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

November 30, 2011

The annual meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Wednesday, November 30, 2011 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 11:15 a.m. by the Chairperson, Mathew M. Wambua, who noted the presence of a quorum. The Members present were Felix Ciampa, Harry E. Gould, Jr., David M. Frankel, Mark Page, Denise Notice-Scott and Charles G. Moerdler. A list of observers is appended to these minutes.

The Chairperson called for the approval of the minutes of the meeting held on November 2, 2011.

Upon a motion duly made by Mr. Page, and seconded by Mr. Gould, 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 bid the Members and others in attendance a good morning and stated that he hoped that all had a Happy Thanksgiving with family and friends, where they ate to excess, and drank, well, not to excess.

Mr. Jahr stated that there was a full agenda for today's meeting, and he'd like to comment in advance on several of the items which staff would present to the Members. He said that in the first instance, the Corporation would be seeking the Members' approval of HDC's 2012 budget. He said that the proposed budget represents a modest 3.4% increase over the Corporation's FY2011 budget and an approximately 3.5% increase over its actual expenditures. He said that actual operating expense increases for 2008, 2009 and 2010 were approximately 3.4%, 4.8% and 7.4%, respectively, while for 2011 on an unaudited basis, we project an actual increase over 2010 actual expenses of 4.93%. He said that the proposed 2012 budget fits into the low end of that range.

Mr. Jahr stated that the most significant driver in the 2012 budget, apart from increases in salary and fringe, most notably our payment to NYCERS, is the Corporation's decision to take advantage of a soft Lower Manhattan real estate market and vacant office space on the 9th floor to expand the office and restructure our lease, which otherwise would have expired in 2015, for an additional 10 years through approximately 2022. He said that HDC's Treasurer, Cathy

Baumann, would discuss this matter more thoroughly in her report on the budget, but this decision was driven by the growth and anticipated growth of HDC's staff.

Mr. Jahr stated that when HDC first occupied this space in 1999, it had a staff of 113. He said that the current headcount was 169 not including IT consultants, interns, and high school work study students. He said that in 2012, the Corporation anticipates making one new hire, an engineer, in the Asset Management department. He said that this 50% increase in staff from 1999 had finally outstripped the Corporation's ability to creatively reconfigure its space. He said that attractive market conditions had prompted HDC to bite the bullet and expand into an ideally situated vacant space on the 9th floor.

Mr. Jahr stated that looping back to the budget, if the leasehold improvements and furniture lines were held constant from the 2011 budget, where they amounted to $94,000, to the 2012 budget, where, because of the rental of additional space, they're projected to be $663,000, the 2012 budget would be around 1.1% higher than the 2011 budget, despite the increases he mentioned in the other areas.

Mr. Jahr stated that the Corporation was exerting this level of discipline over the budget because savings in this area help ensure that HDC could continue to help fund the subsidy needs of the Mayor's New Housing Marketplace plan. He said that since 2007, with net revenues on an annual basis never dipping below $50 million and projected to be $55.7 million in Fiscal Year 2011, HDC has committed from its corporate reserves over $750 million in below interest rate subordinate debt to subsidize the affordable housing it finances, many times in concert with HPD. He said that in this past fiscal year, the Corporation provided over $112 million in subsidy, while in the calendar year subsidies would amount to approximately $122 million. He said that in part, this will reflect the full pipeline of developments HDC anticipates closing in December.

Mr. Jahr stated that after his remarks, the Members would be asked to consider a resolution that would enable the Corporation to finance 18 developments containing 2,573 apartments. He said that this complex tapestry of bond issuance would help finance the preservation of slightly over 2,000 units (2,003) in existing buildings, and support the new construction of 570 apartments in 5 developments. He said that in the aggregate, these developments would require slightly over $313 million in HDC senior debt, and $37 million in subsidy. He said that total development costs for these projects would exceed $607 million, creating jobs and promoting economic activity across the City. He said that for the calendar year 2011, they would bring our total unit count to 11,849 in 44 developments and lending activity to roughly $912 million, close to our high water mark in 2005 when the market was roaring and we financed 49 developments containing slightly over 12,130 apartments. He said that when the ball comes down at Times Square at midnight of this coming December 31—amazingly it's only a month away— it would close out a remarkable year made possible by the Members, the support of the State of New York, and the terrific collaboration between HDC and HPD staff.

Mr. Jahr stated that later in the board meeting, Richard M. Froehlich, Chief Operating Officer, Executive Vice President and General Counsel for the Corporation, would describe to the Members a Request for Proposals for Underwriters the Corporation intends to issue in

December. He said that the last RFP was issued in 2008 in the midst of the financial collapse. He said that three years had elapsed since that time and the financial landscape had shifted and, to some extent, resettled. He said that for that reason, the Corporation concluded it made sense to issue a new RFP, and enter into another round of discussions with investment banks that would enable HDC to refresh its list of underwriters.

