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

April 7, 2008

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Monday, April 7, 2008, at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 11:35 a.m. by the Chairperson, Shaun Donovan, who noted the presence of a quorum. The Members present were Mark Page, Michael W. Kelly and Charles G. Moerdler. The Members absent were Harry E. Gould, Jr. and Martha E. Stark A list of observers is appended to these minutes.

The Chairperson noted that there had been a change to the Agenda and that the revised Agenda was now before the Members.

The Chairperson called for the approval of the minutes of the meeting held on February 27, 2008.

Upon a motion duly made by Mr. Kelly, and seconded by Mr. Page, 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, and called upon Marc Jahr, President of the Corporation, to make this presentation.

Mr. Jahr thanked the Chairperson and stated that the agenda was quite lengthy and provided a brief overview of the agenda items for the Members.

Mr. Jahr noted that since the Corporation's last Board meeting, some astonishing outcomes had resulted from the continued turbulence in the bond markets and broader economy. He stated that it was worth noting that these developments would serve as the frame, the context for many of the resolutions the Corporation would be asking the Members to entertain today.

The first action, Mr. Jahr stated, would be a resolution seeking the approval of the Members to issue tax-exempt bonds to finance a 227 unit low-income project in the South Bronx. He said that the project, "Las Casas" was located on Third Avenue, near Crotona Park in the Bronx, and that what particularly distinguished it was the fact that it would be located across the street from La Casa del Sol, a project nearing completion which HDC had previously financed with the developer Kiumarz Geula. He said that this proposed development would contribute to the further residential redevelopment of that section of the Third Avenue corridor and the surrounding neighborhood. Mr. Jahr stated that the project also had strong, firm tax credit pricing at a time when investors are seeking higher yields and the attendant pricing of tax credits was precipitously declining. He said that since more equity translates into the need for less volume cap and/or subsidy, this was one of the critical factors the Corporation was looking at as it attempts to prioritize its pipeline.

Mr. Jahr stated that the second authorizing resolution to be presented to the Members would seek approval for a series of issuances under the Corporation's Open Resolution. He said that this resolution would position the Corporation to close on a set of deals carried over from 2007 and exhaust all of HDC's 2008 $210,000,000 allocation of volume cap from the City's Industrial Development Authority. Mr. Jahr noted that, combined with Las Casas, the Corporation was seeking the Members' approval of 15 projects, both new construction and rehabilitation, containing over 2,300 apartments, and requiring over $225 million in tax-exempt and taxable financing. That aside and of equal importance, Mr. Jahr said, the resolution would also allow the Corporation to execute on the next steps of its strategy to financially reposition the Corporation in the aftermath of the demise of the Auction Rate Securities market.

Mr. Jahr stated that a third resolution devoted to the 2006 Series J-1 and 2006 Series J-2 Bonds, issuances that supported the development of the Avalon Bay project on the grounds of the Cathedral of St. John the Divine, as well as three LAMP developments, would also help the Corporation to address the interest rate exposure confronting these projects as a result of the difficulties in the Auction Rate Securities market, noting that Richard M. Froehlich, Executive Vice President and General Counsel for the Corporation, had labored long and hard on the restructuring of HDC's Auction Rate Securities debt.

Mr. Jahr stated that finally, at the level of authorizing project financing, the Corporation would offer a Resolution of Declaration of Intent for the Members' consideration that would allow The Arker Companies to proceed with their development of an 83 unit low-income project in the Longwood section of the Bronx.

Mr. Jahr stated that the last item on the agenda for discussion concerned the staff's decision to proceed with a Request for Proposals ("RFP") to select an investment banking group to underwrite future HDC bond issues. He said that it had been some time since HDC issued its last RFP for underwriting services and, apart from recent developments, a compelling argument could be made for conducting such an RFP. He said that the recent events on Wall Street, however, had made it a foregone conclusion that the Corporation issue an RFP which would allow it to rethink the composition of its underwriting group and the services they must provide to the Corporation in what promises to be a complicated and challenging economic and financial environment.

Mr. Jahr stated that before proceeding to the actual agenda items, he'd like to provide the Members with a status report on the Corporation's efforts to secure additional tax-exempt volume cap. Mr. Jahr stated that the Corporation was pleased that Deputy Mayor Robert Lieber and the Mayor had authorized the City's Industrial Development Agency to allocate $210 million in cap to HDC. He said that this was a significant share of the City's total allocation from the State and would allow the Corporation to close a series of deals that address the housing and community development needs of a broad spectrum of the City's population and neighborhoods.

