

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

June 1, 2016

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Wednesday, June 1, 2016, at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 10:41 a.m. by the Chairperson, Vicki Been, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Jacques Jiha and Dean Fuleihan. The Members absent were Charles G. Moerdler and Denise Notice-Scott. There is currently one vacancy. A list of observers is appended to these minutes.

The Chairperson called for the approval of the minutes of the meeting held on March 3, 2016.

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

RESOLVED, to approve the minutes of such meeting.

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

Mr. Rodney thanked the Chairperson and Members in attendance. He said that Frank Lloyd Wright – a man who knew a thing or two about building – once said that "an idea is salvation by imagination". He said that if ever there was a crisis in need of salvation, it's the affordable housing crisis. He said that HDC has continued putting the imagination of its staff and its partners to the test, refining old ideas and defining new ones to aid in the cause.

Mr. Rodney stated that many of the projects the Members would be asked to approve today were the result of ideas that became tools. He said that the Members previously approved HDC's partnership with HUD and The Treasury to pilot the Federal Financing Bank's risk sharing program (or FFB). He said since that first pilot it has become a powerful preservation tool, but today the Members would hear about our first application of that tool to a new construction project. He said that the Members would hear about projects where ideas for their programs and services sprang forth from fruitful collaborations with partners both old and new, and by old he meant tried and true – we are lucky that those "old" partners keep coming back to the table with something new. But, he said, we also must always strive to widen our pool of partners – which in turn expands the pool of ideas and stretches the collective capacity of our imagination. He said that today these include Minority and Women-Owned Business Enterprises and community-based not-for-profit partners which are engaging with HDC for the first time to launch some exciting new projects, including our first ever supportive housing development

specifically dedicated to veterans – something he thinks we can all be particularly proud of just days after observing Memorial Day.

Mr. Rodney stated that the Members would hear about projects involving collaborations with our government partners as well, across the city, state and federal levels. He said all of us are tasked with striving for salvation in the face of a national crisis, and all of us are hard at work – not just on numbers but on the ideals behind them and the ideas that will make them possible. He said that we are still pioneering new ideas that won't yet be reflected in today's projects but hopefully would be in tomorrow's.

Mr. Rodney stated that since the last meeting of the Members, HDC has been approved by the administrators of the City's NYCERS pension fund as one of the first lenders who will be eligible to participate in a new investment strategy known as the Public Private Rehabilitation program. He said that we are actively exploring this program, which is being aimed at low-interest mortgages for preserving affordable housing, to evaluate how it fits in to our other preservation programs and tools and where it may be used to maximum effect.

Mr. Rodney stated that some ideas may take longer but we are working on them nonetheless. He said after all, it's been said that ideas go through three phases: (1) "It's never gonna' happen"; (2) "It might happen but it's not worth the work"; and finally (3) "Why didn't we do this before?" He said that last month, the Chairperson and he were proud to stand with Senator Maria Cantwell and our own Senator Chuck Schumer as they introduced legislation that if passed would be a real game-changer for the Low Income Housing Tax Credit and its premier role in affordable housing. He said that key components of the proposed legislation include permanently fixing the rates for both the 4% and 9% credits, and introducing an Income Averaging option that would expand the program's reach across a much more diverse spectrum of low income need. He said these are ideas that HDC and New York City have championed for years, even when they were told "It's not gonna' happen" or "It's not worth disrupting the current program". He said that we never gave up and we won't give up until the legislation is passed into law. He added and who knows when, but we do believe it will ultimately be passed. Because that's another thing about good ideas, he said, eventually people can't help but see the goodness behind them. He said that's why we will still keep looking for that next big, good idea. He said we will continue to imagine the impossible, because the idea that sounds like a pie in the sky today, just might be a shovel in the ground tomorrow.

Mr. Rodney thanked the Administration, our industry partners, our government collaborators – especially our close colleagues at HPD – and the HDC Board and the HDC staff. He said that he had thanked them all many times for their hard work and dedication, but today he thanked them most of all for their ideas and their imagination. Mr. Rodney stated that this concludes his remarks, and if there were no questions the Chairperson could proceed with the agenda.

The Chairperson thanked Mr. Rodney for his incredible vision and leadership in getting us to the new ideas.

The Chairperson stated that pursuant to the Public Authorities Accountability Act, and for purposes of discussing the next items on the agenda, the Corporation would now commence the meeting of HDC's Finance Committee.