Mr. Jahr stated that Ellen Duffy, HDC's Senior Vice President for Debt Issuance and Finance, would also report to the Members on a Request for Qualifications the Corporation anticipates issuing for an interest rate hedge advisor and a pricing advisor for direct purchases of unrated bonds by qualified financial institutions. He said that over the past year, HDC has sought to take advantage of the exceptionally low interest rate environment by converting certain unhedged Open Resolution variable rate debt to fixed rate debt, reducing the percentage of that uncapped debt in the Open from 10.3% ($393.865MM) on December 31, 2010 to 7.3% ($289,950MM) as of October 31, 2011, and mitigating its interest rate risk. He said that the Corporation was considering but not committed to reducing the amount of this uncapped debt to slightly under 5%. He said that the advisor would assist the Corporation in evaluating the relative merits of various options available to it in this arena. Mr. Jahr stated that in a similar vein, the pricing advisor would aid the Corporation in determining the optimum pricing for unrated bonds issued by the Corporation and available for direct purchase by qualified financial institutions. He said that in September of this year, Governor Cuomo signed legislation that permits HDC as well as the New York State Housing Finance Agency to issue unrated bonds for direct purchase. He said that presently, the Corporation was preparing term sheets that might govern this activity he said that the advisor would provide the Corporation with market intelligence that can ensure that if it chooses to undertake this form of issuance, it would be done in the most efficient manner.

Finally, Mr. Jahr stated, on a somber note, the Members may be aware that S&P downgraded most of the Corporation's bank counterparties yesterday. He said that staff would review this matter with the goal of minimizing any negative impact to the Corporation. He said that although unneeded, it was another reminder of how volatile and challenging the markets continue to be. He said that he was pleased, however, to report that the ratings for HDC, the Open Resolution and REMIC were all AA and remained stable.

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.

Ms. Notice-Scott asked whether there has ever been a report on the number of jobs created by the developments or generated through the activities of the Corporation. Mr. Jahr stated that the Corporation has never gone back to run these numbers through some accepted kind of model to generate aggregate numbers. He said that over the last year or two, in fact, deal by deal the Corporation has been attempting to do that using the model that the New York City Economic Development Corporation uses. He said that if the Members would like to see these numbers which we think have been created based on this model, and these models always have their flaws, we're certainly willing to share them with you. He said that he thinks that the amount of job generation and economic activity generated by the Corporation's activities is fairly substantial, particularly relative to what's going on in the rest of the City's economy at this

time. The Chairperson stated that on HPD's side in the aggregate clearly HPD's numbers are inclusive of HDC's numbers and they estimate that to date there have been approximately 125,000 construction jobs that have been created, a significant infusion into the economy. Mr. Jahr stated he believed that approximately one half of the building permits issued in the City over the last year or so had been for projects financed under the Mayor's housing plan. The Commissioner said that the statistic he found most telling of just how important the housing development that this administration has been engaged in is to the economy is that at the inception of the plan all the way through 2008 the housing permits that were attributable to the plan were roughly 20% of all the housing permits for new construction. He said that from 2008 to present, subsequent to the financial meltdown, that number is about 50% which in essence shows the extent to which the Mayor's affordable housing plan has created construction jobs in connection with multi-family developments. Mr. Moerdler said that the flip side to that coin is that it's a sad reflection on the private sector that it is either unwilling or unable to lift the economic climate by moving forward without public subsidy.

The Chairperson stated that the next item on the agenda for approval by the Members would be the approval of the fiscal year 2012 operating budget. He called upon Cathleen Baumann, Treasurer for the Corporation, to advise the Members regarding this item.

Ms. Baumann referred the Members to the memorandum before them entitled "Proposed FY 2012 Budget" dated November 18, 2011 (the "Budget Memorandum"), which is appended to these minutes and made a part hereof, and stated that she was pleased to present the Corporation's proposed Fiscal Year 2012 operating budget.

Ms. Baumann stated that the Corporation experienced another year of substantial growth, despite the financial crisis and market turbulences over the past few years, and tentative economic recovery. She stated that in the last fiscal year, HDC issued almost $685 Million in bonds, while continuing to maintain the Corporation's strong AA credit rating. She said that this brings the bonds outstanding to over $8.48 Billion, more than double the $3.3 Billion from fiscal year-ending 2003, when the Mayor's Housing Plan was announced.

Ms. Baumann stated that HDC closed fiscal year 2011 with approximately $11.7 Billion in assets, which represents a 4.6% growth from the previous year. She said that this is also more than double the $4.65 Billion from fiscal year-ending 2003.

Ms. Baumann stated that while the Corporation continues to grow, it also continues to pay close attention to managing costs, with assets per employee around $69.2 Million in FY 2011, up from $39.4 Million in 2003. She said that the increased efficiency stems from the Corporation's long term plan to invest in its employees, physical plant, and information systems. She said that the Corporation's budget for 2012 reflects the continuation of this effort. She said that HDC's projected revenue stream remains strong, as does the future pipeline of housing production overall.

Ms. Baumann stated that the Corporation is curtailing costs where possible, balancing expenses while maintaining efficiencies. She said that an important challenge for the Corporation is to ensure that its growth in assets, projects under supervision, and transactions undertaken does not outstrip its capacity to manage them.

Ms. Baumann stated that the Corporation's dedicated and hardworking staff remains the foundation of its success. She said that careful attention would continue to be paid to ensure that hiring meets the strategic needs of the Corporation for today, and for the future.

Ms. Baumann stated that during the last few years, the Corporation had increased the budget relating to staff expenditures based on targeted hiring to reinforce core functions and to increase efficiencies, which has been reflected in its financial results. She said that they have also remained focused on ensuring that its employees have the tools they need to accomplish their work. She said that with this in mind, the FY 2012 budget also includes investments in technology. She said that although the total IT maintenance budget would actually decrease by over 18% this year, due to the elimination of final payments on new softwares introduced last year, as well as an ongoing effort to consolidate maintenance costs, the Corporation is still investing $360,000 in new technology to support its employees. She said that the staff believes these new investments will continue to improve efficiencies, productivity, and reporting throughout the Corporation.

