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

November 25, 2013

The annual meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Monday, November 25, 2013 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 10:39 a.m. by the Chairperson, RuthAnne Visnauskas, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Mark Page, Beth E. Goldman, Colvin W. Grannum and Charles G. Moerdler. The Member absent was Denise Notice-Scott. A list of observers is appended to these minutes.

The Chairperson then called for the approval of the minutes of the meeting held on September 25, 2013.

Upon a motion duly made by Mr. Gould, and seconded by Mr. Grannum, 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, and called upon Marc Jahr, President of the Corporation, to make this presentation.

Mr. Jahr thanked the Chairperson and stated that to begin with, he'd like to welcome Beth Goldman, the Department of Finance's new commissioner, to the HDC Board and said that he looked forward to working with her in the future.

Mr. Jahr stated that this was the 34th President's Report he's delivered since he began at HDC in January of 2008 and that he needed to thank the Chairperson and her predecessors, as well as the other Board Members, HDC staff, and others in attendance, for suppressing their yawns and feigning interest while he's droned on through his reports. He said that more importantly, and more seriously, he wanted to thank all the Board Members who've spanned this time with him—Mark, Harry, and Charles—and staff. He said that he wouldn't name them all, but with the indulgence of many of them, he'll name some—Rich, Joan, Cathy Baumann, Bharat Shah, Mary John, Eileen O'Reilly, Terry Gigliello, Jim Quinlivan, Urmas Naeris, Mary Hom, Shirley Jarvis, Mary McConnell and Melissa Barkan, for all their support and patience, and tenacious, truly superb work in helping bring to fruition the Mayor's New Housing Marketplace Plan.

Mr. Jahr stated that under the Plan, from 2003 to the present, HDC had provided nearly \$8 billion in financing to preserve or create nearly 74,000 apartments, providing thousands of New Yorkers with quality, affordable housing, helping to reconstruct and stabilize neighborhoods throughout the City's five boroughs, while also creating thousands of jobs. He said that as the Corporation issued all these bonds, made all these loans, and financed all this affordable housing, the Corporation has built HDC, its staff has slowly grown, while its assets have trebled and net assets have similarly increased. He said that it has been an exceptional run to date, and it couldn't have been achieved without everyone's thoughtful, persistent efforts. So, he said, from a New Yorker, a Brooklyn guy, thank you.

Mr. Jahr stated that the Corporation had a lengthy agenda today, for what would most likely be its last meeting of 2013. He said that while he would attempt to keep his remarks short, he did want to highlight a couple of things.

Mr. Jahr stated that this December would be comparable to previous Decembers under the Plan, with an abundance of deals to be closed. He said that Jonathan Springer, Senior Vice President of Development, would discuss the numbers later in the meeting. He said that he simply wanted to extend his thanks to both the City's IDA and the State and it's housing agency—Homes and Community Renewal—and it's Division of Budget—for continuing to allocate to HDC the volume cap needed to do our work. He said that the Corporation requested $81MM from the City and they allocated it to us, and $246.8MM from the State and they allocated that amount to us. He said that those commitments would enable the Corporation to sustain the pace of our effort.

Mr. Jahr stated that as part of our cooperative efforts with the State, the Corporation was also pleased that in November and December we will be able to transfer recycled bonds to the State to partially fund their 80-20 pipeline. He said that they anticipate that this would bring the amount of recycled bonds we've transferred to the State in 2013 to $113MM as we continue to seek to conserve volume cap for our affordable housing efforts.

Mr. Jahr stated that the recent typhoon in the Phillipines, Typhoon Haiyan, was a stark reminder of the devastation suffered from Sandy. He said that since Sandy struck last year on October 29th, the Corporation has worked hard to mount a concerted response to its immediate damage, while seeking to build the resiliency of our coastal communities. He said that with that in mind, among the items the Corporation would seek approval of today was a new Affordable Housing Retrofit Program that would draw upon Community Development Block Grant Disaster Recovery funds. He said that the retrofit program was part of the City's "Build it Back" program, which encompasses both multi and single family housing.

Mr. Jahr stated that in the immediate future, the Corporation expects to fund two small loans under this program which would address the immediate repair needs of apartment buildings located at 9501 Rockaway Boulevard and Beach 54th Street. He said that these properties were 72 and 32 units respectively, and the loan amounts would be approximately $796,000 and $326,000 respectively, allowing the owners to install, among other things, back-up generators as well as other resiliency measures.

