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

July 27, 2010

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Tuesday, July 27, 2010 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 1:36 p.m. by the Chairperson, Rafael Cestero, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Mark Page, David M. Frankel, Charles G. Moerdler and Denise Notice-Scott. The Member absent was Felix Ciampa. A list of observers is appended to these minutes.

The Chairperson called for the approval of the minutes of the meeting held on June 7, 2010.

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

RESOLVED, to adopt the minutes of such meeting.

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

Mr. Jahr thanked the Chairperson and greeted the Members and others in attendance. Mr. Jahr stated that with the end of the City's fiscal year, June 30th, behind us, he'd like to take this opportunity to summarize HDC's accomplishments during the first six months of 2010 and discuss the balance of the year.

Mr. Jahr stated that he was pleased to inform the Members that HDC was on pace to meet the levels of productivity we've achieved in past years. He said that not including the massive New York City Housing Authority ("NYCHA") Federalization Project, HDC closed 17 deals, containing 3,075 apartments; 1,264 apartments are in new construction developments, while 1,811 apartments are in preservation projects. He said that this was a roughly "60-40" split between preservation and new construction, and whether by accident or design -- he'd prefer to think design -- neatly conforms to the overall goals of our repositioned New Housing Marketplace Plan.

Mr. Jahr stated that the total HDC financing for these deals, including the NYCHA deal, exceeded over $550 million. He said that the HDC subsidy committed to these deals brought its total commitment, since 2003, of corporate reserves to the Mayor's New Housing Marketplace Plan to over $1 billion, nearly double what was originally called for in the Plan.

Mr. Jahr stated that it's simplest to reduce HDC's work to these numbers: units produced, bonds issued, loans made, and subsidy expended; but it's important to remember that this litany of metrics translates into affordable homes for New York City's residents, construction and permanent jobs, and stronger neighborhoods characterized by improved housing, greater amenities, and firmer residential and commercial values. He said that the Corporation's work hasn't been limited to these development activities. He said that during the first half of 2010, HDC also converted 22 developments containing approximately 2,200 apartments from construction to permanent financing, enabling many New Yorkers to occupy beautiful new or renovated apartments at affordable rents, while also generating tens of millions of dollars of "recycled" volume cap that we can use for new deals.

Mr. Jahr stated that additionally, HDC assumed loan servicing from HPD for 24 of what are called "Year 15" tax credit projects, while continuing to efficiently bill for over 1,300 loans; and HDC continues to aggressively monitor and asset manage, with the addition of the 20,139 NYCHA units, over 150,000 apartments, a nice sized city, while keeping our overall delinquency rate down around 1%. He said that none of this could have been accomplished without the dedication, commitment, and teamwork of HDC's staff, nor without our ability to work in a close, collegial manner with our colleagues at HPD and our partners in the industry, allowing the Corporation to mutually leverage its resources, both its financial and intellectual capital, in a manner that benefits all New Yorkers.

However, Mr. Jahr stated, all this was past us; now we're confronted with the final half of 2010. He said that it was fitting that the first actions the Corporation seeks the Members' approval of in the City's new fiscal year are associated with HDC's efforts to preserve existing housing in The Bronx, Brooklyn, and Manhattan. He said that he would not dwell on these projects -- his staff would present them to the Members -- but each of these developments reflects HDC's efforts, in concert with HPD, to respond in a flexible, innovative manner to the opportunities afforded us in the City's complicated real estate market.

Mr. Jahr stated that for the balance of the year, his expectations, and those of his staff, were no less ambitious than our accomplishments during 2010's first six months. He said HDC's pipeline remains full; in a struggling economy, we must remain alert to possible asset management issues and, in a period of great public austerity, the demands upon our resources and the need for us to serve as responsible stewards of them on behalf of the City and its residents, is all the more imperative.

Mr. Jahr stated that despite these challenges, HDC's performance this year gives him and should provide the Members with the confidence that we're capable of sustaining our efforts and ending the year in a stronger programmatic and financial position than when we began it. He said that he looks forward to joining the Members in that effort! Mr. Jahr stated that that concludes his remarks, and if there were no questions or comments, the Members could move on to the next item on the agenda.

The Chairperson stated that the next item on the agenda would be the approval of an amendment to the Authorizing Resolution relating to the Corporation's Multi-Family Housing Revenue Bonds, 2010 Series D-1. He called upon Jonah M. Lee, Senior Credit Analyst for the Corporation, to advise the Members regarding this item.

Mr. Lee referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2010 Series D-1" dated July 21, 2010 (the "Open Resolution Memorandum") and the attachment thereto, the Resolution Authorizing the Issuance of Additional Series of Multi-Family Housing Revenue Bonds, 2010 Series D-1 and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"), which is appended to these minutes and made a part hereof.