Mr. Jahr stated that at the same time, the Corporation continues to pursue the two other prongs of a three prong strategy. He said that in the near future, he and the Chairperson would be going to Albany to meet with representatives of New York State's Department of Budget. He said that they would be requesting that the State make an additional allocation of volume cap to HDC consistent with the amounts of volume cap the State had allocated to the Corporation over the prior three years, in other words, around $300 million. He said that this allocation would be critical to HDC's ability to proceed with confidence and speed to close a portion of the $700 to $800 million remaining in HDC's 2008 pipeline, after it exhausts its current $210 million allocation on the transactions seeking the Members' approval today.

Mr. Jahr stated that the third realm that the Corporation was prospecting in for additional volume cap is the Federal arena; in that effort, the Corporation has had ample support from Congressman Rangel's and Senator Schumer's offices, and was pursuing two legislative avenues designed to increase the amount of cap available to it for affordable housing projects.

Mr. Jahr stated that early in March, he and Mathew M. Wambua, Executive Vice President for Real Estate and External Affairs for the Corporation, traveled to Washington and, accompanied by members of the City's Washington legislative staff, Bill Daly and Bernard Fulton, met with representatives from Congressman Crowley's, Rangel's and Schumer's offices. He said that since that time, HDC has continued to speak with their staff; in particular, the Corporation has focused upon a proposal that would allow volume cap on multi-family housing projects to be recycled. He said that at the same time, a broader proposal, included in efforts to mitigate the impact of single family home mortgage foreclosures, has been making steady progress in both the House and the Senate, and it seems to have the level of bi-partisan support necessary if it is to be signed into law. Mr. Jahr stated that, among other things, that legislation would increase the amount of volume cap available to the States by $10 billion, which could be spent immediately or over a maximum of three years. He noted that this would translate into roughly $600 million in additional cap to New York State, with New York City and HDC eligible for its fair share of that amount.

Mr. Jahr stated that even if HDC assumes that on all fronts the City's and the Corporation's interests are met, we would still be confronted by a shortfall of cap to meet the financing needs of our 2008 pipeline. He said nonetheless, the prospects of the Corporation getting something rather than nothing were probably better today than they were on March 1, and that fact provides the Corporation with additional motivation to pursue its efforts and optimism that HDC will get some meaningful results.

Mr. Kelly asked what would constitute our fair share of an additional $600 million in volume cap to New York State. Mr. Yahr responded that he believed that the determination would be based upon what the historical pattern had been, and that $300 million was a reasonable amount to argue for in meetings with the budget officials in Albany. The Chairperson then noted that there had been a proposed change in the legislation to allow, for the first time, tax-exempt bonds to be used to refinance existing single family houses as part of the foreclosure crisis, which indicates that there may be some novel potential uses that are concentrated in the rest of the State, other than New York City; however it had been clear from discussions with Administration officials in Washington that multi-family housing would be an eligible use.

The Chairperson thanked Mr. Jahr and stated that the next item on the agenda would the approval of an Authorizing Resolution for the Corporation's Multi-Family Mortgage Revenue Bonds (Las Casas Development), 2008 Series A. He called upon Anne Neujahr Morrison, Senior Project Manager for the Corporation, to advise the Members regarding this item.

Ms. Morrison referred the Members to the memorandum before them entitled "Multi-Family Mortgage Revenue Bonds (Las Casas Development), 2008 Series A" dated March 31, 2008 (the "Las Casas Memorandum") and the attachments thereto including (i) the Resolution

Authorizing Adoption of the Multi-Family Mortgage Revenue Bonds (Las Casas Development) Bond Resolution and Certain Other Matters in Connection Therewith (the “Authorizing Resolution”), (ii) the Multi-Family Mortgage Revenue Bonds (Las Casas Development) Bond Resolution (the “Bond Resolution”), (iii) the Official Statement, and (iv) the Bond Purchase Agreement, all of which are appended to these minutes and made a part hereof .

Ms. Morrison stated that she was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Mortgage Revenue Bonds (Las Casas Development), 2008 Series A (the “Bonds”) in an amount not to exceed $36,900,000. She said that interest on the Bonds was anticipated to be exempt from Federal, local and state income tax, and that the Bonds would be subject to the Private Activity Bond Volume Cap.

Ms. Morrison stated that the Bonds would be utilized by 3462 Third Avenue Owner Realty LLC (the “Mortgagor”), a New York limited liability company, controlled by Kiumarz Geula. She said that Mr. Geula, who was present at the meeting, was an experienced commercial real estate developer who had previously developed a project financed by HDC under the Corporation’s Low-Income Affordable Marketplace Program (“LAMP”), La Casa del Sol. She stated that the proceeds of the Bonds would be utilized by the Mortgagor for the purpose of paying a portion of the costs of acquiring and constructing a multi-family rental housing development to be located in the Morrisania section of the Bronx with a total of 227 units and approximately 52,000 square feet of commercial space (the “Project”), which building would be developed under LAMP. She said that the Project would reserve 100% of the units for tenants earning less than 60% of AMI, which was $46,080 for a family of four.

