

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

September 22, 2016

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Thursday, September 22, 2016, at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 2:09 p.m. by the Chairperson, Vicki Been, who noted the presence of a quorum. The Members present were Jacques Jiha, Dean Fuleihan, Charles G. Moerdler and Denise Notice-Scott. The Member absent was Harry E. Gould, Jr. 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 June 1, 2016.

Upon a motion duly made by Mr. Jiha, and 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 Report of the Governance Committee, and called upon Ms. Notice-Scott to advise the Members regarding this item.

Ms. Notice-Scott stated that the Governance Committee met prior to this meeting at which time Senior Staff raises were discussed. She said that the Governance Committee also discussed the appointment of the president and salary package. She said that the actions of the Governance Committee with respect to appointments must be ratified by the HDC Board.

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

**RESOLVED**, to ratify the package that was just approved by the Governance Committee.

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 in his book "Leadership Is An Art", Max DePree wrote "The first responsibility of a leader is to define reality. The last is to say thank you. In between, the leader is a servant."

Mr. Rodney stated that he was privileged to return to HDC at the start of the de Blasio Administration – to work with the Mayor and his team, including Vicki and Deputy Mayor

Alicia Glen – to help shape and define the most ambitious and visionary housing plan in our nation’s history. He said that since then, being in the service of that plan had been the greatest privilege of his career to date. He said that the *Housing New York* plan was and is a call to public service of the highest order, and everyone here today has answered that call with him.

Mr. Rodney stated that he would take Mr. DePree’s advice and save his “thank-yous” for last. He said that first he was pleased one final time to introduce another agenda of actions for the Board’s consideration; actions which, if approved, would help HDC continue its role in meeting the many objectives of the Mayor’s plan – objectives he addressed in his very first report to the Members in 2014.

Mr. Rodney stated that among the items on today’s agenda, Senior Vice President Ellen Duffy would request approval for the next issuance of our Open Resolution bonds. He said that this issuance would create significant refunding and recycling opportunities for the Corporation to create and preserve affordable housing. He said that Ellen would describe those activities in greater detail but noteworthy among them was the preservation of three developments which collectively represent more than 800 units of the City’s precious Mitchell Lama housing stock.

Mr. Rodney stated that preservation has been one of the most critical components of the Mayor’s plan. He said that continuing in that tradition, Leroi Jiles of HDC’s Preservation Finance team would present for the Members’ approval a bridge loan that would essentially serve as a strategic precursor to the longer-term preservation of six low-income projects totaling more than 400 affordable units in East New York, Brooklyn. He said that another member of HDC’s Preservation Finance team, Christina Clarke, would present a refinancing action that would further stabilize an existing development in HDC’s portfolio in Jamaica, Queens while also generating fee income for the Corporation’s other programs.

Mr. Rodney stated that in his very first President’s Report he noted that HDC would play a critical role in all aspects of the Mayor’s plan, participating not only in its financing but its policy agenda as well. He said that HDC was a strategic partner to HPD and City Planning in the execution of a study to inform the City’s inclusionary housing program; and now – as HDC’s Executive Vice President, Paula Roy Carethers would present for the Members’ approval today – we are again joining those partners to engage a study that will assist the Administration as it endeavors to further examine its goals of providing both deeper affordability and job access.

Mr. Rodney stated that even though this was his final President’s Report, as always we are looking forward. He said that after Ms. Duffy presents some formal amendments to the Corporation’s investment guidelines, Senior Vice President, Anthony Richardson would present Declarations of Intent for three new projects that would create or preserve more than 400 units among them. He said that every one of them gets us closer to 200,000; and every one matters.

Mr. Rodney stated that very shortly, he would personally have the opportunity to present to the Members one last time, when he asks their approval of Mayor de Blasio’s nomination for his successor. He said that he could not have made a more thoughtful selection and it would be his honor to request his approval by the Members—but more about him later.

Mr. Rodney stated that first he must fulfill his own final responsibility as a leader: saying thank you. He said that this report would be endless if he included in it the names of everyone deserving of his – and the City's – thanks for what they have accomplished as a team. He said that he couldn't even list all of our accomplishments but he had to recognize a few. He said that he didn't consider it bragging because he was sharing those bragging rights with all of you.

- We successfully launched the Sustainable Neighborhood Bond; the first social responsibility investment product in the affordable housing marketplace.
- With our federal partners at HUD and the Treasury, we piloted the new risk-sharing initiative with the Federal Financing Bank or FFB, which is now another important tool in our financial toolkit.
- We did our first Commercial Mortgage-Backed Securities transaction, or CMBS, with the Geary-designed liberty bond development a few blocks away at 8 Spruce Street – and in the process generated millions of dollars for affordable housing throughout the city.
- With ELLA and M-2, we expanded our core programs to provide deeper affordability and reach more low-income households most in need; while also embracing moderate and middle income families to build and revitalize economically diverse and sustainable neighborhoods.
- We also were creative in going “outside the box” of those core programs to support our mission, such as the landmark preservation of 5,000 affordable homes at Stuyvesant Town on Manhattan's Eastside Waterfront.
- And since 2014 HDC has issued more than \$3.9 billion in bonds and financed more than 25,000 affordable homes, and that doesn't even count what the Members are asked to approve today – after all, I wouldn't want to be presumptuous at my last Board meeting.