Ms. Baumann stated that additionally, this past June the Corporation took advantage of a soft rental market and took over some additional space on the 9th floor, recently vacated by a tenant, while also renegotiating its office space lease on favorable terms. She said that the new lease, covering both the newly acquired space and the current space on the 9th and 10th floors, will run for 10 years and 10 months after possession of the new space, expected to occur in early 2012. She said that the new lease allows for 10 months of free rent on the new space, and then $16,400 per month thereafter. However, it also reduces the rent on the current space by $3,000 per month for almost the next 6 years, for a net increase of $13,000 per month for the next 6 years. She said that if the old lease on the current space was extended at its old terms, it would have cost the Corporation more than the agreed upon terms of the new lease. She said that other advantages to the Corporation from renegotiating the lease are described in the Budget Memorandum.

Ms. Baumann stated that the new space would provide seating for at least 31 people, with 12 offices and 19 cubicles, as well as a conference room. She said that in addition to taking advantage of a soft real estate market, the Corporation has also addressed an ongoing challenge of seating spaces for a growing organization. She said that although efforts have been made over the years to create additional seating in its current office space, full capacity has been reached, if not exceeded, and physical expansion, which at one point seemed inevitable, had now become a necessity. Therefore, she said, the 9th floor tenant vacancy, coupled with the state of the commercial real estate market, presented the Corporation with a compelling opportunity to address the Corporation's space needs into the distant future. Ms. Baumann stated that in total, the fiscal year 2012 budget represents an increase of 3.42% from last year's budget, and said that as Mr. Jahr had stated, if not for the improvements associated with building out the new space, the 2012 budget would increase only 1.1% from the 2011 budget.

And now back to 2011, she said, where the Corporation ended the fiscal year with an excess of revenues over expenses, on a cash basis, of $55.78 Million, an increase of almost $2.25 Million over the budgeted amount of $53.53 Million. She said that this improvement was largely

due to better-than-expected performance in the Open Resolution surplus, income on corporate owned loans, and higher servicing fees. She said that sustaining this strong bottom line was necessary if the Corporation were to continue to provide critically needed subsidies to the affordable housing developments we finance. She said that as the Members could see from page 2 of the Budget Memorandum, the excess revenues over the years, combined with securitizations, has allowed the Corporation to pump $783 Million of corporate reserves into the Mayor's Housing Plan in just the past 5 years alone, with an additional $84 Million forecasted for FY 2012. She said that as Mr. Jahr just stated, in FY 2011, during these challenging times, HDC committed over $112 Million in subsidies towards the Mayor's housing plan, and funded over $143 Million.

Ms. Baumann stated that the Corporation's financial outlook for FY 2012 remains cautiously optimistic. She said that even though the proposed FY 2012 development demand pipeline appears strong, with unabated interest in the Corporation's programs, the effects of the market turbulence over the past few years resonate. She said that while the Corporation has stood up to the challenges encountered thus far, its budget reflects a conservative expectation of future income, balanced against the needs of a strong and growing organization.

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

RESOLVED, to approve the Fiscal Year 2012 Operating Budget.

The Chairperson stated that pursuant to the Public Authorities Accountability Act, and for the 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 for consideration by the Members would be the approval of an Authorizing Resolution relating to (i) the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2011 Series J-1, J-2, K and L; and (ii) amendments of the Supplemental Resolutions relating to the Corporation's Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series 1 and NIBP Series 2, and (iii) an amendment to the Authorizing Resolution for the Supplemental Resolutions relating to Multi-Family Housing Revenue Bonds, 2011 Series G and H. He called upon Simon Bacchus, Senior Vice President for Development of the Corporation, to advise the Members regarding this item.

Mr. Bacchus referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2011 Series J-1, J-2, K and L; Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), 2009 Series 1-5 and 2-5; Amendment to the Authorizing Resolution relating to Multi-Family Housing Revenue Bonds, 2011 Series G and H" dated November 21, 2011 (the "Open Resolution Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the One Hundred Fifty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series J-1, the One Hundred Fifty-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series J-2, the One Hundred Fifty-Eighth Supplemental

Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series K, the One Hundred Fifty-Ninth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series L, the Fifth Supplement to the One Hundred Twenty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series 1 and the Fifth Supplement to the One Hundred Twenty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series 2 and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the One Hundred Fifty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series J-1, the One Hundred Fifty-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series J-2, the One Hundred Fifty-Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series K, the One Hundred Fifty-Ninth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series L, the Fifth Supplement to the One Hundred Twenty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series 1, and the Fifth Supplement to the One Hundred Twenty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series 2 (each, a "Supplemental Resolution" and collectively, the "Supplemental Resolutions") (iii) the Amendment to the Resolution Authorizing Adoption of the One Hundred Forty-Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series D, the One Hundred Forty-Ninth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series E, the One Hundred Fiftieth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series F-1, the One Hundred Fifty-First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series F-2, the One Hundred Fifty-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series F-3, the One Hundred Fifty-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series G, the One Hundred Fifty-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2011 Series H, the Fourth Supplement to the One Hundred Twenty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series 1 and the Fourth Supplement to the One Hundred Twenty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series 2 and Certain Other Matters in Connection Therewith; (the "Amendment to Authorizing Resolution"); (iv) the Bond Purchase Agreements; and (v) the Preliminary Official Statement relating to the 2011 Bonds and the Supplements to Official Statements relating to the NIBP 2009 Series 1-5 Bonds and the NIBP 2009 Series 2-5 Bonds (each, an "Official Statement" and collectively, the "Official Statements"), all of which are appended to these minutes and made a part hereof.

