

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

April 15, 2008

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Tuesday, April 15, 2008, at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 3:05 p.m. by the Chairperson, Shaun Donovan, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Martha E. Stark, Michael W. Kelly and Charles G. Moerdler. The Member absent was Mark Page. A list of observers is appended to these minutes.

The Chairperson stated that the first 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 Members for taking time out of their busy schedules for this particular meeting, and noted that there was only one item on the agenda for their consideration, Queens College Residences. Mr. Jahr then stated that he would like to provide the Members with a quick update on efforts to increase the amount of volume cap available to the City and HDC. He said that last week, the U.S. Senate overwhelmingly passed a housing stimulus package by a vote of 84 to 12. He said that the bill included a one-time \$10 billion increase in private activity bond volume cap that can, among other things, be devoted to financing multi-family housing. He said that if enacted, based upon the per capita formula that governs the allocation of volume cap to the States, New York State would receive an additional \$630 million in cap, a portion of which could be allocated to New York City and HDC.

Mr. Jahr stated that paralleling this legislative activity, the House Ways and Means Committee passed a bill that contains a similar \$10 billion increase in volume cap, as well as provisions that allow for the recycling of bonds paid down at the conversion from construction to permanent financing. He said that recycled volume cap would not come with tax credits, but it would be a welcome infusion of additional, relatively inexpensive capital that the Corporation could draw upon for its projects. Mr. Jahr stated that it was difficult to predict how the legislative dance would turn out. He said that there was some discussion about folding the Ways and Means bill into the Senate bill, and that although some White House representatives had expressed opposition to these bills, the President seems to be prepared to negotiate with Congress. He said that the fact that this legislation had broad bi-partisan support would help the process, which the Corporation hoped would be brought to fruition in May.

Mr. Jahr stated that also in May, he and the Chairperson were scheduled to go to Albany to meet with representatives from the Department of Budget to discuss HDC's volume cap needs. He said that this meeting was originally scheduled for April, but efforts to reach an agreement on the budget in Albany resulted in the meeting being postponed. He said that the Corporation was cautiously optimistic that it would return with some commitment from the

State, although recognizing that state-wide the need for volume cap was great, while the amount available was limited. He added that that's why the federal initiatives were all the more important to the Corporation's efforts.

Finally, Mr. Jahr stated, at prior meetings the Members approved developments that had recently closed. He said that he was pleased to note that Beekman Towers had closed, and last Friday he saw the crane moving ever so slightly at the site. He said that Linden Plaza also closed, which would allow for the preservation of 1,527 Mitchell Lama apartments in Brooklyn. He said that the Corporation had committed \$203 million in Liberty Bond funding to Beekman, as well as \$476 million in taxable financing, and that the Corporation's commitment to Linden Plaza was \$73.9 million in tax-exempt financing. He said that taken together, these developments represented an excellent start to 2008.

The Chairperson then noted that while there were some news reports relating to resistance from the White House to portions of the bills, the provisions relating to volume cap were not among those being objected to, rather there has been very clear support from both the White House and Treasury for additional volume cap, so the hope is that additional volume cap will be included in the final legislation.

The Chairperson stated that the next item of business would be the approval of an Authorizing Resolution for the Corporation's Residential Revenue Bonds (Queens College Residences), 2008 Series A. He called upon Ann 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 "Residential Revenue Bonds (Queens College Residences), 2008 Series A" (the "Queens College Memorandum") dated April 10, 2008 and the attachments thereto including (i) the Resolution Authorizing Adoption of the Residential Revenue Bonds (Queens College Residences) Bond Resolution and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Residential Revenue Bonds (Queens College Residences) Bond Resolution (the "Bond Resolution"); (iii) the Official Statement; and (v) the Bond Purchase Agreement, all of which are appended to these minutes and made a part hereof.