Mr. Rodney stated that in short, there was no doubt that HDC has entered the most prolific and innovative period in its history, no small feat for an agency that will be celebrating its 45<sup>th</sup> year in 2017.

Mr. Rodney stated that again, he won't start naming names or we'll be here all day. But he said that he would like to thank the Chair and all the current and former Board Members who supported him during his tenure as President, as well as his Executive Team at HDC. He said that they always helped him to see pressure as a privilege, and to turn obstacles into opportunities. He thanked his partners in good government at the City, State and Federal levels for their collaboration. He also thanked all his partners in the banking and development communities, both for-profit and non-profit. He said that public-private partnerships are instrumental to our work and each of our partners always came to the table with something of value – whether it was a project, a program, or just an idea—in fact, especially the ideas.

Mr. Rodney stated that mostly, he thanked the HDC staff for so many reasons – but above all for the talent, passion and creativity they bring to their jobs every day. He said that they were more than attorneys and underwriters and asset managers and accountants; they were craftsmen and women who are perfecting the craft of public service. He said that they were doing it in 2001 when he first worked at HDC, and amazingly they have only gotten better with time.

Mr. Rodney stated that the sixth President of the United States, John Quincy Adams, once said, "If your actions inspire others to dream more, to learn more, do more and become more, you are a leader." He said that he could only hope that he has done that. He said that what he does know, and what he would humbly add, is that it works both ways. He said that he has been professionally and personally inspired by his colleagues at HDC. He said that thanks to them he has learned more, done more and dreamed more. He said that for the second time in his career – the second time in his life – he would leave HDC having *become* more. Mr. Rodney stated that this concludes his final President's Report.

Mr. Moerdler stated that he has been a member of the HDC board longer than anyone cares to remember and that he has seen presidents come and go and chairs come and go but this combination of this team was clearly, without a doubt, the best the City of New York has ever offered, from the HPD Commissioner as Chairperson to Gary Rodney as President.

The Chairperson stated that she wanted to take a moment of personal privilege to say thank you on behalf of the board and all of HPD and HDC and say that she could not thank Mr. Rodney enough for the amazing leadership he has brought to HDC. She said that it was not just the many accomplishments that he cited—the neighborhood sustainability bonds, the incredible number of units that have been financed—but Mr. Rodney and the entire HDC team have been integral to the crafting of the housing plan, from MIH to a range of policies that we've improved from the term sheets where we tried to get more for our dollars to changes in marketing where we've tried to target our units to those most in need. She said that that was in so many ways a tribute to and completely a result of the incredible integrity that Mr. Rodney brings to this job, the flexibility and creativity that he brings while at the same time being true to the core values of treating like people alike and treating like deals alike and of protecting the public fisc and making sure that we're getting what we need to get for the dollars that we're spending for all New Yorkers. She said that she has benefitted every single day from Mr. Rodney's patience, his professionalism, his good humor, and his calm demeanor (because things aren't always calm in the housing world in case you haven't noticed). She said that Mr. Rodney has been the most amazing partner that she could have ever hoped for and on behalf of the roughly 140,000 people who are housed because of Mr. Rodney's work and on behalf of all New Yorkers and especially on behalf of HPD, she wanted to thank him for all of his service and his friendship.

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 of business would be the Appointment of a President and again called upon Mr. Rodney to advise the Members regarding this item.

Mr. Rodney stated that he was pleased to recommend that the Members approve the appointment of Eric Enderlin as President of HDC to be effective next month in mid-October 2016. He said that Mr. Enderlin was nominated as his successor by Mayor Bill de Blasio on August 11, 2016, subject to the Members' approval.

Mr. Rodney stated that Mr. Enderlin currently serves as Deputy Commissioner for Development and Special Advisor at HPD, overseeing a vast array of divisions including New Construction, Preservation Finance, Property Disposition, Special Needs Housing, Building & Land Development Services, Storm Recovery, and Credit & Underwriting. He said that Mr. Enderlin has been instrumental to the historic levels of affordable housing production that have been achieved to date under the *Housing New York* plan.

Mr. Rodney stated that Mr. Enderlin's prior public and private sector experience includes positions at the New York City Housing Authority, the Louis Berger Group, and the New Jersey Council on Affordable Housing, and that he holds a Bachelor of Arts in Economics and a Master of Science in Urban Planning & Policy, both from Rutgers University. He said that his full resume was included in the Members' board packages, and the terms of his employment had been presented to the Members of the Corporation's Governance Committee as earlier reported by Ms. Notice-Scott.