Mr. Lee stated that on November 22, 2004, the Members approved the Mitchell-Lama Restructuring Program ("MLRP" or "Program"), a program which seeks to preserve middle-income housing across all five boroughs. He said that since December of 2004, the Corporation had successfully refinanced over 35 Mitchell-Lama properties that participated in 8 previous phases of the Program. He said that under the Program, the participating projects' existing indebtedness was restructured with new senior and subordinate mortgages issued by the Corporation.

Mr. Lee stated that at this time, in order to facilitate the refinancing of two Mitchell-Lama developments known respectively as "Tivoli Towers" and "Trinity House", he was pleased to recommend that the Members approve an amendment to the Authorizing Resolution relating to the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2010 Series D-1 ("the Bonds"). He said that the Members previously approved the Bonds in an amount not to exceed $140,000,000 and the Corporation issued $43,475,000 on June 29, 2010.

Mr. Lee stated that the amendment to the Authorizing Resolution would permit the Corporation to finance the loan previously authorized for Tivoli Towers, and to refund the Corporation's existing tax exempt bonds that were previously issued to finance Trinity House. He said that it was expected that that Corporation would issue a separate series of taxable bonds to effectuate the mortgage restructuring of Trinity House, which would require further authorization by the Members at a later date.

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. Gould, and seconded by Mr. Page, the Members unanimously:

RESOLVED to approve the Authorizing Resolution which provides for (i) financing additional 2010 Series D Mortgage Loans previously authorized by the Corporation and one additional 2010 Series D Mortgage Loan to refund certain outstanding obligations of the Corporation issued to finance Trinity House; and (ii) the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to issue the 2010 Series D-1 Bonds and to make the mortgage loans relating to the 2010 Series D-1 Bonds.

The Chairperson stated that the next item on the agenda would be the approval of a loan to be made by the Corporation for the acquisition of a mortgage and mortgage note for an affordable development in the Bronx. He called upon Simon Bacchus, Assistant Vice President of the Corporation, to advise the Members regarding this transaction.

Mr. Bacchus referred the Members to the memorandum before them entitled "Origination of Loan from the Corporation for Note Purchase" dated July 21, 2010 (the "Note Purchase Memorandum"), which is appended to these minutes and made a part hereof. He stated that he was pleased to recommend that the Members approve the Corporation's origination of a loan (the "Loan") to finance the purchase of a note (the "Note" or the "Note Purchase") and the related mortgage on a 102-unit rental development located in the Morris Heights section of the Bronx. He said that it was anticipated that the Loan would be funded from the Corporation's unrestricted reserves in an amount not to exceed $5,800,000.

Mr. Bacchus stated that the HDC Loan would enable the acquisition of the Note and would be the first such loan for the Corporation. He said that the Corporation recently purchased a portfolio of mortgage loans from the United States Department of Housing and Urban Development. He said that the HDC Loan would finance the acquisition of a mortgage loan by a private entity.

Mr. Bacchus stated that the property's current owner is in default under a loan made and held by Sovereign Bank; financing the Note Purchase would position the new owner to begin a foreclosure process intended to result in the refinancing, rehabilitation and preservation of the property through programs offered by the Corporation and the New York City Department of Housing Preservation and Development ("HPD").

Mr. Bacchus stated that the Corporation's borrower would be Sedgwick Avenue Renaissance Developers, LLC (the "Borrower") a single purpose entity formed by the principals of Sedgwick Avenue Managers LLC, its managing member. He said that Sedgwick Avenue Managers LLC was comprised of the principals of Winn Residential (Gilbert J. Winn, Michael T. Putziger, Samuel Ross and Lawrence Curtis), through their entity Sedgwick Winn LLC, and the principals of Workforce Housing Advisors, John Warren, John A. Crotty, and Kevin Gallagher. He then noted the presence at the meeting of Kevin Gallagher and Michael Martin, representing the Borrower.

Mr. Bacchus stated that the building was built in 1969 under the Mitchell Lama Program. He said that the original owners paid off the Mitchell Lama mortgage and "bought out" of the program in 2008. He said that the building was purchased in October 2008 for a reported $7,240,000 with a loan from Sovereign Bank. He said that the current owner was in default on his mortgage and had not made a payment since March 2010; Sovereign Bank drew down a $1,200,000 letter of credit posted by the current owner as a condition of the loan, covering the arrears and reducing the unpaid balance to approximately $6,200,000. He said that Sovereign Bank was now interested in selling the Note for the current balance of the loan.

Mr. Bacchus stated that the Corporation would provide financing for the purchase of the Note in an amount not to exceed $5,800,000. He said that HDC's Borrower would be required to provide equity for the balance of the total sale price of the Note. He said that the HDC Loan would have a term of 2 years with an interest rate of 5.5%; during the 2-year Loan term, 1.0%

interest would be paid on a monthly basis and the remaining 4.5% would compound and accrue, with a balloon payment due at Loan maturity.