Mr. Jahr stated that on the heels of these loans, five (5) more loans would close in the near future for developments in Coney Island and The Rockaways comprised of over 2,200 apartments. He said that among these loans would be a $5MM loan with Dayton Towers, a

1,758 unit Mitchell Lama Coop located on the beach in The Rockaways, not far from the 1,093 unit Ocean Village complex, which is currently undergoing renovation, including a remarkable face lift, after closing with us on a $100MM refinance and rehabilitation loan. So, he said, the Corporation was making progress, and we anticipate the scale of our efforts to increase considerably during the coming year.

Mr. Jahr stated that at least on its surface, Sandy was a natural disaster; then, there is Congress. He said that last week, he and the Chairperson went down to D.C. and met with Congressman Jeffries and staff from Representative Velazquez's, Serrano's, and Nadler's offices, as well as with Senator Schumer's staff. He said that their discussions with them were focused upon the impact of sequestration on the City's Section 8 voucher program and HDC's housing development efforts. He said that during the current year, HPD took a $35MM hit to its Section 8 budget, forcing it to enact a range of difficult cost-cutting measures. He said that if the sequester continues in 2014, the consequences of further cuts would be dire. Frankly, he said, talking with the staff members was like preaching to the choir, but he hoped that providing them with fine-grained analysis and local color would strengthen their efforts in Congress to halt the damaging impact of sequestration.

Mr. Jahr stated that they also discussed with staffers the implications of GSE reform—the effort to decide Fannie Mae's and Freddie Mac's fate—for the nation's multi-family housing finance system. He said that with the introduction of bills in the House and Senate, GSE reform was beginning to gain some traction; if the financing needs of multi-family housing were to be properly addressed in a post-GSE world, then they'll have to actively work with the New York City delegation to structure a financing regime that reflects the City's affordable and market rate housing needs.

Mr. Jahr stated that that concludes his remarks, other than to wish everybody a Happy Thanksgiving as well as a wonderful holiday season!

The Chairperson stated that the next item on the agenda would be the approval of a revision to the Governance Committee Charter, and called upon Richard M. Froehlich, Chief Operating Officer, Executive Vice President and General Counsel for the Corporation, to advise the Members regarding this item.

Mr. Froehlich referred the Members to the memorandum before them entitled "Amendments to the Corporation's Governance Committee Charter" dated November 18, 2013, and the Governance Committee Charter attached thereto, which is appended to these minutes and made a part hereof. He said that the Members were requested to approve an amendment to the Corporation's Governance Committee charter to delegate the responsibility of reviewing and approving any changes to senior staff salary and compensation to the Members on the Governance Committee.

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

RESOLVED, to approve an amendment to the Corporation's Governance Committee Charter to allow the Governance Committee to review and approve senior staff increases.

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

The Chairperson stated that the next item on the agenda would be the report of the Audit Committee, and called upon Mr. Gould to advise the Members regarding this item.

Mr. Gould stated that the Audit Committee met just prior to this meeting, at which time the members reviewed debt, investment and credit reports, as well as an internal audit report. He said that the members also approved the Fiscal Year 2014 Internal Audit schedule.

The Chairperson stated that the next item on the agenda would be the presentation and approval of the Investment Guidelines. She called upon Ellen K. Duffy, Senior Vice President for Debt Issuance and Finance, to advise the Members regarding this item.

Ms. Duffy referred to the memorandum before them entitled "Approval of Investment Guidelines" dated November 18, 2013, and the Investment Guidelines attached thereto, which is appended to these minutes and made a part hereof. She said that she was pleased to recommend that the Members approve the Investment Guidelines. 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. She said that there had been one change in Section VI, "Reporting", since the Investment Guidelines were last approved by the Members. She said that in the first sentence of Section VI, the phrase "investment purchase activities" was changed to "investment activities" in order to provide more informative quarterly reporting to the Members.

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

RESOLVED, to approve the Investment Guidelines.

The Chairperson stated that the next item of business would be the approval of the Fiscal Year 2014 Operating Budget. She called upon Cathleen Baumann, Senior Vice President and Treasurer for the Corporation, to advise the Members regarding this item.

Ms. Baumann referred the Members to the memorandum before them entitled "Proposed FY 2014 Budget" dated November 18, 2013 (the "FY 2014 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 2014 operating budget.