The Chairperson stated that the next item on the agenda would be the Approval of an Authorizing Resolution relating to the Multi-Family Housing Revenue Bonds, 2016 Series E and F, and called upon Anthony R. Richardson, Senior Vice President for Development for the Corporation, to advise the Members regarding this item.

Mr. Richardson referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2016 Series E and F" dated May 25, 2016 (the "Open Resolution Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the Two Hundred Thirtieth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2016 Series E, and the Two Hundred Thirty-First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2016 Series F and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Two Hundred Thirtieth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2016 Series E and the Two Hundred Thirty-First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2016 Series F (each, a "Supplemental Resolution" and collectively, the "Supplemental Resolutions"); (iii) the Preliminary Official Statement; and (iv) the Bond Purchase Agreements, all of which are appended to these minutes and made a part hereof.

Mr. Richardson stated that he was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2016 Series E (the "2016 Series E Bonds") and 2016 Series F (the "2016 Series F Bonds" and together with the 2016 Series E Bonds, the "Bonds") in an amount not expected to exceed \$484,750,000 to finance the construction, acquisition, rehabilitation and/or permanent financing of certain projects and other activities as described in the Open Resolution Memorandum.

Mr. Richardson noted that the Members had been presented two pages blacklined to reflect changes to the "Background and Status of the Open Resolution" and "Security of the Bonds" section of the Open Resolution Memorandum.

Mr. Richardson stated that on March 3, 2016, the Members authorized the issuance of the Multi-Family Housing Revenue Bonds, 2016 Series C (the "2016 Series C Bonds") which the Corporation currently anticipates remarketing in June. He said that at that time, the Members authorized the making of mortgage loans to as many as sixteen projects with proceeds of the 2016 Series C Bonds. He said that each of the developments listed in the Open Resolution Memorandum was presented to the Members in March and may receive financing from the proceeds of the remarketing of the 2016 Series C Bonds. He said that the developments may also receive financing from the Corporation's Multi-Family Housing Revenue Bonds, 2016 Series E. He said that detailed information for each of the developments was attached to the Open Resolution Memorandum. He noted that no projects had been financed with 2016 Series C Bond proceeds since the time of the last board meeting.

Mr. Richardson stated that interest on the 2016 Series E and 2016 Series F Bonds was expected to be exempt from Federal, state and local income tax and would qualify as tax-exempt private activity bonds with a combination of an allocation of new private activity bond volume cap, and an allocation of "recycled" volume cap in accordance with the Housing and Economic Recovery Act of 2008.

Mr. Richardson stated that the Corporation expects to designate the 2016 Series C and 2016 Series E Bonds as Sustainable Neighborhood Bonds in what would be the Corporation's fourth issuance of Sustainable Neighborhood Bonds, following the inaugural issuance in June 2015. He said that approval of these Resolutions would authorize the 230th and the 231st Supplemental Resolutions under the Corporation's Open Resolution.

Mr. Richardson stated that the Members were being requested to authorize the use of the remarketed proceeds of the 2016 Series C Bonds, in an amount expected not to exceed \$213,170,000, together with the proceeds of the 2016 Series E Bonds, in an amount expected not to exceed \$409,750,000, to finance mortgage loans for up to fifteen (15) developments – nine (9) ELLA projects, three (3) Mix and Match projects, two (2) Preservation projects and one (1) Mixed-Middle income project, consisting of more than 2,000 units of rental housing, located or to be located across all five boroughs.

Mr. Richardson stated that the nine (9) ELLA developments, three (3) Mix and Match developments, and one (1) Mixed-Middle development would be eligible to receive subordinate financing from the Corporation's unrestricted reserves in an amount not expected to exceed \$140,040,000. He said that the subordinate loans were expected to bear an interest rate equal to the Applicable Federal Rate as recently published by the Internal Revenue Service, with set lower monthly payments, would be advanced during construction and would remain in the project as a permanent loan.

Mr. Richardson stated that one Preservation development would receive restructured subordinate mortgage loans pursuant to Purchase and Sale Agreements with the City of New York. He said that the 2016 Series C and 2016 Series E Bonds were expected to be issued as fixed rate tax-exempt bonds. He noted that further detail on these anticipated developments could be found in Attachments 1 through 14 of the Open Resolution Memorandum.

