating to the 2009 NIBP Bonds and 2011 Bonds and to participate in the Federal New Issue Bond Program, including the execution of one or more Release Certificates for the 2009 Series 1-3 Bonds and 2009 Series 2-3 Bonds and any Participation Agreements between or among the Corporation, the trustee under the Open Resolution and the trustee under the NIBP Supplemental Resolution; (B) the making of subordinate loans for the developments to be financed with the proceeds of the 2011 Series B Bonds, 2011 Series C Bonds, 2009 Series 1-3 Bonds and 2009 Series 2-3 Bonds in an amount not expected to exceed $9,905,000 to be funded by using the Corporation's unrestricted reserves and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish each subordinate financing; (C) the making of a Loan from the Corporation's unrestricted reserves for the Kent Village Development in an amount not to exceed $40,000,000; (D) the making of a Loan from the Corporation's unrestricted reserves for the Revive 103 North Development in an amount not to exceed $3,000,000; (E) the acquisition and pledge to the Open Resolution of a Loan for the Maple Plaza Development with prepayments from loans originated under the Open Resolution; and (F) the Authorizing Resolutions that provide for amendments to the Corporation's One Hundred Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series H-2 and the Corporation's One Hundred Thirteenth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2009 Series C-3.

The Chairperson stated that the next item on the agenda would be the approval for funding to the New York City Housing Assistance Corporation for Ruppert/Yorkville TAC Contract. He called upon Mr. Froehlich to advise the Members regarding this item.

Mr. Froehlich referred the Members to the memorandum before them entitled "Approval for funding to the New York City Housing Assistance Corporation for Ruppert/Yorkville TAC Contract" dated March 10, 2011.

Mr. Froehlich stated that on July 29, 2003, the Corporation's subsidiary, the New York City Housing Assistance Corporation ("HAC"), approved the funding of a rental subsidy program for eligible Ruppert/Yorkville Towers residents (the "City Subsidy Program") in response to a request from the City to fund the City's obligation in a settlement of a lawsuit relating to the development's exit from the Mitchell Lama program. He said that a portion of the initial City Subsidy Program funding came from HAC reserves, and was supplemented with annual interest payments on loans made by HAC. He said that the Members previously authorized the transfer of $4.5 million from the Corporation's unrestricted reserves to HAC to cover shortfalls. He said that those amounts had been repaid from the application of HAC loan prepayments and that HAC was able to self-fund the City Subsidy Program through June 2009. He said that in April 2009 the Corporation's Members approved the transfer of an amount up to

$5 million to fund HAC's obligation. He added that those moneys have now been expended.

Mr. Froehlich stated that based upon analysis by the Corporation's staff, it was estimated that the City Subsidy Program currently costs approximately $2.8 million per year. He said in order to continue the program, the Corporation recommends that the Members authorize the transfer of an additional amount up to $5 million of its unrestricted reserves to HAC. He said that the Corporation funds combined with HAC loan receipts and earnings on HAC funds should be sufficient to continue the program through the middle of 2013. He said that HAC is obligated to repay the Corporation for all funds advanced by HDC, without interest, at such time as funds become available to HAC and under current projections HAC would have monies to repay HDC for this installment.

Mr. Froehlich stated that the staff recommends that the Members (i) approve a transfer of an amount not to exceed $5 million from the Corporation's unrestricted reserves in monthly increments as determined by staff, to be disbursed to HAC to provide funds for the City Subsidy Program, and (ii) authorize an officer of the Corporation to execute any documents necessary to effect such transfer.

Mr. Moerdler asked whether HDC staff was persuaded that HAC has or will have the means with which to repay based on current projections. Mr. Froehlich responded yes, although it will take a long time. Mr. Moerdler then asked whether it would be within his lifetime – or Mr. Froehlich's. Mr. Froehlich stated that the Ruppert/Yorkville obligation may go down over time. He explained that two things are going on: first, as residents who are currently eligible either move or die, the obligation goes down; second, HAC has certain mortgages that have balloons which will pay later, at which point there will be monies available. Mr. Froehlich stated that at a certain point we believe that HAC will have the capacity to repay us; if not, at some point there will be discussions with the City regarding providing other resources which may be available to fill the gap. He said that it's something that the Corporation is conscious of.

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

RESOLVED, to (i) approve a transfer of an amount not to exceed $5 million from the Corporation's unrestricted reserves in monthly increments as determined by staff, to be disbursed to HAC to provide funds for the City Subsidy Program, and (ii) authorize an officer of the Corporation to execute any documents necessary to effect such transfer.

The Chairperson stated that the next item of business on the agenda would be the approval of the Investment Guidelines and the Fiscal Year 2010 Investment Report. He called upon Ellen K. Duffy, Senior Vice President for Debt Issuance and Finance for the Corporation, to advise the Members regarding this item.

Ms. Duffy referred the Members to the memorandum before them entitled "2010 Annual Investment Report" dated March 10, 2011 and the 2010 Annual Investment Report attached thereto, which is appended to these minutes and made a part hereof.