Mr. Rodney stated that on a personal note, he would like to add that he's known Mr. Enderlin for a number of years now, and he's fortunate to consider him a colleague after working so closely with him since his return to HDC. He said that his comfort in leaving such an amazing organization and such a dedicated staff is knowing that he leaves them in such strong, capable hands. He said that he congratulates Mr. Enderlin and knows that his talent, skill and creativity will lead the HDC team to even greater heights as *Housing New York* continues its incredible progress.

Mr. Rodney stated that unless there were any questions, he respectfully and proudly requests the Members' approval.

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

**RESOLVED**, to appointment Eric Enderlin as President of the Corporation.

The Chairperson stated that the Members would next consider the Approval of an Authorizing Resolution relating to the Multi-Family Housing Revenue Bonds, 2016 Series F, 2006 Series G and 2016 Series H (collectively, the "Bonds"), and called upon Ellen K. Duffy, Senior Vice President for Debt Issuance and Finance for the Corporation, to advise the Members regarding this item.

Ms. Duffy referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2016 Series F, G-1, G-2 and H" dated September 15, 2016 (the "Open Resolution Memorandum") and the attachments thereto including (i) Resolution Authorizing Adoption of the Two Hundred Thirty-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2016 Series F, the Two Hundred Thirty-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2016 Series G-1, the Two Hundred Thirty-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2016 Series G-2, and the Sixth Supplemental Resolution Relating to Multi-Family Secured Mortgage Revenue Bonds and Certain Other

Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Two Hundred Thirty-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2016 Series F, the Two Hundred Thirty-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2016 Series G-1, the Two Hundred Thirty-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2016 Series G-2 and the Sixth Supplemental Resolution Relating to Multi-Family Secured Mortgage Revenue Bonds (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.

Ms. Duffy stated that she was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2016 Series F and 2016 Series G in an amount not expected to exceed \$235,000,000 to finance the construction, acquisition, rehabilitation and/or permanent financing of certain projects and other activities as described in the Open Resolution Memorandum.

Ms. Duffy stated that on June 1, 2016, the Members approved the 231<sup>st</sup> Supplemental Resolution under the Corporation's Multi-Family Housing Revenue Bonds Bond Resolution (the "Open Resolution"). She said that it was anticipated that in connection with the issuance of the 2016 Series F and 2016 Series G Bonds, the 231<sup>st</sup> Supplemental Resolution would be re-designated as authorizing the issuance of the 2016 Series H Bonds. She said that updated information regarding the terms and uses of the Series H Bonds was contained in the Open Resolution Memorandum.

Ms. Duffy stated that the Members were further being asked to approve the purchase of an interest rate hedge to manage its interest rate risk relating to the variable rate 2016 Series G-2 Bonds and other variable rate bonds outstanding under the Open Resolution.

Ms. Duffy stated that Interest on the 2016 Series F and 2016 Series H Bonds was expected to be exempt from Federal, state and local income tax, and such bonds would qualify as tax-exempt private activity bonds with a combination of an allocation of "recycled" volume cap in accordance with the Housing and Economic Recovery Act of 2008 and the refunding of certain outstanding bonds of the Corporation. She said that interest on the 2016 Series G Bonds was not expected to be exempt from Federal income tax, but was expected to be exempt from state and local income tax.

Ms. Duffy stated that the Corporation expects to designate the 2016 Series F and 2016 Series G Bonds as Sustainable Neighborhood Bonds.

Finally, Ms. Duffy stated, the Members were being asked to approve the pledge from time to time of one or more mortgage loans to the Corporation's Multi-Family Secured Mortgage Revenue Bonds Bond Resolution (the "Secured Resolution") adopted by the Members on May 10, 2005 to replace loans that prepay. She said that the Corporation expects to pledge the mortgage loan for the Silverleaf Development which was originally financed under the Open Resolution and would be released from the Open Resolution and pledged to the Secured Resolution to replace a loan that recently prepaid. She added that approval of these Resolutions

would authorize the 232<sup>nd</sup>, 233<sup>rd</sup> and 234<sup>th</sup> Open Resolution Supplemental Resolutions and the Sixth Secured Resolution Supplemental Resolution.

Ms. Duffy stated that the Members were being requested to authorize the 2016 Series F Bonds, in an amount not expected to exceed \$95,000,000, which would be used to refund certain of the Corporation's Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), 2009 Series 1 and 2, referred to as the "NIBP Bonds". She said that the tax-exempt rates currently available offer the Corporation an economic refunding opportunity for certain NIBP Series of Bonds. She said that in connection with the refunding, all or a portion of up to eleven (11) mortgage loans relating to the NIBP Bonds would be released from the applicable NIBP Series Resolutions, and would be pledged to the Open Resolution. She said that the amount of the 2016 Series F Bonds would be determined based on the interest rate savings available by such refunding.

Ms. Duffy stated that further detail on the individual projects could be found in Attachment A to the Open Resolution Memorandum.