Ms. Morrison stated that in addition to providing the Bond financing to fund the first mortgage, the Corporation anticipated making a subordinate second mortgage loan in an amount of $12,485,000, or $55,000 per unit for all of the 227 low income units (the “Subordinate Loan”). She said that the Project would also receive a subordinate third loan from the Corporation in the amount of $6,597,188; the third loan would be made from corporate reserves and was expected to be reimbursed from the planned 421-a Fund, which would be administered by the Corporation to provide additional subsidized loans in high-poverty areas. She said that the 421-a fund was expected to be formalized and funded with proceeds from the Battery Park City Authority in June, 2008. Ms. Morrison stated that in addition to the loans provided by the Corporation, the Project would benefit from a fourth subordinate loan from the New York City Department of Housing Preservation and Development (“HPD”); the Project would also benefit from tax credit equity generated by the sale of Low Income Housing Tax Credits to be syndicated by The Richman Group. She noted that the Project and its principals were further described in the Las Casas Memorandum.

Mr. Morrison stated that the Bonds were expected be secured by a direct pay letter of credit to be issued by Bank of America, N.A., which was currently rated AA/A-1+ by Standard & Poor’s Rating Services (“S&P”). She stated that as a result, the Corporation believed that the financing was structured to effectively insulate the Corporation from credit, market and real estate risks. She said that Bank of America, N.A. would keep its letter of credit in place for the full term of the Bonds, subject to no defaults. Ms. Morrison stated that the Bonds would initially be issued as seven-day variable-rate obligations pursuant to the terms of the Bond Resolution, that the interest rate on the Bonds would be reset weekly by Bank of America Securities LLC in its capacity as Remarketing Agent, and that the Bonds would be subject to an absolute maximum interest rate of 15% in accordance with the provisions detailed in the Bond Resolution.

Ms. Morrison stated that the Mortgagor would enter into a forward swap transaction for the Project at construction loan closing which would fix the permanent rate for 15 years commencing after construction completion. She said that the use of a swap as a hedging instrument would mitigate the risk of a potential increase on the variable interest rate in the future. She added that following the expiration of the swap agreement, Bank of America may renew the swap for an additional 15-year period or require an interest rate hedge or cap. Ms. Morrison stated that all risks and fees were outlined in the Las Casas Memorandum and that it was expected that the Bonds would be rated AA/A-1+ by S&P.

Mr. Moerdler asked for an explanation of the proposed 421-a Loan Fund and the involvement of Battery Park City Authority. Mr. Froehlich stated that the proposed 421-a Loan Fund would be created in response to the changes in the 421-a law which ended the 421-a certificate program. He explained that the 421-a Loan Fund would be funded in the approximate amount of $400 million, which moneys could be used to provide additional subsidy for housing; HDC would hold and administer the funds in connection with loans made either by HDC or HPD. Mr. Moerdler asked when the legislation regarding the 421-a Loan Fund had been enacted. The Chairperson responded that it was part of an agreement made with the City Council in connection with changes made at the City Council approximately a year and three months ago. Mr. Moerdler asked whether the 421-a Loan Fund would be funded with bond proceeds from the Battery Park City Authority. Mr. Froehlich responded no, that the funding would come from PILOT (Payment in Lieu of Taxes) and other payments. The Chairperson stated that the precise amount of revenue which would be directed into the 421-a Loan Fund is still under discussion, and that the Members would be further advised once the details of the 421-a Loan Fund are resolved.

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

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

RESOLVED, to approve (a) an Authorizing Resolution which provides for (i) the adoption of the Bond Resolution, (ii) the execution of the Bond Purchase Agreement regarding the sale of the Bonds, (iii) the distribution of the Official Statement in connection with the financing, and (iv) execution of mortgage related documents and any other documents necessary to accomplish the issuance of the Bonds and the financing of the loan; (b) the making of the Subordinate Loan 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 the subordinate financing; and (c) the making of the 421-a Fund Loan to be funded by using the Corporation's unrestricted reserves until replenished with money from the 421-a Fund and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the additional financing.