Ms. Duffy stated that the New York State Public Authorities Law (PAL) requires HDC to provide an annual investment report and it details the required contents of the report. She said that these requirements are met by the 2010 Annual Investment Report (the "Report") presented, which includes:

- Data on investments made;
- Investment earnings and fees paid;
- Copies of the Corporation's audited financial statements;
- The Investment Guidelines as approved by the Members on December 1, 2010; and
- Report of Independent Auditors on Compliance with Investment Guidelines.

Ms. Duffy stated that the Report also includes descriptive information about the Corporation, the funds it has under management, and the various types of oversight and controls on the Corporation's investment practices. She said that the major points in the Report include:

- The Corporation's earnings on investments totaled $32.41 million in fiscal year 2010, a decline of $6.68 million from fiscal year 2009. This can be attributed to the low interest rate environment across maturities, particularly in the shorter term maturities. Because of the Corporation's commitments, the majority of investments must be held for the short term, thus exacerbating the decline in earnings. Investment rates, already at historically low levels, continued to decline or remain relatively flat throughout 2010. In response to this low interest rate environment, the Corporation shifted investments from GICs and repos to collateralized demand deposits and direct purchases of U.S. Treasury and Agency obligations in order to optimize yield.

- HDC funds under management increased about 20.64% from fiscal year-end 2009 to fiscal year-end 2010, from $2.47 billion to $2.98 billion. This increase is due in part to the Corporation's participation in the Federal New Issue Bond Program. In addition, the Corporation as a whole saw significant growth in assets, liabilities and net assets of 12.04%, 12.97%, and 5.33% respectively over the year, in spite of market conditions.

- Since our fiscal year end in October 2010, overall rates have remained low, with a slight increase in longer term rates.

- HDC did not incur or pay any fees, commissions or charges for investment services. Treasury operations are conducted by the Corporation's Cash Management Division, which uses electronic and telephone bidding processes to competitively purchase securities that meet the Corporation's Investment Guidelines and funding needs.

- Oversight is provided internally by an Investment Committee and by various reviews by HDC's Credit Risk and Internal Audit units. There are also investment and credit risk reports presented at each meeting of the Corporation's Audit Committee, and an annual examination by our external auditors, Ernst & Young.

- The Corporation's Investment Guidelines were approved by the Members on December 1, 2010, and no amendments are proposed at this time.

Ms. Duffy stated that upon approval by the Members, the Report would be submitted to the Mayor and to both the City and State Comptrollers, as required by the Public Authorities Law.

Upon a motion duly made by Mr. Page, and seconded by Mr. Moerdler, the Members unanimously:

RESOLVED, to approve the 2010 Annual Investment Report and readopt the Investment Guidelines without any changes at this time.

The Chairperson stated that the next item on the agenda would be the approval of two Declaration of Intent Resolutions. He called upon Ms. Tally to advise the Members regarding this item.

Ms. Tally stated that the Declaration of Intent Resolutions being considered were solely for tax code purposes, allowing any expenditures incurred by a project's developer within 60 days prior to the date of passage of the Declaration of Intent Resolution to be eligible for tax exempt bond financing.

Ms. Tally referred the Members to the memorandum before them entitled "Resolution of Declaration of Intent, 2542 7th Avenue - Block 2033 / Lot 31, 2538 7th Avenue - Block 2033 / Lot 29, 286 West 147th Street - Block 2033 / Lot 56, 2730 8th Avenue - Block 2031 / Lots 1, 2, 3, 4, 61, 2743, 2745, 2749 8th Avenue – Block 2045 / Lots 30, 31, 2756 8th Avenue – Block 2032 / Lot 4, 298 West 147th Street – Block 2045 / Lot 36, 300 West 147th Street – Block 2032 / Lot 61, 263 and 267 West 152nd Street - Block 2038 / Lots 5, 1, 202-216 West 146th Street – Block 2031 / Lot 38, 231 West 145th Street – Block 2031 / Lot 15, New York, NY" dated March 10, 2011 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof

Ms. Tally stated that this project was the preservation of a portfolio of 14 buildings containing 447 units of low and moderate income housing utilizing approximately $40 million in tax exempt bonds located in the North Harlem section of Manhattan. She said that the project was to be developed by a single purpose entity to be created by the principals of L&M Development Partners and Harlem Congregations for Community Improvement (HCCI), the current owner of the portfolio.

The Chairperson then stated for the record that he must recuse himself from acting on this item and asked the Vice Chairperson, Mr. Ciampa, to carry forward on this matter. Mr. Ciampa then asked for a motion to approve this item.

Upon a motion duly made by Mr. Moerdler, and seconded by Mr. Page, the Members:

RESOLVED, to adopt the Declaration of Intent Resolution for 2542 7th Avenue - Block 2033 / Lot 31, 2538 7th Avenue - Block 2033 / Lot 29, 286 West 147th Street - Block 2033 / Lot 56, 2730 8th Avenue - Block 2031 / Lots 1, 2, 3, 4, 61, 2743, 2745, 2749 8th Avenue – Block 2045 / Lots 30, 31, 2756 8th Avenue – Block 2032 / Lot 4, 298 West 147th Street – Block 2045 /

Lot 36, 300 West 147th Street – Block 2032 / Lot 61, 263 and 267 West 152nd Street - Block 2038 / Lots 5, 1, 202-216 West 146th Street – Block 2031 / Lot 38, 231 West 145th Street – Block 2031 / Lot 15, New York, NY.