Ms. Duffy stated that it was anticipated that the 2016 Series G-1 Bonds, in an amount not expected to exceed \$40,000,000, would be issued as fixed rate federally taxable bonds and the 2016 Series G-2 Bonds, in an amount not expected to exceed \$100,000,000, would be issued as taxable floating rate index bonds to be purchased by the Federal Home Loan Bank of New York.

Ms. Duffy stated that a portion of the 2016 Series G Bonds would be used to finance mortgage loans for three (3) Mitchell Lama developments. She said that these three developments were expected to receive additional subordinate financing funded from the Corporation's unrestricted reserves. She said that the aggregate amount of such subordinate financing was not expected to exceed \$ 8.4 million. She said that the subordinate loans were expected to have an interest rate equal to the Applicable Federal Rate as recently published by the Internal Revenue Service, with set lower monthly payments, to be advanced during construction and to remain in the project as permanent loans.

Ms. Duffy stated that the portion of the 2016 Series G Bonds associated with the loans financed under the Mitchell-Lama Restructuring Program would be designated Mitchell Lama Restructuring Bonds.

Ms. Duffy stated that an additional portion of the 2016 Series G Bonds was expected to be used to acquire approximately \$76,000,000 of subordinate mortgage loans previously funded by the Corporation with its own corporate funds, including certain subordinate mortgage loans and ten (10) senior mortgage loans previously financed with the Corporation's Multi-Family Rental Housing Revenue Bonds (Progress of Peoples Developments), 2005 Series B. She said that more information on the loans could be found on Attachments B and C to the Open Resolution Memorandum.

Ms. Duffy stated that it was anticipated that the 2016 Series H 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. She said that if issued, the proceeds of the 2016 Series H Bonds, in an amount not to exceed \$22,000,000, were expected to provide first position construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments, all of which are listed on Attachment D to the Open Resolution Memorandum and which would meet the federal low income housing tax credit affordability requirements. She said that the mortgage loans for these developments were expected to close in 2016 or early 2017 at which point the 2016 Series H Bonds would be remarketed or refunded to match the terms of the applicable mortgage loans.

Ms. Duffy stated that most of the developments listed would not be funded from the proceeds of the 2016 Series H Bonds but all would be eligible for such financing. She added that the 2016 Series H Bonds were expected to be issued as variable rate obligations initially in the Term Rate mode.

Ms. Duffy stated that it was anticipated that the Corporation would enter into a hedging instrument to manage the interest rate risk associated with the 2016 Series G-2 index rate bonds, as well as the outstanding Open Resolution variable rate index bonds, which have a par amount of approximately \$706 million. She said that in the current low rate environment, the prudent use of an interest rate hedge, in conjunction with the variable rate index bonds, provides a fixed cost of funds lower than the cost of traditional fixed rate bonds. She said that this synthetic fixed rate structure would lock in favorable long-term funds in furtherance of the Corporation's commitment to the Mayor's *Housing New York* plan.

Ms. Duffy stated that the Corporation would purchase the interest rate hedge from a qualified counterparty pursuant to the hedge policy approved by the Members on April 10, 2014, for a notional amount expected to approximately \$80,000,000. It is anticipated that the interest rate hedge would be a Libor-indexed interest rate swap or cap. She said that the decision to purchase an interest rate swap or cap would depend on market rates at the time of execution.

Additionally, Ms. Duffy stated, the Corporation was seeking authorization to negotiate, execute and deliver ISDA Master Agreements, including Schedules and Credit Support Annexes, from time to time, consistent with the Corporation's Guidelines for Uses of Certain Financial Hedges. She said that this would enable the Corporation to have standing ISDAs with various counterparties. She said that the Corporation would not enter into any transaction under such agreements without further authorization from the Members. She noted that the more detail on the developments, as well as the Bond underwriters, Risks, Fees and Credit Ratings associated with the Bonds, were outlined in the Open Resolution Memorandum.

Mr. Moerdler stated that he was required by the Conflicts of Interest Board to make the disclosure that members of his firm but not he represent Citigroup, Jeffries, JPMorgan, Morgan Stanley and Wells Fargo, each of which was involved in one or another of the proposed bonds, but that does not disqualify him or require his recusal, it's simply a disclosure.

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 Ms. Notice-Scott, and seconded by Mr. Jiha, 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, (f) the refunding of certain bonds of the Corporation, (g) the execution of amendments to the existing Participation Agreement with the City of New York relating to designating certain 2016 Bonds financing mortgage loans as Mitchell-Lama Restructuring Bonds, (h) the adoption of Supplemental Resolutions to the Secured Resolution providing for the pledge of one or more mortgage loans and (i) 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 three (3) Mitchell-Lama Restructuring Program developments from the Corporation's unrestricted reserves in an amount not to exceed \$8,355,000, and the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the subordinate financing; (C) to approve entering into a Purchase and Sale Agreement with the City of New York relating to the existing subordinate debt on one Mitchell Lama development in accordance with the Mitchell Lama Restructuring Program; (D) to approve the purchase of an interest rate cap from the Corporation's unrestricted reserves in an amount not to exceed \$2,000,000 and the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to enter into an interest rate cap or swap agreement 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 ISDA Master Agreements, including Schedules and Credit Support Annexes, from time to time, consistent with the Corporation's Guidelines for Uses of Certain Financial Hedges adopted April 10, 2014.