The Chairperson stated that the next item on the agenda would the approval of an Authorizing Resolution for the Corporation's Multi-Family Housing Revenue Bonds, 2008

Series A-1, A-2, A-3, B, C-1, C-2, D and E. 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, 2008 Series A-1, A-2, A-3, B, C-1, C-2, D and E" dated March 31, 2008 (the "Open Resolution Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the Ninetieth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series A-1, the Ninety-First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series A-2, the Ninety-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series A-3, the Ninety-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series B, the Ninety-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series C-1, the Ninety-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series C-2, the Ninety-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series D, and the Ninety-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series E, and Certain Other Matter in Connection Therewith (the "Authorizing Resolution"); (ii) the Ninetieth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series A-1, the Ninety-First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series A-2, , the Ninety-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series A-3, the Ninety-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series B, the Ninety-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series C-1, the Ninety-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series C-2, the Ninety-Sixty Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series D, and the Ninety-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2008 Series E (each, a "Supplemental Resolution" and collectively, the "Supplemental Resolutions"); (iii) the Preliminary Official Statement; (iv) the Bond Purchase Agreement; and (v) the Placement Agent Agreement, all of which are appended to these minutes and made a part hereof, and noted that the Open Resolution Memorandum had been revised since originally distributed to the Members and that the revised version was presently before them, together with a marked copy showing the changes.

Ms. Tally stated that she was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2008 Series A-1, A-2, A-3, B, C-1, C-2, D and E (the "Series A-1 Bonds", "Series A-2 Bonds", "Series A-3 Bonds", "Series B Bonds", "Series C-1 Bonds", "Series C-2 Bonds", "Series D Bonds" and "Series E Bonds", respectively, and collectively, the "Bonds" or the "2008 Bonds") in a combined amount not expected to exceed $306,945,000. She said that the 2008 Bonds would constitute the 90th through 97th series of Bonds to be issued under the Corporation's Multi-Family Housing Revenue Bonds Bond Resolution originally adopted by the Members in 1993 (the "Open Resolution").

Ms. Tally stated that interest on the Series A-1, Series A-2 and Series D Bonds was expected to be exempt from Federal income tax, as well as State and local income tax, and that the Series A-1 and Series A-2 Bonds would also be subject to the Private Activity Bond Volume

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Cap. She said that interest on the Series A-3, Series B, Series C-1, Series C-2 and Series E Bonds was not expected to be exempt from Federal income tax, but would be exempt from State and local income tax.

Ms. Tally stated that the Series A-1 Bonds, in an amount not expected to exceed $100,000,000, are to be issued as tax exempt variable rate demand obligations and have a final maturity of November 1, 2045; that the Series A-2 Bonds, in an amount not to exceed $6,000,000, are to be issued as fixed-rate tax exempt bonds with a final maturity of November 1, 2018; and that the Series A-3 Bonds, in an amount not to exceed $9,000,000, are to be issued as fixed rate taxable bonds with a final maturity of November 1, 2011 (the Series A-1, Series A-2 and Series A-3 Bonds are collectively referred to herein as the "Series A Bonds").

Ms. Tally stated that the proceeds of the Series A Bonds would be used to provide first position construction and permanent financing under the Corporation's Low Income Affordable Marketplace Program ("LAMP") for the acquisition, rehabilitation or new construction of eight developments with a total of 839 units located in Manhattan and the Bronx. She stated that all of the units in four projects were anticipated to be rented to households earning no more than 60% of the AMI which was currently $46,080 for a family of four, and that at least 80% of the units in the remaining four projects would be occupied by households earning no more than 60% AMI.

Mr. Tally stated that during construction, all of the Series A Bonds would be backed by standby letters of credit from commercial banks including Bank of America, JPMorgan Chase, Citibank and HSBC. She said that upon project completion, the letters of credit would be replaced by REMIC insurance on the top 20% or SONYMA insurance on 100% of the permanent loan. She stated that the Corporation also anticipates utilizing approximately $15,000,000 of corporate reserves to finance subordinate mortgages at 1% for three of the LAMP developments.

Ms. Tally stated that the Series B Bonds, in an amount not expected to exceed $38,000,000, were to be issued as taxable variable rate demand bonds with a final maturity of November 1, 2045. She said that the proceeds of the Series B Bond would be used to fund first position construction and permanent mortgage loans for five moderate income new construction developments containing 308 units, developed under the New Housing Opportunities Program ("New HOP"). Ms. Tally said that the Corporation also anticipates utilizing approximately $26,000,000 of unrestricted corporate reserves to fund subordinate construction and permanent mortgage loans for each of these five projects. She said that the Series B Bonds would be backed by standby letters of credit during construction and REMIC on the top 20% at permanent.