Mr. Bacchus stated that he was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2011 Series J-1, 2011 Series J-2, 2011 Series K, and 2011 Series L Bonds in an amount not to exceed $382,000,000 and an amendment to the Authorizing Resolution for the 153rd and 154th Supplemental Resolutions relating to the Corporation's 2011 Series G and 2011 Series H Bonds to increase the

authorized issuance to an amount not to exceed $516,000,000. (The 2011 Series J-1, 2011 Series J-2, 2011 Series K, 2011 Series L, 2011 Series G and 2011 Series H Bonds are collectively referred to as the "2011 Bonds".) Additionally, he said that the Members were requested to approve the fifth, and what is expected to be final, release under the Federal New Issue Bond Program or NIBP of the Corporation's Multi-Family Housing Revenue Bonds, 2009 Series 1-5 and 2009 Series 2-5. (The 2009 Series 1-5 and 2009 Series 2-5 Bonds are collectively referred to as the "2009 Bonds".) He said that these Treasury Bonds were issued in December 2009 pursuant to the New Issue Bond Program. He said that the Corporation expects to release the remaining $233,000,000 of the Corporation's allocation of NIBP Bonds. He said that this amount represents the balance of the full $500,000,000 reservation the Corporation made under NIBP in December of 2009.

Mr. Bacchus stated that the 2011 Series G Bonds, 2011 Series H Bonds and 2011 Series J-1 Bonds were expected to be issued on a fixed-rate basis. He said that the 2011 Series J-2 Bonds were expected to be issued as variable rate demand obligations. He said that liquidity for the 2011 Series J-2 Bonds would be provided by JPMorgan Chase Bank, N.A. pursuant to a stand-by bond purchase agreement. He said that the 2011 Series G, H and J-1 Bonds were expected to use both new volume cap and recycled volume cap and the 2011 Series J-2 Bonds would use only new volume cap. Mr. Bacchus stated that the Supplemental Resolutions relating to the 2011 Series J-1, J-2, K and L Bonds constitute the 156th through 159th Supplemental Resolutions approved under the Corporation's Multi-Family Housing Revenue Bonds Bond Resolution originally adopted by the Members in 1993.

Mr. Bacchus stated that in June of 2011, the Corporation entered into a forward bond purchase agreement with Citibank by which Citibank agreed to purchase a portion of the 2011 Series G Bonds and 2011 Series H Bonds to be issued in December of 2011. Mr. Bacchus stated that the Members were being asked to approve amendments to the authorizing resolutions for the 153rd and 154th Supplemental Resolutions relating to the 2011 Series G and H Bonds to increase the authorized issuance amount to $380,000,000 and $136,000,000 respectively and allow additional projects to be financed with 2011 Series G and H Bonds. He said that a portion of the 2011 Series G and H Bonds would be the Citibank Forward Bonds. He said that the additional portion would be used in conjunction with the proceeds of the 2009 Series 1-5 and 2-5 Bonds to finance additional 2011 Series G and H projects.

Mr. Bacchus stated that the Corporation intends to use the 2011 Series G, H, J-1 and J-2 Bonds to finance the new construction, or acquisition and rehabilitation, of 18 developments located in the Bronx, Manhattan, Queens and Brooklyn containing over 2,500 units of housing. Mr. Bacchus stated that five of the Developments would also receive low interest subordinate financing from the Corporation and it's expected that up to $37,000,000 of corporate reserves would be used to finance the five subordinate loans ("Subordinate Loans"). Mr. Bacchus stated that additionally, this issuance would provide financing for seven developments that had been previously financed by the Corporation. He said that these developments have either received taxable financing which would now convert to tax exempt or in the case of one development would be receiving additional tax exempt financing as a previously planned second phase of funding.

Mr. Bacchus stated that the Members were requested to approve the establishment and ongoing funding of a reserve for mortgage loans insured by the Federal Housing Administration through the Housing Finance Agency or HFA Risk Share Program. Mr. Bacchus stated that the HFA Risk Share program was established to provide mortgage insurance through FHA for loans made by qualified housing finance agencies. He said that on November 11, 2011, the Corporation and HUD entered into an Amended and Restated Risk Share Agreement. Mr. Bacchus stated that the Corporation uses a variety of permanent credit enhancement products in the Open Resolution and staff believes that the addition of the HFA Risk Sharing would be an important tool for providing options for the Corporation's core lending programs. He said that as mentioned in the last Members' meeting, the Corporation needs to monitor its use of the State of New York Mortgage Agency's ("SONYMA's") mortgage insurance product because of concerns raised by Standard and Poor's Ratings Services ("S&P"), and the use of HFA Risk Sharing would help address these issues. Mr. Bacchus stated that it was the Corporation's intention to close on three projects to be financed through the December Open Resolution issuance that would receive a percentage of FHA insurance through the HFA Risk Share program at the permanent financing phase. Mr. Bacchus stated that although not required under the program, the Corporation's staff believes that it is prudent to establish a Risk Share Reserve for mortgage loans insured under HFA Risk Share Program. He said that the Risk Share Reserve would be capitalized in an amount equal to 20% of the insured amounts that the Corporation is responsible for under the HFA Risk Share program. He said that this Reserve would resemble the Premium Reserve Fund established for the Corporation's REMIC Insurance Fund.