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 (Queens Family Courthouse Apartments) Bond Resolution, an Authorizing Resolution relating to Multi-Family Mortgage Revenue Bonds (Queens Family Courthouse Apartments), 2016 Series A and Direct Purchase of Multi-Family Mortgage Revenue Bonds (Queens Family Courthouse Apartments), 2007 Series A and 2016 Series A, and called upon Christina Clarke, Project Manager, Preservation Finance, to advise the Members regarding this item.

Ms. Clarke referred the Members to the memorandum before them entitled "Amendment and Restatement of Multi-Family Mortgage Revenue Bonds (Queens Family Courthouse Apartments) Bond Resolution, Issuance of Multi-Family Mortgage Revenue Bonds (Queens Family Courthouse Apartments), 2016 Series A and Direct Purchase of 2007 Series A and 2016 Series A Bonds" dated September 15, 2016 (the "Queens Family Courthouse Memorandum")

and attachments thereto including (i) the Resolution Authorizing Adoption of the Second Amended and Restated Multi-Family Mortgage Revenue Bonds (Queens Family Courthouse Apartments) Bond Resolution and the Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (Queens Family Courthouse Apartments), 2016 Series A and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Second Amended and Restated Multi-Family Mortgage Revenue Bonds (Queens Family Courthouse Apartments) Bond Resolution (the "Second Amended and Restated Bond Resolution"); (iii) the Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (Queens Family Courthouse Apartments), 2016 Series A (the "2016 Supplemental Resolution"); (iv) the Bond Purchase Agreement and (v) the Remarketing Purchase Contract, all of which are appended to these minutes and made a part hereof.

Ms. Clarke first noted a changed page in the board memo before the Members reflecting clarifications to the fees. She then stated that she was pleased to present, for the Member's approval, the second amendment and restatement of the Corporation's Multi-Family Mortgage Revenue Bonds (Queens Family Courthouse Apartments) 2007 Series A Bond Resolution and the issuance of the 2016 Series A Bonds in an amount not exceed \$15 million. She said that interest on the 2007 Bonds was anticipated to be exempt from Federal, state and local income tax. She said that interest on the 2016 Bonds would not be exempt from federal income tax, but would be exempt from state and local tax. She said that the Bonds would be directly placed with Deutsche Bank, and secured by a Mortgage Purchase Agreement, or MPA.

Ms. Clarke stated that in 2007, the Members approved the issuance of \$120 million in tax exempt bonds, which were used for the purpose of acquiring and constructing a 277 unit rental and a 69 unit cooperative housing development totaling an aggregate of 346 units located in Jamaica, Queens and developed under the Corporation's Mixed Income Program. She said that in 2010, due to the failed marketing of the cooperative units and at the Borrower's request, the Corporation approved the integration of all 346 units as one rental development. She said that in 2012, the Members approved the amendment and restatement of the 2007 Resolution to authorize the remarketing of \$40 million of the 2007 Bonds and the redemption of \$78,170,000 of the 2007 Bonds. She said that the Members also approved the consolidation of the Project's two subordinate loans into a single subordinate loan in the amount of \$15,275,000.

Ms. Clarke stated that the Project was developed by The Dermot Company, Inc. and restricts the occupancy of 11 units for households earning up to 40% AMI, 59 units at 50% AMI, 165 units at 175% AMI, and the remaining 110 units at market rates. She said that all of the units would continue to be restricted for a minimum of 30 years from the original financing.

Ms. Clarke stated that the Bonds would be remarketed as unrated, fixed rate bonds to be directly purchased by Deutsche Bank and secured by an MPA to be entered into by Deutsche Bank and the Corporation. She 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 with a term ending on or before June 15, 2047, the final maturity of the Bonds. She said that the 2007 Bonds would be remarketed as fixed rate obligations and would bear interest at a rate not expected to exceed 5.5%. She said that for the 2016 Bonds the Members were being asked to authorize a not-to-exceed true interest cost of 10%. However, she said that it was expected that

the 2016 Bonds would have a true interest cost that does not exceed 6.7%. She said that the Corporation's existing subordinate loan would be modified to require monthly payments based on an interest rate of 1%, with a 2% debt service constant. She said that the subordinate note would no longer be subject to available cash flow, but would be a hard pay loan.