Next Ms. Tally referred the Members to the memorandum before them entitled "Resolution of Declaration of Intent, 50-54, 60, 64-70 Division Avenue, 541 Wythe Avenue, 111 and 115 Clymer Street, Brooklyn, NY, Block 2166, Lot 1" dated March 10, 2011 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof.

Ms. Tally stated that this inducement was for Kent Village, the 534 unit Mitchell Lama development for which the Members just approved a corporate reserve loan. She said that this inducement will qualify that financing to be replaced with tax exempt financing of up to $60 million later in the year. She said that the project was being developed by the principals of Kent Village Housing Company, Inc.

Upon a motion duly made by Mr.Page, and seconded by Mr. Moerdler, the Members unanimously:

RESOLVED, to adopt the Declaration of Intent Resolution for 50-54, 60, 64-70 Division Avenue, 541 Wythe Avenue, 111 and 115 Clymer Street, Brooklyn, NY, Block 2166, Lot 1.

As an item of "Other Business" the Chairperson then asked Mr. Ciampa to report on the Audit Committee.

Mr. Ciampa stated that at this time he would like to update the Members and inform them that just prior to this meeting, the Audit Committee met and approved the HDC funding of REMIC in order to give REMIC an increased capacity for its insurance business going forward.

The Chairperson stated that he wanted to thank Mr. Jahr for his wonderful and gracious remarks. He said that the great thing about being HPD Commissioner is that you also get to be Chairperson of the HDC Board. He said that people like Mr. Jahr and others give you all the credit for things that you had virtually nothing to do with other than coming to these meetings and participating in them. He said that part of the reason that this was true was because of the incredible work being done at HDC right now. He said that the City was very lucky to have Marc, Rich, Matt, Joan, Ellen and everybody on the team leading the charge. He said that they were without a doubt the most talented housing finance team in the country and that we are very lucky to have them and it was an honor to work with them and all of you. He said that he would miss being a part of these meetings and being a part of that team. He said that HDC staff has been amazing and incredibly supportive of the things HPD does, and he takes great pride in the fact that he thinks that the relationship between HPD and HDC is as good as it has ever been in the history of the two agencies. He said that he leaves the Mayor's Housing Plan and the City's housing industry in a very good place because they all worked together so well. Once again he thanked everyone for all their support over these last couple of years.

At 3:30 p.m., there being no further business, upon a motion duly made by Mr. Ciampa, and seconded by Mr. Page, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz
Assistant Secretary

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

March 17, 2011

ATTENDANCE LIST

Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	" "
Robin Ginsburg	MR Beal & Company
Jillian Ziarko	Goldman Sachs & Co.
Marvin Markus	" "
Nick Fluehr	Ramirez & Co. Inc.
Kent Hiteshew	JPMorgan
Annie Lee	" "
James McIntrye	Morgan Stanley
Inna Spector	NYC Department of Investigation
Matthew Tague	Orrick, Herrington & Sutcliffe, LLP
Margaret Guarino	BOA Merrill Lynch
Michael Baumrin	RBC Capital Markets
Sean Cullen	" "
Diana Glanternik	Office of Management & Budget
Jennifer Steinberg	" "
Matt Bassonette	Citibank
Kim Hancy	Ernst & Young
Sol Arker	The Arker Companies
Daniel Moritz	" "
Alexa Sewell	NYC Department of Housing Preservation and Development
Marc Jahr	New York City Housing Development Corporation
Richard M. Froehlich	" "
Mathew M. Wambua	" "
Joan Tally	" "
Diane J. Pugacz	" "
Melissa Barkan	" "
Chanin French	" "
Ellen K. Duffy	" "
Claudine Brown	" "
Susannah Lipsyte	" "
Jeffrey Stone	" "
Michael Ray	" "
Ted Piekarski	" "

Kristen Smith	"	"
Moira Skeados	"	"
Eileen M. O'Reilly	"	"
Mary McConnell	"	"
Mary Hom	"	"
Bharat Shah	"	"
Cathleen Baumann	"	"
Tinru Lin	"	"
Liz Oakley	"	"
Mary John	"	"
Ruth Moreira	"	"
Shirley Jarvis	"	"
Rashida McGhie	"	"
Marcus Randolph	"	"
Jerry Mascuch	"	"
Keon Garraway	"	"
Zenaida Bhuiyan	"	"
Marlene Salomon	"	"
Cathy Foody	"	"
Daryl Kendrick	"	"
Heather Laurel	"	"
Iris Chang	"	"
Annie Yiu	"	"
Lisa Geary	"	"
Lauren Smartt	"	"
Simon Bacchus	"	"
Will Martin	"	"
Jackie Moynahan	"	"
Jonah Lee	"	"
Josh Weisstuch	"	"