Mr. Richardson stated that it was anticipated that the 2016 Series F Bonds would be issued as a convertible option bond ("COB") to preserve tax-exempt "recycled" volume cap in excess of the amounts currently needed by both the Corporation and the New York State Housing Finance Agency ("HFA"). He said that if issued, the proceeds of the 2016 Series F Bonds, in an amount expected not to exceed \$75,000,000, were expected to provide first position construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments, all of which were listed on Attachment 16 and which would meet the federal low income housing tax credit affordability requirements. He said that the mortgage loans for these developments were expected to close in 2016, at which point the 2016 Series F Bonds would be remarketed or refunded to match the terms of the applicable mortgage loans.

Mr. Richardson stated that most of the developments listed would not be funded from the 2016 Series F Bond proceeds but all would be eligible for such financing. He said that the 2016 Series F Bonds were expected to be issued initially as variable-rate obligations in the term rate mode. He noted that more detail on the developments, as well as the Bond underwriters, Risks, Fees and Credit Ratings associated with the 2016 Bonds, were outlined in the Open Resolution Memorandum.

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

Upon a motion duly made by Mr. Gould, and seconded by Mr. Fuleihan, the Members of the Finance Committee unanimously:

RESOLVED, (A) to approve the Authorizing Resolution that provides for (a) the adoption of Supplemental Resolutions to the Open Resolution providing for the issuance of the Bonds, (b) the distribution of Preliminary and final Official Statement(s) for the Bonds, (c) the execution of bond purchase agreement(s) with the Underwriter(s) of the Bonds or a direct purchaser of any or all of the Bonds, (d) the use of the Corporation's unrestricted reserves to fund costs of issuance for the Bonds and to fund all or a portion of the debt service reserve account requirement in connection with any or all of the series of Bonds, as may be required, (e) 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 Bonds, and (f) and the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to issue the Bonds and to make the mortgage loans relating to the Bonds; (B) to approve the making of subordinate loans for nine (9) ELLA developments, three (3) Mix & Match developments and one (1) Mixed-Middle (M2) development from the Corporation's unrestricted reserves in an amount not to exceed \$140,040,000, 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) to approve entering into a Purchase and Sale Agreement with the City of New York relating to the existing subordinate debt on one (1) Preservation development.

The Chairperson stated that the next item on the agenda for consideration by the Members would be the Approval of an Authorizing Resolution relating to Multi-Family Mortgage Revenue Bonds (148th Street Jamaica), 2016 Series A, and called upon Kate Gilmore, Project Manager for Development, to advise the Members regarding this item.

Ms. Gilmore referred the Members to the memorandum before them entitled Multi-Family Mortgage Revenue Bonds (148th Street Jamaica), 2016 Series A, Approval of a Permanent Loan to be Delivered to FFB" dated May 25, 2016 (the "148th Street Jamaica Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the Multi-Family Mortgage Revenue Bonds (148th Street Jamaica) Bond Resolution and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Multi-Family Mortgage Revenue Bonds (148th Street Jamaica) Bond Resolution (the "Bond

Resolution”) and (iii) the Bond Purchase Agreement, all of which are appended to these minutes and made a part hereof.

Ms. Gilmore stated that she was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Mortgage Revenue Bonds (148th Street Jamaica), 2016 Series A (the “Bonds”), in an amount not expected to exceed \$24,915,000. She said that interest on the Bonds was anticipated to be exempt from Federal, state and local income tax, and would be subject to an allocation of private activity volume cap.

Ms. Gilmore stated that the borrower and mortgagor would be 94th Avenue Jamaica LLC and 94th Avenue Jamaica LI LLC (together, the “Borrower”), each a New York limited liability company controlled by Artimus Construction and Phoenix Realty Corporation, and noted the presence at the meeting of Robert Ezrapour, Eytan Benjamin and Evan Kashanian of Artimus Construction representing the Borrower.

Ms. Gilmore stated that the Bonds would be used for the purpose of paying a portion of the costs of constructing and equipping a 25-story residential tower to be located at 147-20 94th Avenue in the Jamaica neighborhood of Queens (the “Project”). She said that the Project would be developed on privately-owned land and would contain 379 rental units and 1 super’s unit financed under the Corporation’s Mixed-Middle Income (M2) Program. She said it was expected that 25% of the residential units would be reserved for tenants earning no more than 60% of Area Median Income (“AMI”) (“the Low-Income Units”) and 75% of the residential units would be reserved for tenants earning no more than 165% of AMI (“the Middle Income Units”), and referred the Members to the 148th Street Jamaica Memorandum for further details on the proposed income tiers in the Project.