Ms. Clarke stated that the proposed refinancing was expected to benefit the Project's financial stability, while improving the terms of the Corporation's subordinate debt. She said that in a separate transaction, the Borrower and Deutsche Bank were expected to enter into a total return swap; however, the project had not been underwritten to rely on the swap payments. She said that the difference between the fixed rate the Borrower would receive and the variable rate the Borrower owes on the swap would generate increased cash flow, allowing for amortization on the subordinate loan. She said that it was also expected that a portion of the proceeds of the 2016 Bonds would be used to reduce the investor's equity position in the Project. She said that the investor, the Building Investment Trust, initially contributed over \$58 million in equity to the Project and made an additional contribution of \$47 million during the restructuring for a total equity investment over \$100 million.

Ms. Clarke stated that given the recent news articles about Deutsche Bank's pending litigation and financial challenges, the Corporation's Credit Risk department requested additional information from Deutsche Bank and concluded that it was still solidly investment grade and over 70% of the bank's funding was from the most stable sources. She said that in the event that Deutsche Bank was to experience severe financial difficulties, the Project has been underwritten without reliance on the swap payments. She added that the risks and fees were described in greater detail in the Queens Family Courthouse Memorandum.

Mr. Froehlich then described the actions the Members were being requested to approve.

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

**RESOLVED**, to approve the Authorizing Resolution which provides for (i) the adoption of the Second Amended and Restated Bond Resolution, (ii) the adoption of the 2016 Supplemental Bond Resolution, (iii) the execution of the Remarketing Purchase Contract regarding the remarketing and direct placement of the 2007 Bonds, (iv) the execution of the Bond Purchase Agreement regarding the direct placement of the 2016 Bonds, (v) the execution of the Mortgage Purchase Agreement with respect to the Bonds and (vi) the execution of mortgage related documents and any other documents necessary to accomplish the remarketing and direct placement of the 2007 Bonds, the issuance and direct placement of the 2016 Bonds and the re-financing of the mortgage loan.

The Chairperson stated that the next item on the agenda would be the Approval of a Bridge Loan for Arker ENY Portfolio, and called upon Leroi Jiles, Project Manager, Preservation Finance, to advise the Members regarding this item.

Mr. Jiles referred the Members to the memorandum before them entitled "Approval of a Bridge Loan for Arker ENY Portfolio" dated September 15, 2016 (the "Bridge Loan Memorandum") which is appended to these minutes and made a part hereof.

Mr. Jiles stated that he was pleased to present for the Member's approval, the origination of a loan to refinance a portfolio of six projects in the East New York neighborhood of Brooklyn (the "Portfolio"), in an amount not expected to exceed \$14,300,000. He said that the portfolio was comprised of eight multifamily apartment buildings owned by six limited partnerships with the principals of The Arker companies serving as the general partners, and includes 437 units rented to households earning no more than 60% of AMI. He noted that Daniel Moritz and Simon Bacchus were in attendance from The Arker Companies representing the borrower.

Mr. Jiles stated that the subject properties were originally financed with LIHTC equity, HDC bonds secured by direct pay letters of credit, and subsidy through the city's 421-a and J-51 programs. He said that the proposed transaction would provide short term bridge financing funded through the Corporation's unrestricted reserves. He said that the new loan proceeds would be used to retire the existing debt and reimburse the costs associated with the buyouts of the original investor limited partners.

Mr. Jiles stated that although the borrower intends to resyndicate the portfolio, the Corporation would not be obligated to finance any future recapitalization, nor would it reserve the volume cap required in the event the future financing is funded with tax-exempt bonds. He said furthermore, any future financing committed to the portfolio would be contingent upon the approval of the Corporation's Credit Committee and Board. He said that if approved, the loan would provide the continued benefit of HDC regulatory oversight, monitoring, and enforcement as the senior lender. He said that moreover, offering the bridge loan and requiring the owners to return to HDC for future financing presents the best opportunity to preserve the long term affordability of the portfolio. Mr. Jiles stated that the risks and fees associated with the project were described in greater detail in the Bridge Loan Memorandum.

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

**RESOLVED**, to approve (i) the making of a loan in an aggregate amount not to exceed \$14,300,000 from the Corporation's reserves for a short-term loan to refinance the 437-unit Portfolio described in the Bridge Loan Memorandum and (ii) the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the financing.

The Chairperson stated that the next item of business would be the Approval to Contract for Services, and called upon Paula Roy Carethers, Executive Vice President for Real Estate for the Corporation, to make this presentation.

Ms. Carethers referred the Members to the memorandum before them entitled "Approval to Contract for Services" dated September 15, 2016 (the "Contract for Services Memorandum") which is appended to these minutes and made a part hereof.

Ms. Carethers stated that the Mayor , HPD, and HDC had been working to stem the unprecedented housing crisis facing New York City through the furthering of their existing programs and the creation of new ones such as the Mandatory Inclusionary Housing (“MIH”) program adopted by City Council in March of this year. She said that the Mandatory Inclusionary Housing program is by far the strongest and most flexible policy in the country, requiring permanently affordable housing to be built as part of new residential projects wherever a substantial increase in housing capacity is approved through land use actions.