Ms. Tally stated that the C-1 Bonds, in an amount not to exceed $26,000,000 would be issued as taxable variable rate demand bonds and would have a final maturity of May 1, 2048, and that the Series C-2 Bonds, in an amount not to exceed $15,000,000, were expected to be issued as taxable fixed rate bonds and have an approximate final maturity of November 1, 2018 (the Series C-1 Bonds and the Series C-2 Bonds are collectively referred to herein as the "Series C Bonds"). She said that the proceeds of the Series C Bonds were to be used pursuant to the Corporation's Mitchell-Lama Restructuring Program ("MLRP") to refinance the first and second mortgage debt and fund necessary capital repairs for the development known as "Big Six Towers", a 983 unit cooperative in Queens.

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Ms. Tally stated that as you may recall, in November 2004, the Members approved the MLRP, which seeks to preserve middle-income housing across all five boroughs; since then, the Corporation has successfully refinanced over 30 Mitchell-Lama properties that participated in 5 previous phases of the MLRP. She said that at this time approval is sought for the Series C Bonds to finance the sixth phase of the program, which will preserve Big Six Towers, bringing the total number of units preserved under this initiative to 14,686 units.

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2004 E 6201
2005 A 1918
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2005 J 1134
2006 D 442
2008 C 983

Ms. Tally stated that the Series D and Series E Bonds were being issued to refund certain outstanding bonds (or refinance bonds recently redeemed by the Corporation using corporate reserves) that were originally issued by the Corporation as Auction Rate Securities ("ARS"). She said that as previously reported to the Members, the Corporation's staff had determined that it is advisable to redeem these bonds rather than pay the high interest rates that have resulted from the collapse of the ARS market. Ms. Tally stated that the Series D Bonds, in an amount not to exceed $12,945,000, would be issued as tax exempt variable rate demand bonds and would have an approximate final maturity of November 1, 2025.

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Ms. Tally stated that the Series D Bond proceeds would be used to refund all of the Corporation's outstanding Multi-Family Housing Revenue Bonds, 2003 Series A which were issued as Auction Rate Securities. She said that the 2003 Series A Bonds were used to refund the Corporation's Multi-Family Housing Revenue Bonds, 1993 Series A and B Bonds, which also refunded bonds originally issued by the Corporation in 1979 and 1983 for the purpose of providing funds to finance mortgage loans for 35 FHA-insured Section 8 subsidized developments. She said that the 2003 Series A Bonds were issued in the amount of $81,170,000 and that as of March 1, 2008 the outstanding principal balance of the 2003 A Bonds was $13,795,000.

Ms. Tally stated that the Series E Bonds, in an amount not to exceed $100,000,000, would be issued as taxable variable rate index bonds to be directly placed with the Federal Home Loan Bank of New York ("FHLBNY") and have an approximate final maturity of November 1, 2037.

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Ms. Tally said that as in previous financings with FHLBNY (lastly in 2003), the interest rate on the Series E Bonds was expected to be reset quarterly at a rate equal to the FHLBNY's 3-month cost of funds plus 30 basis points. She said that the FHLBNY had agreed to accept a maximum interest rate of 15% on the Bonds regardless of its actual cost of funds. She said that currently FHLBNY's cost of funds was below LIBOR. Ms. Tally said that as these Bonds would be reset from an index, the Corporation would not be required to pay for either remarketing or liquidity on the 2008 Series E Bonds.

Ms. Tally stated that the proceeds of the Series E Bonds would be used to reimburse the Corporation for approximately $82,000,000 which it used to redeem the Corporation's outstanding Multi-Family Housing Revenue Bonds 2005 Series B, 2005 Series I, 2006 Series E and 2006 Series F, all of which were issued as Auction Rate Securities.

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Ms. Tally stated that in addition, a portion of the proceeds of the 2008 Series E Bonds would also be used to refund the Corporation's outstanding Multi-Family Housing Revenue Bonds, 1997 Series C which were issued as taxable fixed rate bonds and were currently callable with a two percent premium. She said that the 1997 Series C Bonds were outstanding in the principal amount of $9,075,000 as of March 1, 2008. Ms. Tally said that approximately 80 loans would be pledged as 2008 Series E mortgage loans, and that such loans had been made to projects under the Corporation's New HOP, AHPLP, Co-op, LAMP, and 80/20 programs and were originally funded with unrestricted funds from the Corporation's reserves or proceeds of the related refunded or refinanced bonds.

Ms. Tally stated that as previously mentioned, the 2008 Series A-1 Bonds, 2008 Series B Bonds, 2008 Series C-1 Bonds and 2008 Series D Bonds were all expected to be issued as variable rate demand bonds (the "2008 Variable Rate Bonds") at a maximum interest rate not expected to exceed 15%. She added that liquidity for the 2008 Variable Rate Bonds would be provided under either the stand-by bond purchase agreement that the Corporation entered into with Dexia Credit Local in December 2007 or a stand-by bond purchase agreement with JPMorgan Chase which the Corporation would be seeking approval to enter into later in today's meeting.