Ms. Gilmore stated that following initial occupancy, rents on the Project would be subject to Rent Stabilization. She said that pursuant to the terms of a regulatory agreement to be executed by the Corporation and the Borrower, the occupancy restrictions on the Middle income units would remain for a minimum of 30 years and that pursuant to the terms of an Inclusionary regulatory agreement to be executed by the New York City Department of Housing Preservation and Development and the Borrower, the occupancy restrictions on the Low- Income units would remain in perpetuity.

Mr. Gilmore stated that to achieve the proposed income and affordability mix, the Corporation anticipates originating a Bank Loan in an amount not expected to exceed \$49,655,000 during construction, which would be participated by Wells Fargo Bank, National Association. She said that the Project would also be financed with a subordinate loan from unrestricted reserves in an amount not expected to exceed \$33,440,000. She said that the Subordinate Loan would have an interest rate equal to the Applicable Federal Rate as recently published by the Internal Revenue Service (“AFR”), with set lower monthly payments, to be advanced during construction and to remain in the Project as a permanent loan. She said that details of these loans were outlined in the 148th Street Jamaica Memorandum. She said that the Project would also benefit from the Borrower’s equity contribution of over approximately \$16,000,000.

Ms. Gilmore stated that the Bonds would be issued initially as unrated variable rate index bonds to be directly purchased by Wells Fargo Bank pursuant to a bond purchase agreement, and secured by a mortgage purchase agreement or "MPA" with Wells Fargo. She said that the interest rate on the Bonds would be reset periodically and would be subject to an absolute maximum interest rate of 15%, in accordance with the provisions of the Bond Resolution.

Ms. Gilmore stated that the initial term of the Wells Fargo MPA was anticipated to be three years, with one optional 6 month extension. She said that upon construction completion, it was anticipated that the Bond Loan would be paid off entirely and the Bonds would be redeemed.

Ms. Gilmore stated that at permanent conversion the Bond Loan and Bank Loan would be consolidated into a single permanent loan (the "Loan" or "Permanent Loan") not expected to exceed \$74,570,000 that would be structured as a senior permanent mortgage loan secured by the fee simple interest in the Project. She said that the proceeds of the Permanent Loan would be used to repay the Bond Loan and the Bank Loan. She said that the Permanent Loan was expected to be enhanced with mortgage insurance arranged by the Corporation under its Risk-Sharing agreement with HUD. She said it was expected that the Corporation would assume 50% of the default risk, which is a requirement for participation in the FFB program. She said that the Loan would be originated with a 40-year term and was expected to have an interest rate of 4.75%.

Ms. Gilmore stated that on or after the permanent conversion of the Loan, Federal Financing Bank ("FFB") is expected to purchase a beneficial ownership interest in the Loan in a manner similar to previous transactions done between FFB and HDC. She said that FFB would receive a purchaser pass-through rate established by FFB, which would not exceed the interest rate on the mortgage loan and is expected to approximate the rate that the market is then providing on a comparable Ginnie Mae security. She noted that in the event the permanent conversion of the Loan occurs prior to the purchase of the Loan by FFB, the permanent Loan may be initially funded with the Corporation's unrestricted reserves. She said that all risks and fees were outlined in the 148th Street Jamaica Memorandum, and that additional details regarding the proposed interest rate risk mitigation for the FFB structure would be provided by Mr. Froehlich.

Mr. Froehlich stated that as described, HDC staff proposes that HDC utilize FFB execution for the Jamaica 148th Street Project. He said that during construction Wells would be the lender on the taxable side and the direct purchaser of the tax exempt bonds. He said that this construction loan structure helps the Borrower avoid higher negative arbitrage costs by setting the permanent loan rate at conversion but added that this does subject the Project to some interest rate risk that requires hedging.