Ms. Carethers stated that as part of the Administration’s commitment to continue to explore new strategies for providing affordable housing and job opportunity, HDC issued an RFP on June 14, 2016 calling for a legal, financial and cost/benefit analysis of two policy scenarios that would broaden the MIH program objectives.

Ms. Carethers stated that a panel of staff from the Corporation and HPD determined that the Consultant Team—made up of the firms BAE Urban Economics, Carter Ledyard & Millburn LLP, BJH Advisors LLC, and WXY Studio—proposed a quality study at a reasonable price. She said that as the Members may recall, they approved BAE in September 2014 to complete the initial MIH program feasibility study, which we believe would lend valuable understanding to this study. She said that the results of this study would inform potential adjustments to the Corporation’s efforts in meeting the goals and objectives of the Housing New York Plan.

Mr. Moerdler stated that together with the majority of the Community Boards in the City of New York he has deep reservations both from a public policy standpoint and from the standpoint of the legalities of MIH which he thinks is not in the public’s interest; nonetheless, he does believe in the study of something that, in his view, leaves a lot to be desired both as implemented and as proposed, and that he would abstain rather than vote against it.

Upon a motion duly made by Mr. Fuleihan, and seconded by Mr. Jiha, and with Mr. Moerdler abstaining, the Members of the Finance Committee:

**RESOLVED**, to approve the execution by an Authorized Officer of the Corporation of a contract with the Consultant Team that provides for the payment of fees and other expenses in an amount not expected to exceed \$200,000 from the Corporation’s unrestricted reserves.

The Chairperson stated that the next item of business would be the Approval of Amendment of Investment Guidelines, and called upon Ms. Duffy to advise the Members regarding this item.

Ms. Duffy referred the Members to the memorandum before them entitled “Approval of Amended Investment Guidelines” dated September 15, 2016 (the “Investment Guidelines Memorandum”) and the amended Investment Guidelines attached thereto, which is appended to these minutes and made a part hereof.

Ms. Duffy stated that she was pleased to recommend that the Members approve the amended Investment Guidelines attached to the Investment Guidelines Memorandum. She said

that the Corporation's Investment Guidelines were drafted to correspond with statutory authority granted to the Corporation pursuant to Article XII of the Private Housing Finance Law, as well as related sections of the Public Authorities Law and State Finance Law.

Ms. Duffy stated that there have been changes in Section V. Qualifications since the Investment Guidelines were last approved on December 2, 2015 by the Members. She said that in section V.(B) the following sentence was added, "Any custodian of Investment Instruments for the Corporation will be rated in an investment grade category of a nationally recognized rating service"; and in Section V.(C) the phrase "Credit Risk Department of the Corporation" was added to clearly state which department reviews the banks and brokers that the Corporation does business with. She added that a blacklined copy of the revised Investment Guidelines was attached to the Investment Guidelines Memorandum.

Mr. Jiha asked about the changes in the Investment Guidelines and Ms. Duffy said that the changes were intended to clarify that (i) the custodian for investment instruments of the Corporation had to be rated and (ii) the Corporation's credit risk department is the department which reviews banks and brokers doing business with HDC. She noted that the Corporation's auditors requested clarification.

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

**RESOLVED**, to approve the Amendment of Investment Guidelines.

The Chairperson stated that the next item on the agenda would be the Ratification of Declaration of Intent, and called upon Anthony R. Richardson, Senior Vice President of Development for the Corporation, to advise the Members regarding this item.

Mr. Richardson referred the Members to the memorandum before them entitled "Ratification of Declaration of Intent, Putnam Avenue Portfolio, Brooklyn" dated September 15, 2016 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof.

Mr. Richardson stated that on July 26, 2016, the Corporation sought the Members' approval for a Resolution of Declaration of Intent for a proposed rehabilitation project comprised of 12 buildings located in the Bedford-Stuyvesant section of Brooklyn to be developed by WHFA Brooklyn Restoration L.P. He said that the Corporation received such approval, by a majority of the Members, via email on August 2. He said that pursuant to the memorandum that was sent to the Members and the accompanying Resolution, the Members were being asked to ratify the adoption of the Resolution.

Mr. Richardson stated that the 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.

Ms. Notice-Scott asked who the principals were. Jason Osborne, Senior Project Manager, Asset Management, replied that the principals were John Crotty and John Fitzgerald. Mr. Moerdler noted that Mr. Crotty has a distinguished record, including in service to this agency.

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

**RESOLVED**, to ratify the adoption of the Declaration of Intent Resolution for Putnam Avenue Portfolio, Brooklyn, New York.