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Ms. Tally stated that the 2008 Bonds were expected to be issued in the modes just described; however the Supplemental Resolutions relating to each series of 2008 Bonds would permit the Bonds to be issued in one of a number of modes including fixed, variable, term or auction rate. Furthermore, Ms. Tally said, a senior officer of the Corporation may determine to issue the Bonds in multiple issuances pursuant to the same Supplemental Resolutions.

Ms. Tally stated that included in the Open Resolution Memorandum was a description of the Projects anticipated to be financed by the 2008 Bonds and that the risks and fees were further outlined therein. She noted that the 2008 Bonds were expected to be rated AA by Standard & Poor's Ratings Services and Aa2 by Moody's Investor's Services.

Mr. Moerdler first stated that he would like to disclose for the record that his firm acts from time to time for Goldman, Sachs & Co., but that he does not; therefore, he does not believe there is any basis for a recusal.

Mr. Moerdler then directed a question to Mr. Page, asking whether he thought that establishing a cap of 15% interest would give impetus to an inflationary rate. Mr. Page responded that establishing a cap of 15% was common practice on variable rate demand bonds and did not think it was problematic. Mr. Kelly agreed that unlike the auction rate market where many securities have gone to the maximum rate, such has not been the case with variable rate demand bonds and therefore such a cap did not create a risk.

Mr. Moerdler pointed out that conversion to the auction rate mode is mentioned in the documentation as an option. Mr. Froehlich stated that it was only a potential mode, and that there was no present intention to set any of the Bonds at an auction rate. Mr. Jahr stated that the goal in providing for the option of a variety of interest rate modes is to preserve maximum flexibility to choose whatever mode would be appropriate at a particular moment. Mr. Page agreed that the auction rate market may rebound at some point in the future and that there is no harm in having such an option included in the documentation.

Mr. Page then asked about the 2008 Series E Bonds which were referred to as being a variable rate reset to a market formula without a liquidity facility. Mr. Froehlich stated that the Bonds were tied to the Federal Home Loan Bank's discount loan rate reset on a quarterly basis plus 30 basis points, noting that the 2008 Series E Bonds would be placed with the Federal Home Loan Bank.

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

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

RESOLVED, to (a) approve the Authorizing Resolution which provides for (i) the adoption of eight Supplemental Resolutions to the Open Resolution providing for the issuance of the 2008 Bonds; (ii) the distribution of a Preliminary and final Official Statement for the 2008 Bonds; (iii) the execution of bond purchase agreement(s) with the Underwriter(s) of the 2008 Bonds or a direct purchaser of any or all of the 2008 Bonds; (iv) the execution of placement agent agreements, if required, with the FHLBNY and the Placement Agent for the 2008 Series E Bonds, (v) the use of the Corporation's unrestricted reserves to fund capitalized interest and mortgage reserves for the 2008 Bonds, as may be required; (vi) 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 2008 Bonds; (vii) the execution of a standby bond purchase agreement with Dexia; (viii) the execution of amendments to the existing Participation Agreement with the City and/or JPMorgan Chase Bank, N.A. relating to the MLRP and existing Purchase and Sale Agreements with the City relating to MLRP; (ix) the execution of a Purchase and Sale Agreement with the City relating to MLRP Phase VI; and (x) the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to issue the 2008 Bonds and to make the mortgage loans relating to the 2008 Bonds and (b) approve the making of Subordinate Loans for the developments to be financed with the proceeds of the 2008 Bonds in an amount not expected to exceed $50,000,000 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.

The Chairperson stated that the Members would consider the approval of an Authorizing Resolution relating to modifications of Supplemental Resolutions for the Multi-Family Housing Revenue Bonds, 2006 Series J-1 and 2006 Series J-2. He called upon Mr. Froehlich to advise the Members regarding this item.