Mr. Bacchus stated that finally, the Members were additionally requested to approve the making of co-first position mortgage loans in an amount not to exceed $5,000,000 from the Corporation's unrestricted reserves to finance a portion of the rehabilitation and preservation of two developments. Mr. Bacchus stated that the risks and fees associated with 2009 and 2011 Bonds were outlined in the Open Resolution Memorandum and that it was expected that the Bonds would be rated AA by S&P and Aa2 by Moody's.

Mr. Moerdler stated that he was required by the Conflicts of Interest Board ("COIB") to disclose that members of his firm, but not he, represent from time to time Goldman, Wells Fargo and JP Morgan; however in the opinion of the COIB, that does not disqualify him from voting on this item.

Next Mr. Moerdler asked to what extent, if any, does the Corporation send the local community boards information that requests are being made respecting properties within the community board district, and on the flip side of that question, shouldn't we? Mr. Jahr stated that as a general rule, the Corporation wants community boards to be informed about developments that HDC is financing and for them to be provided with timely notice of that fact. He said that with any project there's a TEFRA notice published, and it's a public notice. Mr. Jahr stated that there are particular instances he knows of, such as in the Bronx, where the Corporation has been contacted by residents of the community about a particular project, and the residents were invited to come in and meet with representatives of the Corporation, and that HDC has stayed in touch with them subsequent to these meetings. He said that there was no formal requirement that HDC contact community boards directly unless the project is going through either ULURP or UDAP, and then it's subject to all the normal disclosures and

requirements that the City has injected. Mr. Moerdler stated that he had no disagreement with what Mr. Jahr had just said, but he was asking that thought be given to providing a routine notification prior to one of these matters coming before this board, so that the local community knows it's coming before the board and does not feel like it's being blindsided. He said that that may not have merit as a suggestion, but he would like the Corporation to take a look at it and consider it, and if it does let him know.

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

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

RESOLVED, to approve (A) the Authorizing Resolution that provides for (i) the adoption of Supplemental Resolutions to the Open Resolution providing for the issuance of the 2011 Series J-1 Bonds, 2011 Series J-2 Bonds, 2011 Series K Bonds, and 2011 Series L Bonds; (ii) the adoption of the two Fifth Supplements to amend the Supplemental Resolutions to the Open Resolution providing for the release of the 2009 NIBP Bonds; (iii) the distribution of Preliminary and final Official Statements for the 2011 Bonds; (iv) the refunding of certain outstanding bonds of the Corporation; (v) the execution of bond purchase agreement(s) with the Underwriter(s) of the 2011 Series J-1 Bonds, 2011 Series J-2 Bonds, 2011 Series K Bonds, and 2011 Series L Bonds or a direct purchaser of any or all of the 2011 Series J-1 Bonds, 2011 Series J-2 Bonds, 2011 Series K Bonds, and 2011 Series L Bonds and the execution of a Release Certificate by the Corporation for the 2009 Series 1-5 and 2009 Series 2-5 Bonds; (vi) the use of the Corporation's unrestricted reserves to fund capitalized interest and mortgage reserves for 2009 NIBP Bonds and 2011 Bonds, as may be required, and to pay all costs associated with the release from escrow of the proceeds of the 2009 Series 1-5 and the 2009 Series 2-5 Bonds; (vii) 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 2009 NIBP Bonds and 2011 Bonds and to pledge for the benefit of the 2009 Series 1-5 Bonds and the 2009 Series 2-5 Bonds; (viii) the execution by the President or any Authorized Officer of the Corporation of a commitment to release additional bond proceeds under NIBP; (ix) the Amendment to Authorizing Resolution for the Supplemental Resolutions relating to the 2011 Series G Bonds and 2011 Series H Bonds; (x) the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to issue the 2011 Bonds, to make the mortgage loans relating to the 2009 NIBP Bonds and 2011 Bonds and to participate in the Federal New Issue Bond Program, including the execution of one or more Release Certificates for the 2009 Series 1-5 and 2009 Series 2-5 Bonds and any Participation Agreements among the Corporation, the trustee under the Open Resolution and the trustee under the NIBP Supplemental Resolution(s), (xi) the execution of amendments to the existing Participation Agreement with the City relating to the MLRP and existing Purchase and Sale Agreements with the City relating to MLRP, and (xii) the execution of a standby bond purchase agreement with JP Morgan Chase Bank, N.A. with respect to the 2011 Series J-2 Bonds; (B) the making of Subordinate Loans for certain of the developments to be financed with the proceeds of the 2011 Bonds in an amount not expected to exceed $37,050,000 to be funded by using the Corporation's unrestricted reserves and the execution by an Authorized Officer of the Corporation of mortgage related documents

and any other documents necessary to accomplish each subordinate financing; (C) the making of co-first position mortgage loans in an amount not to exceed $5,000,000 from the Corporation's unrestricted reserves to finance a portion of the rehabilitation and preservation of two 2011 Series H developments and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the financing; and (D) the establishment of a Risk Share Reserve to be funded from the Corporation's unrestricted reserves; the Risk Share Reserve will be capitalized in an amount equal to 20% of the insured amounts that the Corporation is responsible for under the HFA Risk Share program.

The Chairman stated that the next item on the agenda would be the approval of the Corporation's Investment Guidelines. He called upon Mr. Froehlich to advise the Members regarding this item.

Mr. Froehlich referred the Members to the memorandum before them entitled "Approval of Investment Guidelines" dated November 21, 2011 (the "Investment Guidelines Memorandum") and the Investment Guidelines attached thereto, which are appended to these minutes and made a part hereof. He stated that he was pleased to recommend that the Members approve the Investment Guidelines attached to the Investment Guidelines Memorandum. He said that the Corporation's Investment Guidelines are 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. He noted that there were no changes from the guidelines approved last year. He said that pursuant to the Public Authorities Law the Members must annually approve the Investment Guidelines even if there are no changes.