Ms. Morrison stated she was pleased to present for the Members' approval the issuance of the Corporation's Residential Revenue Bonds (Queens College Residences), 2008 Series A (the "Bonds") in an amount not to exceed \$72 Million. She said that interest on the Bonds would be exempt from Federal, State and local income tax; however, because the Bonds were to be issued on behalf of a Section 501(c)(3) organization, they did not require an allocation of Private Activity Bond Volume Cap. Ms. Morrison stated that the proceeds of the Bonds would be utilized by Q Student Residences, LLC (the "Mortgagor"), a New York Limited Liability Company controlled by Queens College Special Projects Fund, Inc. a not-for-profit corporation, to fund the construction and equipping of Queens College Residences, a 144-unit residential building to be located on the Queens College Campus in the Flushing Section of Queens (the "Project"). She said that the Special Projects Fund was established in 1998 to promote and foster the educational mission, programs and activities of the College by leasing, constructing or maintaining real property.

Ms. Morrison stated that the Developer for the Project, Capstone Development Corporation (“Capstone”), is a for-profit developer and operator of student housing which had developed 68 residential communities totaling over \$1.25 Billion in investments. Ms. Morrison said that Capstone On-Campus Management LLC would be the manager of the Project and would enter into a management agreement with the Mortgagor and the City University of New York. She said that the Manager was an Alabama limited liability company owned by the Developer and formed for the express purpose of managing student communities.

Ms. Morrison stated that the Project would consist of a single building with three, four and five story sections connected by walkways, with an underground garage for approximately 89 cars, and would include 144 units serving 506 residents. She said that although intended predominantly for undergraduates, the building would also include apartments for graduate students, faculty, staff and resident advisors. Ms. Morrison stated that the Dormitory Authority of the State of New York (“DASNY”) was the fee owner of the Campus and the Project site, and that DASNY would lease the site to the Mortgagor pursuant to the terms of a long-term ground lease.

Ms. Morrison stated that the Bonds were expected to be secured through a long term irrevocable direct-pay Letter of Credit to be issued by RBS Citizens, National Association, and that the Letter of Credit would be in effect for the first six years of the Bond term with the anticipation of a possible renewal for an additional four years. She said that as a result, the Corporation believed that the financing was structured to effectively insulate the Corporation from credit, market and real estate risks. Ms. Morrison stated that the Bonds were anticipated to be issued as 7-day variable rate securities with a term of approximately 35 years, that the Underwriter and Remarketing Agent for the Bonds would be RBC Capital Markets Corporation and that it was expected that the Bonds would be rated AA- by Standard & Poor’s Ratings Services. Ms. Morrison stated that the Queens College Memorandum described the risks and fees associated with this Project in greater detail.

Mr. Moerdler then noted for the record that the Corporation had received some correspondence from local legislators which had been reviewed by Members of the Corporation’s board, and that the Members were cognizant of the positions taken.

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. Moerdler, and seconded by Ms. Stark, the Members unanimously:

**RESOLVED**, to approve an Authorizing Resolution which provides for (i) the adoption of the Bond Resolution, (ii) the execution of the Bond Purchase Agreement, (iii) the distribution of the Official Statement in connection with the financing, and (iv) the execution by an Authorized Officer of the Corporation of mortgage related documents and any other

documents necessary to accomplish the issuance of the Bonds and the financing of the aforementioned mortgage loan.

At 3:12 p.m., there being no further business, upon a motion duly made by Mr. Kelly, and seconded by Ms. Stark, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz  
Assistant Secretary

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April 15, 2008

**ATTENDANCE LIST**

**NAME**

**AFFILIATION**

Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	“ ”
Kent Hiteshew	Bear, Stearns & Co. Inc.
Joseph Piazza	NYC Department of Investigation
Catherine Riccards	“ ”
Richard Liaw	Merrill Lynch & Co.
James Muyskens	Queens College
Katherine Cobb	“ ”
Donal E. Farley	City University of New York
Jennifer Friedman	“ ”
Tom Cullinan	RBC Capital Markets Corporation
Seth McM. Donlin	NYC Department of Housing Preservation & Development Harris Beach PLLC
Hal Patrick	
Ken Hishue	
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	“ ”
Melissa Barkan	“ ”
Jeffrey B. Stone	“ ”
Susannah Lipsyte	“ ”
John Fagan	“ ”
Ted Piekarski	“ ”
Mary Hom	“ ”
Urmis 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	“	”
Mary McConnell	“	”