Mr. Froehlich referred the Members to the memorandum before them entitled "Approval of Authorizing Resolution relating to Modifications of Supplemental Resolutions for Multi-Family Housing Revenue Bonds, 2006 Series J-1 and 2006 Series J-2" dated March 31, 2008 (the "J-1 and J-2 Memorandum") and the attachments thereto, including (i) the Resolution Authorizing Adoption of the Amendment to the Eighty-First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2006 Series J-1, the Amendment to the Eighty-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2006 Series J-2 and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); and (ii) the Amendment to the Eighty-First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2006 Series J-1 and the Amendment to the Eighty-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2006 Series J-2 (each, an "Amendment to the Supplemental Resolution" and together, the "Amendments to the Supplemental Resolutions"), 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 Authorizing Resolution relating to modifications of the 81st and 82nd Supplemental Resolutions to the Corporation's Multi-Family Housing Revenue Bonds General Resolution, originally approved by the Members in 1993, and any related financing documents for the Corporation's Multi-Family Housing Revenue Bonds, 2006 Series J-1 and 2006 Series J-2 (together, the "2006 Bonds"). He said that the Corporation was also requesting authority to issue variable rate demand bonds with respect to the 2006 Bonds and the Members are requested to approve the Corporation's entering into a stand-by bond purchase agreement with JPMorgan Chase Bank, N.A. ("JPMC") to provide liquidity with respect to such Bonds. Mr. Froehlich stated that these modifications related to the collapse of the auction rate securities ("ARS") market discussed previously. He stated that the underlying supplemental resolutions relating to the 2006 Bonds provided for a variety of modes, including variable rate demand obligations ("VRDO"), and that under current market conditions the Corporation's staff had determined that it was advisable to convert the 2006 Bonds from ARS to VRDO.

Mr. Froehlich stated that the proceeds of the 2006 Series J-1 Bonds were issued to provide first position construction financing in the amount of $100 million under the Corporation's 80-20 Program for a development by a subsidiary of Avalon Bay Communities and that the proceeds of the 2006 Series J-2 Bonds in an amount of $25.65 million were issued to provide acquisition, rehabilitation and/or construction financing for three developments under the Corporation's Low-Income Affordable Marketplace Program ("LAMP").

Mr. Froehlich stated that HDC had entered into discussions with several banks when the auction rate market was in turmoil. He said that the Corporation's efforts were hampered because of concerns that adding liquidity provisions into the supplemental resolutions could trigger the Internal Revenue Service ("IRS") to determine that the Corporation had effectively refunded such bonds and possibly imperil the availability of tax credits and the attendant equity investment for the projects financed with such bonds. He said that the IRS had since provided an advisory guidance that clarified that a mode change such as was now contemplated by the Corporation for the 2006 Bonds would not be a reissuance.

Mr. Froehlich stated that JPMC bankers had been working with Avalon to solve the problems of its high interest rates relating to its auction rate financing and offered to provide liquidity or other ways to manage this debt issue. He said that as Avalon was fully exposed to the interest rate volatility in the auction rate market (unlike the other projects financed by the Corporation using ARS in which the Corporation charged a fixed rate to the borrowers), Avalon's staff requested that HDC pursue this offer and then in order to limit HDC's interest rate exposure on the 2006 Series J-2 Bonds, the Corporation also decided to recommend the conversion of the 2006 Series J-2 Bonds to VRDO by using the same facility. He said that the Corporation did not undertake a separate request for proposals due to the time constraints (the need to act quickly as interest rates have averaged over 7% since December) at the time of the IRS advisory but staff did confirm with the Corporation's bankers at Goldman, Sachs & Co. that the JPMC term sheet is consistent with current market terms for liquidity. He said that JPMorgan Securities, Inc. would act as remarketing agent for the 2006 Bonds.

Mr. Moerdler asked whether HDC would incur any liability, costs or expenses in connection with the proposed transactions. Mr. Froehlich stated that with respect to the 2006 Series J-1 Bonds, the costs and expenses would be passed through to the borrower, Avalon, that HDC would be indemnified by Avalon and that we believe Avalon to be a strong indemnitor.

Mr. Froehlich explained that with respect to the 2006 Series J-2 Bonds, since HDC acts as the lender it would be subject to some exposure; however, inasmuch as HDC is currently losing money on the related mortgages, he believed that the conversion of the Bonds to a variable rate would reverse the situation.

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

RESOLVED, to approve the Authorizing Resolution which provides for the adoption of the Amendments to the Supplemental Resolutions and the modification of any related financing documents for the 2006 Bonds, the execution of a Standby Bond Purchase Agreement with JPMorgan Chase Bank and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the modifications contemplated in the J-1 and J-2 Memorandum.

The Chairperson then thanked Mr. Froehlich for his efforts and the efforts of all of HDC's staff to move HDC through an incredibly volatile time in the market with such assurance and confidence.

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

Ms. Tally stated that first she would like to remind the Members that Declaration of Intent Resolutions are solely for tax code purposes, allowing any expenditures incurred by a project's developer within 60 days prior to the date of the passage of the Declaration of Intent Resolution to be eligible for tax-exempt bond financing. She said that before HDC were to actually finance this project, the specifics of the transaction would be presented to the Members for review and approval.