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

Mr. Richardson 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 referred the Members to the memorandum before them entitled "Resolution of Declaration of Intent, 1520 Story Avenue, Bronx, New York, Block 3623, Lot 1" dated September 15, 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 be the new construction of a building to contain 223 residential rental units, one community facility unit, and 127 parking spaces to be located at 1520 Story Avenue in the Bronx using approximately \$47.5 million in tax-exempt bonds. He said that the project was to be developed by a single purpose entity to be formed by a joint venture between L+M Development Group, Inc. and Nelson Management Group, Ltd.

Mr. Moerdler asked if L&M was on this deal and the Chairperson responded yes. He then said that he was compelled by the Conflicts of Interest Board to disclose that members of his firm, but not he, have acted for L&M, but that this disclosure does not disqualify him from voting.

Upon a motion duly made by Mr. Jiha, and seconded by Ms. Notice-Scott, the Members of the Finance Committee unanimously:

**RESOLVED**, to approve the Declaration of Intent Resolution for 1520 Story Avenue, Bronx, New York, Block 3623, Lot 1.

Mr. Richardson then referred the Members to the memorandum before them entitled "Resolution of Declaration of Intent, The Frederick, New York, New York, Block 1955, Lots 12, 14 and 16" dated September 15, 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 to contain 75 residential rental units and approximately 8,100 square feet of commercial space to be located on at 2395 Frederick Douglass Boulevard in the Central Harlem section of Manhattan using approximately \$21 million in tax-exempt bonds. He said that the project was to be developed by a single purpose entity to be formed by JCAL Development Group and 2395 Abram LLC.

Upon a motion duly made by Ms. Notice-Scott, and seconded by Mr. Fuleihan, the Members of the Finance Committee unanimously:

**RESOLVED**, to approve the Declaration of Intent Resolution for The Frederick, New York, New York, Block 1955, Lots 12, 14, and 16.

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. Moerdler, and seconded by Mr. Fuleihan, and with Mr. Moerdler abstaining from voting on Agenda Item 9, the Approval to Contract for Services, the Members:

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

At 2:53 p.m., there being no further business, upon a motion duly made by Mr. Moerdler, and seconded by Ms. Notice-Scott, the meeting was adjourned.

Respectfully Submitted,

Diane J. Pugacz  
Assistant Secretary



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

September 22, 2016

**ATTENDANCE LIST**

Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	“ ”
Kevin Murphy	“ ”
Alan Jaffe	Jefferies LLC
Francis Mckenna	Academy Securities
Joe Tait	Raymond James
Michael Baumrin	RBC Capital Markets
Jeff Sula	“ ”
Annie Lee	J.P. Morgan
Jeff Gertz	“ ”
Peter Weins	“ ”
Nick Flueh	Wells Fargo
Matt Tesseyman	Citigroup
Michael Barbarino	“ ”
Jose Yandun	Siebert Branford Shank
Michelle Kim	BOA Merrill Lynch
Geoff Proulx	Morgan Stanley
Susan Jun	“ ”
Greg Borys	“ ”
Joe Monitto	Barclays
Ray Adkins	Fannie Mae
Thomas P. Caine	Caine Mitter
Daniel Moritz	The Arker Companies
Simon Bacchus	“ ”
Samphas Chhea	Ramirez & Co.
David Womack	Roosevelt & Cross
Jeffrey Philp	Orrick, Herrington & Sutcliffe LLP
Paul Burton	The Bond Buyer
Cathy Bell	Stern Brothers & Co.
David Weprin	“ ”
Brenden Cheney	Politico NY
Casey Biegelsen	G.K. Baum & Co.
Seema Mohany	MG LLC
Andrew Rothbaum	“ ”
Patrick Hess	New York City Department of Housing Preservation & Development
Gary Rodney	New York City Housing Development Corporation

Eric Enderlin	“	”
Richard M. Froehlich	“	”
Paula Roy Carethers	“	”
Anthony R. Richardson	“	”
Ellen K. Duffy	“	”
Susannah Lipsyte	“	”
Diane J. Pugacz	“	”
Cathleen A. Baumann	“	”
Jonah M. Lee	“	”
Jim Quinlivan	“	”
Catherine Townsend	“	”
Mica Wilson	“	”
Michael Gaboury	“	”
Terry Gigliello	“	”
Trisha Ostergaard	“	”
Madhavi Kulkarni	“	”
Robert Schmidt	“	”
Mary Hom	“	”
Luke Schray	“	”
Mary John	“	”
Dan Schachter	“	”
Patricia Halling	“	”
Uyen Luu	“	”
Cheuk Yu	“	”
Will Martin	“	”
Leroi Jiles	“	”
Merin Urban	“	”
Christina Clarke	“	”
Jason Osborn	“	”
Catherine Foody	“	”
Amy Boyle	“	”
Zenaida Bhuiyan	“	”
Shira Gidding	“	”
Bharat Shah	“	”
Lois Bricken-McCloskey	“	”
Lindsay Kerby	“	”
Ted Piekarski	“	”
Moira Skeados	“	”
Jeet Gulati	“	”
Massandje Bamba	“	”
Micah Hunter	“	”
Horace Greene	“	”