Mr. Bacchus stated that it was expected that after the Borrower acquires the property, HDC and HPD would provide takeout financing to preserve the property as affordable housing for at least 30 years, and noted that the underwriting for the takeout financing had been approved for feasibility by the Corporation's Credit Committee.

Mr. Bacchus stated that the repayment of the Loan is currently anticipated to occur upon the successful foreclosure and provision of acquisition and rehabilitation takeout financing from the Corporation in conjunction with HPD. However, Mr. Bacchus said, repayment was not dependent upon the Corporation providing takeout financing, as the Borrower may sell the property to, or obtain financing from, a third party, subject to the Corporation's affordability requirements. Mr. Bacchus then described the actions the Members were being requested to approve.

Mr. Moerdler stated that there was a reference to the Borrower potentially selling the property to, or obtaining financing from, a third party, and asked whether any such undertaking to sell or to refinance the property had been reduced to writing. Mr. Jahr responded no.

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

RESOLVED, to (i) authorize the Corporation to utilize its unrestricted corporate reserves to originate a Loan for the Note Purchase in an amount not to exceed $5,800,000, and (ii) authorize the officers of the Corporation to prepare and execute all documents and enter into all agreements necessary to effectuate the purchase of the Note in accordance with the Note Purchase Memorandum.

The Chairperson stated that the next item on the agenda would be the Ratification of an Approval of a Declaration of Intent Resolution. He called upon Mr. Bacchus to advise the Members regarding this item.

Mr. Bacchus referred the Members to the memorandum before them entitled "Resolution of Declaration of Intent, Courtlandt Corners II, Bronx, NY, Block 2408, Lot 1" dated July 21, 2010 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof.

Mr. Bacchus stated that the Members approved a Declaration of Intent Resolution by facsimile on July 7, 2010 for the Courtlandt Corners II project; the Declaration of Intent Resolution for $18 million was being presented to the Members for ratification. He said that the project is a 252-unit rental housing project consisting of three buildings located in the Melrose section of the Bronx, which is currently being built by a single purpose entity controlled by Phipps Houses. He said that the Corporation originally financed the project in 2008 using taxable bonds, and it was anticipated that the project would be refinanced using tax-exempt recycled bonds.

Mr. Bacchus stated that he 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 passage of the Declaration of Intent Resolution to be eligible for tax exempt bond financing.

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

RESOLVED, to ratify the adoption of the Declaration of Intent Resolution for Courtlandt Corners II, 884-904 Courtlandt Avenue, 364-386 East 162nd Street, 895 Melrose Avenue, 363-377 East 161st Street, Bronx, New York (Block 2408, Lot 1).

At 1:48 p.m., there being no further business, upon a motion duly made by Mr. Moerdler, and seconded by Mr. Page, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz
Assistant Secretary

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July 27, 2010

ATTENDANCE LIST

NAME	**AFFILIATION**
Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	“ ”
Geoff Proulx	Morgan Stanley
James McIntrye	“ ”
Sammi Chhee	MR Beal & Company
Elwood Hill	Office of the State Comptroller
Ben Lantos	Goldman Sachs & Co.
Alan Jaffe	“ ”
Marvin Markus	“ ”
Kevin Gallagher	Sedgwick Avenue Managers LLC
Mike Martin	“ ”
Diana Glanternik	Office of Management & Budget
Inna Spector	NYC Department of Investigation
Marc Jahr	New York City Housing Development Corporation
Richard M. Froehlich	“ ”
Mathew M. Wambua	“ ”
Diane J. Pugacz	“ ”
Melissa Barkan	“ ”
Cathleen Baumann	“ ”
Jeffrey Stone	“ ”
Claudine Brown	“ ”
Chanin French	“ ”
Ted Piekarski	“ ”
Urmas Naeris	“ ”
Terry Gigliello	“ ”
Ellen K. Duffy	“ ”
Eileen O’Reilly	“ ”
Bharat Shah	“ ”
Jerry Mascuch	“ ”
Kristen Smith	“ ”
Mary John	“ ”
Shirley Jarvis	“ ”
Mary Hom	“ ”

Marcus Randolph	“	”
Liz Oakley	“	”
Kerry Yip	“	”
Simon Bacchus	“	”
Jonah M. Lee	“	”
Niki Tsismenakis	“	”
Jesse Infeld	“	”
Uyen Luu	“	”
Cheuk Yu	“	”
Ruth Moreira	“	”
Mary McConnell	“	”
Nataliya Durytska	“	”
Henry Yee	“	”
Moira Skeados	“	”
Hannah Creeley	“	”
Jaclyn Moynahan	“	”