Ms. Tally then referred the Members to the memorandum before them entitled "Resolution of Declaration of Intent, 878 & 886 Westchester Avenue, Block 2696, Lots 24, 29" dated March 31, 2008 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof. She stated that the project being considered for a Declaration of Intent was for $11 million of tax-exempt bonds for a proposed 83 unit LAMP development to be located at 878 and 886 Westchester Avenue in the Bronx to be developed by an entity to be formed by the principals of The Arker Companies.

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

RESOLVED, to adopt the Declaration of Intent Resolution for 878 & 886 Westchester Avenue, Bronx, New York, Block 2696, Lots 24, 29.

The Chairperson stated that the final item on the agenda would be the Request for Proposals for Underwriters, and called upon Mr. Froehlich to advise the Members.

Mr. Froehlich referred the Members to the memorandum before them entitled "Request For Proposals for Underwriters" dated March 31, 2008 (the "RFP Memorandum") He stated that it had been in excess of five years since the Corporation had undertaken a Request for Proposals ("RFP") process to select an investment banking group to underwrite future HDC bond issues. He said that in light of recent changes in the market, the staff of the Corporation would like to begin the process of reviewing underwriters for future financings of the Corporation with a goal of making recommendations to the Members for their action in late Summer or early Fall. He said that the results of the previous RFP were approved by the Members in 2003, and led to the selection of Goldman Sachs & Co., Bear Stearns & Co. Inc., Merrill Lynch and JP Morgan Securities, Inc. as Senior Managers.

Mr. Froehlich stated that HDC expects to issue the RFP in May or June, and that a review committee, comprised of senior staff members of the Corporation, would conduct an evaluation of the responses to the RFP and prepare a report and recommendations for the Members. Mr. Froehlich stated that the RFP process was designed to evaluate the capacity of investment bankers to assist with the variety of financial transactions undertaken by the Corporation and to enable the Corporation to consider the particular skills and contributions of investment bankers for each future transaction. He said that HDC's staff would be particularly interested in assurances that the Corporation would enjoy the continuity of service essential for the professional management of its programs, and noted that the RFP was not intended to cover the selection of underwriters with respect to any bond issuances of the Corporation which were currently in progress.

Mr. Froehlich stated that the Corporation intends to transmit the RFP to firms active in the housing field, including minority- and women-owned firms, and firms that are or have previously expressed an interest in serving the Corporation. He said that HDC intends to advertise the availability of the RFP in The Bond Buyer and to transmit the RFP to any firm that responded to the Corporation subsequent to the last RFP and requested to be included in any future RFP process. Mr. Froehlich stated that the review criteria were described in the RFP Memorandum, and that no Member action was required at this time.

Mr. Kelly asked how many RFPs the Corporation was contemplating sending out. Mr. Froehlich stated that approximately 25 RFPs would be broadly distributed.

At 12:14 p.m., there being no further business, upon a motion dully made by Mr. Kelly, 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

April 7, 2008

ATTENDANCE LIST

NAME	AFFILIATION
Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	" "
Marvin Markus	Goldman, Sachs & Co.
Alan Jaffe	" "
Kent Hiteshew	Bear, Stearns & Co. Inc.
Annie Lee	" "
Susan Jun	Merrill Lynch & Co.
Barbara Feldman	" "
Ken Rogozinski	JP Morgan Securities Inc.
Ken Hishue	
Eileen Heitzler	Orrick, Herrington & Sutcliffe LLP
Neil Weissman	Jackson Development
William Bollinger	" "
Ron Schulman	Best Development Group LLC
Ellen Duffy	Banc of America Securities
John Germain	Lehman Brothers
Kiumarz Geula	3462 Third Avenue Owner Realty
Alan Epstein	Hirschen Singer & Epstein
Alex Arker	The Arker Companies
Ted Phillips	The Bond Buyer
Joseph Piazza	NYC Department of Investigation
Catherine Riccards	" "
Marc Jahr	New York City Housing Development Corporation
Richard M. Froehlich	" "
Mathew M. Wambua	" "
Joan Tally	" "
Diane J. Pugacz	" "
Eileen M. O'Reilly	" "
Teresa Gigliello	" "
Cathleen Baumann	" "
Jeffrey B. Stone	" "
Susannah Lipsyte	" "
Claudine Brown	" "
John Fagan	" "
Ted Piekarski	" "
Mary Hom	" "
Urmas Naeris	" "

Bharat Shah	“	”
Jonah Lee	“	”
Susan O’Neill	“	”
Peggy Joseph	“	”
Anne Neujahr Morrison	“	”
Matthew Brian	“	”
Carrie Knudson	“	”
Simon Bacchus	“	”
Shirley Jarvis	“	”
Mary John	“	”
Pellegrino Mariconda	“	”
Christina Sanchez	“	”
Jerry Mascuch	“	”
Dwan Daniels	“	”