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

RESOLVED, to approve the Investment Guideline attached to the Investment Guidelines Memorandum.

The Chairperson stated that the next item of business would be the Request for Proposals for Underwriters. He called upon Mr. Froehlich to advise the Members regarding this item.

Mr. Froehlich referred the Members to the memorandum before them entitled "Request for Proposals for Underwriters dated November 21, 2011 (the "RFP Memorandum"), which is appended to these minutes and made a part hereof. He said that it had been almost four years since the Corporation had undertaken a Request for Proposal ("RFP") process to select an investment banking group to underwrite future HDC bond issues. He said that in light of recent changes in the market, the staff of the Corporation would like to begin this process of reviewing underwriters for future financings of the Corporation with a goal of making recommendations to the Members for their action in late winter or early spring. Mr. Froehlich stated that HDC expects to issue the RFP in December. He said that a review committee, comprised of senior staff members of the Corporation, would conduct an evaluation of the responses to the RFP and would prepare a report and recommendations for the Members.

Mr. Froehlich stated that the RFP process was designed to evaluate the capacity of investment bankers to assist with the variety of financial transactions undertaken by the Corporation and to enable the Corporation to consider the particular skills and contributions of investment bankers for each future transaction. He said that staff would be particularly interested in assurances that the Corporation would enjoy the continuity of service essential for the professional management of its programs. He said that the RFP was not intended to cover the selection of underwriters with respect to any bond issuances of the Corporation which are currently in progress.

Mr. Froehlich stated that the Corporation intends to transmit the RFP to firms active in the housing field, including minority- and women-owned firms, and firms that are or have previously expressed an interest in serving the Corporation. He said that the Corporation intends to advertise the availability of the RFP in The Bond Buyer and to transmit the RFP to any firm that responded to the Corporation subsequent to the last RFP and requested to be included in any future RFP process. He noted that the review criteria were described in the RFP Memorandum, and stated that this item does not presently require any specific board action.

Mr. Moerdler stated that there was a difference between forwarding a copy of the RFP to minority businesses and the like, as compared with the State's Minority- and Women-Owned Business Enterprises ("MWBE") program, which has specific guidelines. He said that it seems to him that the Corporation should give very serious thought to adopting and implementing MWBE within its guidelines as a specific and incorporative part. Mr. Froehlich stated that the Corporation's practice has been to be consistent with the City process and not specifically with the State process, but that HDC would review Mr. Moerdler's suggestion with the City and with Mr. Page's staff. Mr. Moerdler stated that as a State designee, he makes the point that by State directive of the Governor, MWBE is a mandate, and if he recalls his constitutional law, the State trumps the City, with respect. Mr. Jahr stated that HDC staff would review the States policy and have a discussion with OMB and certainly get back to Mr. Moerdler with where the Corporation stands. Mr. Jahr stated that obviously, we want to actively involve minority business enterprises in our business and we don't intend to passively sit back and simply issue a notice of the RFP. Mr. Moredler stated that he just wanted to start the process of getting action across the State.

Mr. Frankel referred to Mr. Froehlich's statement that the Corporation will be particularly interested in assurances that it would enjoy continuity of service essential for the professional management of its programs, and asked how this could be done. Mr. Froehlich said that a major way would be to examine the investment bank's commitment in the housing field in particular, because the housing field is such a distinct sub-division of the overall municipal finance practice, and that HDC has specific questions relating to that commitment. He said that the more research that is dedicated to the housing area the stronger the rationale is for HDC deciding whether we can hope for that continuity. He said that HDC would not be requiring people to say that they will stay in this business but would look at what they've done and how they've faired, and what their goals are vis-à-vis the housing field. Mr. Froehlich stated that one of the things we are interested in is the extent of Community Reinvestment Act ("CRA") involvement as an indicator of continued interest in staying in the housing field. He said that it's questions like that that we are going to be asking and we will look for their response. Mr. Frankel queried about those that haven't shown that commitment in the past. Mr. Froehlich stated that for the level of being a

senior banker for HDC we expect to see that commitment, and if someone hasn't shown it in the past he thinks it is a very high threshold. He said that was not to say that they couldn't be part of the team and if they were to change and commit to that in the future we would take that into consideration for future assignments. Mr. Jahr said he thought that there was greater consistency across underwriters now in the wake of the crisis when it comes to the applicability of CRA. In other words, he said, subsequent to the collapse, Goldman Sachs and Morgan Stanley obtained status as banks or bank holding companies and that wasn't the case before. He said that as investment banks they were outside the purview of CRA, or subject to different tests. Mr. Jahr stated that now he thought that they were subject to the same tests as JPMorgan, Citibank, or Bank of America would be. He said that it was a leveler playing field in one sense when it comes to evaluating what their current commitments are in this area.

The Chairperson stated that the next item on the agenda would be the Request for Proposals for Advisory Services. He 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 "Request for Qualifications for Advisory Services" dated November 21, 2011 (the "RFQ Memorandum"), which is appended to these minutes and made a part hereof.

Ms. Duffy stated that the staff of the Corporation would prepare a Request for Qualifications ("RFQ") to select an interest rate hedge advisor and a pricing advisor for directly placed bond issues. She said that one or more firms may be selected to provide either one or both forms of advice. She said that the selection of advisory firms reflects trends in the current market where interest rates are expected to rise, as well as an increased number of investors with an interest in purchasing bonds directly from HDC at favorable pricing.