Mr. Froehlich stated that HDC staff had worked with the FFB to come up with a structure to allow for future delivery of permanent loans. He said that the proposed transaction includes a firm commitment from FFB to buy a beneficial ownership interest in the Loan (in a manner similar to previous transactions done between HDC and FFB) but in the future. He said that prior to beginning construction, HDC would arrange to get a firm approval from HUD pursuant

to the Corporation's FHA risk sharing agreement for FHA mortgage insurance. He said that the Project was expected to take up to 3 years to be constructed and to have all units rented. He said that upon stabilization and conversion HDC would arrange final endorsement from FHA on the mortgage note in order to deliver its loan to FFB. He said that during the three-year construction period, HDC would be subject to interest rate risk as FFB does not provide an interest rate lock period longer than 2 months. He said that HDC staff believes that the best way for HDC to limit its interest rate risks during the construction period is for it to buy a LIBOR based forward starting swap for 3 years. He said that the purpose of the swap would be to protect HDC from increases in interest rates during the three-year construction period.

Mr. Froehlich stated that HDC expects to buy a LIBOR based swap because it is the most widely available derivative product sold to protect for changes in interest rates. He said that unfortunately, FFB does not establish its fixed interest rate based on LIBOR. He said that instead FFB establishes its rate based on a pricing model that utilizes the Treasury Yield Curve adapted to reflect the volatility in the 6-month Treasury during the previous two months. He said that although LIBOR is a strong proxy there could be variations that would alter the correlation at any time but could happen specifically at the time HDC requests FFB to establish its permanent rate.

Mr. Froehlich stated that the Corporation would mitigate its risk if the LIBOR swap does not fully hedge against changes in the FFB established rate for the delivery of the insured loan to FFB. He said that this mitigation relies on the Corporation's underwriting of the Project loan with the spread between the rate set by HDC as the permanent mortgage rate and current swap rates. He said that this spread would be a protection for HDC if there was a dislocation between the FFB rate and the LIBOR index swap.

Mr. Froehlich stated that overall interest rates are low today and an interest rate swap is an effective way to hedge against the potential of interest rates rising. He said that if the interest rates were to rise over the next three years and the LIBOR swap rates increased above the hedge rate, the swap counter party would be obligated to pay HDC if the swap were terminated. He said that this payment would offset the upward movement that would also likely occur in the rate established by FFB. He said that as previously noted, HDC has underwritten the loan at a rate that has protective spread already included if the hedge does not fully cover a rise in rates.

Mr. Froehlich stated that it was important to note that if interest rates were to decline over the next three years HDC would have to make a payment to the swap counterparty if it chose to terminate the swap. He said that as HDC does have LIBOR based floating rate debt in the Open Resolution the Corporation could decide to use the swap in that situation to hedge such debt. He said that the swap being purchased would be at a rate that was lower than what HDC had assumed for such debt in its cash flows prepared for the rating agencies. Also, he said, if rates do decline, the FFB rate is likely to be lower and that would mean that HDC would benefit from more spread between the underwritten rate on the loan paid by the Borrower and the actual rate paid to FFB.

Mr. Froehlich stated that pursuant to an agreement with HUD and Treasury, HDC would use such excess spread as it uses all of its profits to support the financing of additional affordable housing in accordance with its current housing finance programs.

Mr. Froehlich stated that HDC would negotiate an International Swap and Derivatives Agreement with three counterparties pursuant to its current swap policy. He said that the Corporation may choose to negotiate directly with one of the counterparties in order to ensure both timely and efficient delivery of a swap to best hedge the proposed transaction.

Mr. Jiha asked what would be the worst case scenario if there was a dislocation between the FFB and LIBOR rates. Mr. Froehlich stated that the worst case scenario would be that we would actually have to use some of the spread in the loan to basically manage some of the potential loss. Mr. Jiha asked if cash flows were looked at. Mr. Froehlich said yes, that the Corporation had done an analysis looking at historical variations in rates and looking at some worst case scenarios, where rates would have to go, and the dislocation between the LIBOR based rate and the FFB rate, and we believe that we have significant room to cover that potential loss. He said that on the flip side if the rates were to decline we think we have several mitigations that are unusual in that we could use the swap for other transactions that we currently have, and in effect, it actually would be a favorable situation for the Corporation because of our assumed underwritings there. He said that the Corporation is in an unusual situation in that no matter what happens we believe that we are well protected.