Ms. Duffy stated that the Corporation expects to issue the RFQ in December, and intends to transmit the Request for Qualifications ("RFQ") to firms, including minority- and women-owned firms that are active in the housing finance field or have previously expressed an interest in serving the Corporation. She said that a review committee, comprised of senior staff members of the Corporation, would conduct an evaluation of the responses to the RFQ and would prepare a report and recommendations for the Members by March 2012. She said that the RFQ Memorandum outlines the process which would be followed by the review committee in conducting the evaluations and making its recommendations to the Members.

Ms. Duffy stated that the RFQ process would provide a framework that would enable the Corporation to assess the particular skills and contributions of advisory firms for certain future transactions, while assuring that the Corporation continues to enjoy the continuity of service essential to the professional management of its programs. She said that the RFQ is not intended to cover any financings of the Corporation which are currently in progress.

Mr. Moerdler stated that in the interests of brevity, he would repeat his previous comments concerning MWBE.

The Chairperson stated that we would now move on to Other Business, still within the confines of the Finance Committee. He said that the Members would consider the approval of an amendment to the West 26th Street Authorizing Resolution, and called upon Mr. Froehlich to advise the Members regarding this item.

Mr. Froehlich referred the Members to the memorandum before them entitled "Amendment to the Authorizing Resolution for the Multi-Family Mortgage Revenue Bonds (West 26th Street Development), 2011 Series A and 2012 Series A" dated November 30, 2011 and the attachments thereto, including the previous Memorandum to the Members dated September 16, 2011 and the Amendment to the Resolution Authorizing Adoption of the Multi-Family Mortgage Revenue Bonds (West 26th Street Development) Bond Resolution, the First Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (West 26th Street Development), 2012 Series A and Certain Other Matters in Connection Therewith, all of which are appended to these minutes and made a part hereof.

Mr. Froehlich stated that at the September 2011 board meeting the Members approved an Authorizing Resolution relating to the issuance of the Corporation's Multi-Family Mortgage Revenue Bonds (West 26th Street Development), 2011 Series A and 2012 Series A, and noted that both the previous memorandum and the Amendment to the Authorizing Resolution were in the packages before the Members. He said that the original plan was to issue the bonds for this project in two installments, and that the initial series of bonds was issued on October 19, 2011. He said that due to the availability of additional private activity volume cap in an amount expected to be less than $10 million, HDC staff would like to recommend that the Members approve an amendment of such Authorizing Resolution to permit more than one additional issuance of bonds. He said that such additional issuance is expected to occur before the end of 2011. He said that the other terms relating to such issuance would continue as approved previously by the Members.

Mr. Froehlich stated that the Members were requested to approve an amendment to the Authorizing Resolution that provides for the issuance of the bonds, and to authorize the other activities listed therein.

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

RESOLVED, to approve (i) the Amendment to the Resolution Authorizing Adoption of the Multi-Family Mortgage Revenue Bonds (West 26th Street Development) Bond Resolution, the First Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (West 26th Street Development), 2012 Series A and Certain Other Matters in Connection Therewith to permit more than one additional issuance of Bonds in one or more series or subseries and (ii) the execution by the President or any Authorized Officers of the Corporation of any and all documents necessary to effect such changes.

The Chairperson stated that the Corporation would move on to Mr. Jahr's presentation of an update regarding the Tax Credit Guaranty relating to the New York City Housing Authority ("NYCHA") federalization project.

Mr. Jahr stated that he would like to provide an update to the Members regarding an action approved at the April 2010 board meeting. He said that at that meeting the Members approved the Corporation entering into a forward loan commitment regarding the low income housing tax credit investment in the NYCHA federalization transaction. He said that the loan commitment was an innovative approach for the Corporation to provide a guaranty of the tax credit yield to the investor in the credits from the NYCHA transaction because of limitations in the Corporation's statutory authority at that time. He said that unfortunately, this approach was cumbersome and proved to be problematic for the tax credit investor.

Mr. Jahr stated that in June 2011, the legislature passed a bill proposed by the Corporation that amended the Corporation's enabling statute to allow the Corporation most of the powers granted to our inactive subsidiary the Housing New York Corporation. He said that the provisions of Private Housing Finance Law section 654, subsection 23-h includes the authority to provide guaranties to assist in the preservation of dwelling accommodations in New York City. He said that as such, the Corporation would be entering into an agreement to provide a guaranty rather than the forward loan commitment previously approved by the Members.

Mr. Jahr stated that the original authorization contemplated that the Corporation would be receiving approximately $21.5 million for such commitment. He said that due to significant reductions in the yield on tax credit investments, the maximum that HDC could receive is expected to be $20 million. He said that it was expected that the Corporation would enter into such guaranty before the end of the calendar year. He said that as previously explained to the Members the fee proceeds from such guaranty would be used to finance affordable housing units through its existing programs and to pay related costs of the transaction.

Mr. Jahr stated that since the project entered construction, he has met regularly with HDC engineering, asset management, and loan servicing staff who are actively, and at times aggressively, monitoring the NYCHA federalization project. He said that he was pleased to report that construction is proceeding on budget and in a timely manner, further strengthening the Corporation's confidence that the guaranty strikes an appropriate balance between the risks and rewards of the undertaking.