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

Upon a motion duly made by Mr. Gould, and seconded by Mr. Fuleihan, the Members of the Finance Committee unanimously:

RESOLVED, (A) to approve the Authorizing Resolution that provides for (i) the adoption of the Bond Resolution, (ii) the execution of the bond purchase agreement regarding the direct purchase of the Bonds, (iii) the execution of the Mortgage Purchase Agreement with respect to the Bonds, (iv) the issuance of the Bonds as draw down bonds, and (v) the execution of mortgage related documents and any other documents necessary to accomplish the issuance of the Bonds and the financing of the Bond Loan; (B) to approve the origination at construction loan closing of a construction loan in an amount not to exceed \$49,655,000 to finance a portion of the construction of the Project and a participation agreement with the Bank pursuant to which the Bank will acquire a participation interest in such loan, and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the participation; (C) to approve (i) the making of a permanent loan in an aggregate amount not to exceed \$74,570,000, which may be initially financed by Corporate Reserves, for the permanent financing of 148th Street Jamaica, and (ii) the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the financing; (D) to approve the making of a subordinate loan to be funded by the Corporation's unrestricted reserves in an amount not to exceed \$33,440,000, 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 (E) to approve the execution

by the President or any Authorized Officer of the Corporation of any and all documents necessary to enter into an interest rate swap agreement.

The Chairperson stated that on a personal note, she would like to congratulate Ms. Gilmore on making her first presentation to the Members. The Chairperson also thanked HDC, and the Corporation's Development and Finance teams, for working out a very complicated and innovative financing for this Project.

The Chairperson stated that the next item on the agenda would be the Approval of an Amendment and Restatement of Multi-Family Mortgage Revenue Bonds (101 Avenue D Apartments) Bond Resolution and Direct Purchase of Multi-Family Mortgage Revenue Bonds (101 Avenue D Apartments), 2010 Series A, and called upon Jonah M. Lee, Vice President and Director of Preservation for the Corporation, to advise the Members regarding this transaction.

Mr. Lee referred the Members to the memorandum before them entitled "Amendment and Restatement of Multi-Family Mortgage Revenue Bonds (101 Avenue D Apartments) Bond Resolution and Direct Purchase of Multi-Family Mortgage Revenue Bonds (101 Avenue D Apartments), 2010 Series A" dated May 25, 2016 (the "101 Avenue D Apartments Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the Amended and Restated Multi-Family Mortgage Revenue Bonds (101 Avenue D Apartments) Bond Resolution and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Amended and Restated Multi-Family Mortgage Revenue Bonds (101 Avenue D Apartments) Bond Resolution (the "Bond Resolution"); and (iii) the Remarketing Purchase Contract, all of which are appended to these minutes and made a part hereof.

Mr. Lee stated that he was pleased to present for the Members' approval the amendment and restatement of the Corporation's Multi-Family Mortgage Revenue Bonds (101 Avenue D Apartments), 2010 Series A, Bond Resolution to allow for a direct purchase of the Bonds by Capital One Bank ("Capital One"), and secured by a Mortgage Purchase Agreement ("MPA").

Mr. Lee stated that on April 1, 2010, the Members approved the issuance of the Bonds in the amount of \$25 million and the origination of one subordinate loan funded from the Corporation's unrestricted reserves in the amount of \$2,535,000, for the purpose of providing construction and permanent financing for the project, a 78-unit multi-family rental housing development with approximately 4,700 square feet of retail space located on the Lower East Side of Manhattan. He said that the Project was developed by The Dermot Company, Inc. under the Corporation's NewHop Mixed Income program and restricts the occupancy of 3 units for households earning up to 40% AMI, 13 units at 50% AMI, 23 units at 175% AMI, and the remaining 38 units at market rates. He said that all of the affordable units were restricted for a minimum of 30 years, and 12 of the low-income units were restricted as permanently affordable through HPD's "Inclusionary Housing" program.

Mr. Lee stated that the Bonds would be remarketed as unrated, tax-exempt, variable rate bonds to be directly purchased by Capital One and secured by an MPA to be entered into by Capital One and the Corporation. He said that the MPA would be for an initial term of 10 years,

and it was anticipated that upon expiration it would be extended or replaced with a credit facility for a term ending on July 1st, 2043 or such shorter term as approved by the Corporation. He said that as part of the direct purchase, it was expected that \$2.3 million of the Bonds would be redeemed using borrower equity leaving \$22.7 million to be secured by the MPA. He added that the risks and fees associated with the Project were described in greater detail in the 101 Avenue D Apartments Memorandum.

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

Upon a motion duly made by Mr. Gould, and seconded by Mr. Fuleihan, the Members of the Finance Committee unanimously:

RESOLVED, to approve the Authorizing Resolution which provides for (i) the adoption of the Amended and Restated Bond Resolution, (ii) the execution of the Remarketing Purchase Contract regarding the remarketing and direct placement of the Bonds, (iii) the execution of the Mortgage Purchase Agreement with respect to the Bonds, and (iv) the execution of mortgage related documents and any other documents necessary to accomplish the remarketing and direct placement of the Bonds, and the refinancing of the mortgage loan.

The Chairperson stated that the next item on the agenda would be the Approval of a Declaration of Intent Resolution, and called upon Mr. Richardson to advise the Members regarding this item.

Mr. Richardson first reminded 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 the Resolution is passed to be eligible for tax exempt bond financing. He said that before HDC were to actually finance a project, the specifics of the transaction would be presented to the Members for review and approval.

Mr. Richardson then referred the Members to the memorandum before them entitled "Resolution of Declaration of Intent, 1903 West Farms Road, Bronx, New York, Block 3016/Lot 11" dated May 25, 2016 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof.

Mr. Richardson stated that the proposed development would consist of the new construction of a building that would contain 218 residential rental units to be located at 1903 West Farms Road in the Bronx using approximately \$44 million in tax-exempt bonds. He said that the project was to be developed by a single purpose entity to be formed and controlled by Monadnock Development.

Upon a motion duly made by Mr. Gould, and seconded by Mr. Fuleihan, the Members of the Finance Committee unanimously:

RESOLVED, to approve the Declaration of Intent Resolution for 1903 West Farms Road, Bronx, New York, Block 3016, Lot 11.

The Chairperson stated that at this time, she would like to close the meeting of the Finance Committee and call for a motion of the HDC Board to ratify those items just approved by the Finance Committee.

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

RESOLVED, to ratify and adopt each of the preceding approvals of the Finance Committee.

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

Respectfully submitted,

Diane J. Pugacz
Assistant Secretary

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

June 1, 2016

ATTENDANCE LIST

Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	“ ”
Kevin Murphy	“ ”
Alan Jaffe	Jefferies LLC
Kym Arnone	“ ”
Francis Mckenna	Academy Securities
Joe Tait	Raymond James
Michael Baumrin	RBC Capital Markets
Jeff Sula	“ ”
Matt Tesseyman	Citibank
Michael Barbarino	“ ”
Marvin Markus	Goldman Sachs
Jose Yandun	Siebert Branford Shank
Annie Lee	J.P. Morgan
Jeff Gertz	“ ”
Vidya Rajan	“ ”
Susan Jun	BOA Merrill Lynch
Barbara Feldman	“ ”
Geoff Proulx	Morgan Stanley
James McIntyre	“ ”
Greg Borvs	“ ”
Samphas Chhea	Ramirez & Co.
Michael Duncan	Wells Fargo
Eileen Heitzler	Orrick, Herrington & Sutcliffe LLP
Robert Ezrapour	Artimus Construction
Eytan Benjamin	“ ”
Evan Kashanian	“ ”
Sally Goldenberg	Politico NY
Jacqueline Gold	NYC DOF
Gary Rodney	New York City Housing Development Corporation
Richard M. Froehlich	“ ”
Paula Roy Carethers	“ ”
Anthony R. Richardson	“ ”
Cathleen A. Baumann	“ ”
Jonah M. Lee	“ ”
Jim Quinlivan	“ ”

Catherine Townsend	“	”
Kate Gilmore	“	”
Mica Wilson	“	”
Susannah Lipsyte	“	”
Diane J. Pugacz	“	”
Michael Gaboury	“	”
Jeffrey Stone	“	”
Terry Gigliello	“	”
Trisha Ostergaard	“	”
Madhavi Kulkarni	“	”
Shirley Jarvis	“	”
Mary Hom	“	”
Libby Rohlfing	“	”
Wuqi Liu	“	”
Luke Schray	“	”
Tinru Lin	“	”
Mary John	“	”
Adam Tanaka	“	”
Dan Schachter	“	”
Patricia Halling	“	”
Justin Mathew	“	”
Uyen Luu	“	”
Cheuk Yu	“	”
Will Martin	“	”
Leroi Jiles	“	”
Merin Urban	“	”
Christina Clarke	“	”
Jason Osborn	“	”
Liz Bieber	“	”
Clarissa Wertman	“	”
Catherine Foody	“	”
Amy Boyle	“	”