Mr. Moerdler questioned if this was with Citibank, and then disclosed for the record that Members of his firm, excluding himself, had done work for Citibank in the past. He then said that he would like to make two statements. First he said that he did not like these guaranties and that he didn't like them then and in the future he would vote against all of them. He said that he did not think that it was what the Corporation should be doing and that he compliments management, particularly Mr. Froehlich and Mr. Jahr for having taken great pains in trying to bring this within the ambit of absolute legality and for being mindful of that. He said that it just bothers him, and that it is something that we ought not to be doing in his view. He said that the second part is more troublesome. He said that the record should note that the housing authority with which this is involved, has done an absolutely miserable job, particularly in connection with the Marble Hill project, which was one of the projects that was specifically on that list and as to which he specifically questioned the Chairman of the housing authority when this first came up.

He said he got five promises but the people in Marble Hill continue to suffer and that he wants the record to note that he is really ticked off.

Mr. Jahr stated that we all recognized Mr. Moerdler's discomfort with this transaction and that we would still continue to have a discussion with him about it. He said that he would like to sit back down with him and go back over the transaction because he thinks it's an important one for the Corporation, and that we have undertaken this because of the fact that these guaranties have basically disappeared from the marketplace and so we're trying to fill a gap in the market. With respect to Marble Hill specifically, he said, he knows that across NYCHA housing projects we will find tenants who are very unhappy with conditions. He said that the rehabilitation scope of work of the NYCHA federalization project isn't designed to address conditions within apartments; unfortunately it does not generate sufficient capital to do that. He said that what this project undertaking has done is to help to correct structurally associated issues with the development, such as re-pointing of the façade, putting on new roofing, and upgrading the boiler systems, improvements that we think are going to make sounder projects going forward and more efficient projects from an energy standpoint. He said that there remain unfunded capital needs which the NYCHA federalization project was never designed to address. Mr. Jahr said that he heard Mr. Moerdler's comment and he was certain that NYCHA heard it, as well.

Mr. Moerdler stated that he certainly understands Mr. Jahr's comments and that he was entirely correct, but having gone over to the Marble Hill project in his role as a community board member in that area, this falls short on even the pointing and brick work and roof work and elevators. He said that they have done a lousy job. Mr. Jahr stated that he would like to discuss that further with Mr. Moerdler.

Mr. Frankel stated that it may be fair to point out that the Chairman of NYCHA has been down in Washington in an effort to secure funding, or rather he has been successful in losing less funding than had been anticipated.

The Chairperson stated that perhaps Mr. Moerdler should enumerate the specific issues at Marble Hill which were troublesome and causing very justifiable anxieties for the tenants and which do fall within the scope of work of the NYCHA federalization project and provide such information to the Corporation so that HDC could follow up on those issues. Mr. Moerdler stated that would be appreciated. He also stated that if he were still buildings commissioner, there would be a condemnation of that project.

The Chairperson stated that at this time, and keeping with Mr. Page's astute observations about appropriate procedure, he would like to close the meeting of the Finance Committee and call for a motion of HDC's broader board to ratify those items just approved by the Finance Committee.

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

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

The Chairperson stated that under Other Business he needed to report on the Audit Committee. He said that the Audit Committee held a meeting just prior to this one at which the Committee Members approved the Internal Audit schedule for fiscal year 2012.

At 12:01 p.m., there being no further business, upon a motion duly made by Mr. Ciampa, and seconded by Mr. Page, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz
Assistant Secretary

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

November 30, 2011

ATTENDANCE LIST

Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	" "
James McIntrye	Morgan Stanley
Geoff Proulx	" "
Eileen Heitzler	Orrick, Herrington & Sutcliffe, LLP
Jennifer Steinberg	Office of Management & Budget
Amy Bartoletti	Ramirez
Margaret Guarino	BOA Merrill Lynch
Samphas Chhea	M.R. Beal
Michael Baumrin	RBC
Amy Bartoletti	Ramirez
Sandeep Satish	Citibank
Matt Bissonette	" "
Robin Ginsburg	Raymond James
Allan Arker	Arker Companies
Daniel Moritz	" "
Julie Burger	Wells Fargo
Max Frederic	Loop Capital Markets
Joseph Tait	Morgan Keegan
Annie Lee	JPMorgan
Yhe (Barry) Wang	" "
Marvin Markus	Goldman, Sachs & Co.
Dan Prett	LISC
Debra Herlica	NYC Department of Investigation
Marc Jahr	New York City Housing Development Corporation
Richard M. Froehlich	" "
Joan Tally	" "
Simon A. Bacchus	" "
Diane J. Pugacz	" "
Melissa Barkan	" "
Chanin French	" "
Ellen K. Duffy	" "
Jonah Lee	" "
Ted Piekarski	" "
Pellegrino Mariconda	" "
Claudine Brown	" "

Susannah Lipsyte	"	"
Jeffrey Stone	"	"
Michael Ray	"	"
Kristen Smith	"	"
Moira Skeados	"	"
Eileen M. O'Reilly	"	"
Mary McConnell	"	"
Mary Hom	"	"
Luke Schray	"	"
Bharat Shah	"	"
Urmas Naeris	"	"
Tinru Lin	"	"
Mary John	"	"
Cheuk Yu	"	"
Serena Fung	"	"
Ruth Moreira	"	"
Shirley Jarvis	"	"
Zenaida Bhuiyan	"	"
Kerry Yip	"	"
Marcus Randolph	"	"
Jerry Mascuch	"	"
Winnie Yeung	"	"
Cathy Foody	"	"
Uyen Luu	"	"
Catherine Townsend	"	"
Vanessa Kennedy	"	"
Tito Escobar	"	"
Sylvie Rampal	"	"