Ms. Baumann stated that the Corporation experienced another year of substantial growth. She said that in the last fiscal year, HDC issued almost $1.77 Billion in bonds, while continuing to maintain the Corporation's strong AA credit rating. She said that this brings the bonds outstanding to almost $9.5 Billion, almost triple 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 2013 with approximately $13 Billion in assets, which represents a 5.6% growth from the previous year. She said that this was almost triple the $4.65 Billion from fiscal year-ending 2003.

Ms. Baumann stated that during this same time period net income continued to be significant. She stated that the Corporation ended fiscal year 2013 with excess revenue over expenses, on a cash basis, of $73.6 Million, an increase of almost $13.6 Million over the budgeted amount. She said that this continues a trend that has existed throughout the years of the Mayor's Housing Plan where net income, on a cash basis, has remained steady in the mid to high $50 Million range each year, with some additional peaks along the way. She said that HDC's projected revenue stream remains strong, as does the future pipeline of housing production overall.

Ms. Baumann stated that while the Corporation continues to grow, it also continues to pay close attention to managing costs, with total assets per employee around $74.3 Million in FY 2013, up from $39.4 Million in 2003. She said that this increased efficiency stems from the Corporation's long term plan to invest in its employees, physical space, and information systems. She said that the Corporation's budget for 2014 reflects the continuation of this effort.

Ms. Baumann stated that the Corporation was curtailing costs where possible, balancing expenses while maintaining efficiencies. She added that an important challenge for the Corporation was 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 as just mentioned, the Corporation ended the fiscal year with an excess of revenues over expenses of $73.66 Million. She said that this improvement was largely due to better-than-expected performance in the Open Resolution surplus, and higher servicing fees. She said that sustaining this strong bottom line was necessary if we are to continue to provide critically needed subsidies to the affordable housing developments we finance. She said that the excess revenues over the years, combined with securitizations, had allowed the Corporation to pump $1.45 Billion of corporate reserves into the Mayor's Housing Plan since it began, with an additional $85 Million forecasted for FY 2014.

Ms. Baumann stated that Fiscal Year 2014 revenues were budgeted to be $88.34 Million, a $1.5 Million or 1.8% increase from the FY 2013 adopted budget. She said that the projected increase was mainly due to a forecasted increase in HDC servicing fees due to more construction loans converting to permanent, thereby allowing for the collection of monthly servicing fees, as well as more loans in the portfolio.

Ms. Baumann stated that Fiscal Year 2014 expenses were budgeted to be $28.03 Million, a $1.3 Million or 4.85% increase from last year's budget, mainly due to an increase in the NYCERS pension costs, as well as an increase in leasehold improvements due to the necessary repairs and replacement of infrastructure that is 16 years old. She said that without these two increases, totaling $467,000, the FY 2014 budget would only increase 3.1% from last year's budget.

Ms. Baumann stated that the notes in Schedule A to the 2014 Budget Memorandum contain more details for each revenue and expense line item.

Ms. Baumann stated that the Corporation's financial outlook for FY 2014 remains cautiously optimistic. 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. She stated that if the Members had any questions, she would be happy to address them at this time.

Mr. Grannum then commended Ms. Baumann on her presentation, which he said was clear and concise.

Upon a motion duly made by Ms. Goldman, and seconded by Mr. Grannum, the Members of the Finance Committee unanimously:

RESOLVED, to approve the Fiscal Year 2014 Operating Budget.

The Chairperson stated that the next item on the agenda would be the presentation of the Property Disposition Report, and called upon Mr. Froehlich to make this presentation.

Mr. Froehlich referred the Members to the memorandum before them entitled "Annual Report on Property Disposal Guidelines" dated November 18, 2013 (the "Property Disposal Memorandum") and the Property Disposal Guidelines and Report for Fiscal Year ending October 31, 2013 attached thereto, all of which are appended to these minutes and made a part hereof.

Mr. Froehlich stated that he was pleased to recommend that the Members approve the Property Disposition Guidelines attached to the Property Disposal Memorandum. He said that pursuant to the Public Authorities Accountability Act of 2005, each public authority is required to adopt comprehensive guidelines in connection with the disposition of property owned by each authority and re-approve such guidelines on an annual basis. He said that the guidelines have not changed since originally approved by the Members in Fiscal year 2008. He added that the Corporation did not currently own any real property nor did it dispose of any in the prior year as noted in the Property Disposal Memorandum.

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

RESOLVED, to approve the Corporation's Property Disposal Guidelines and Report for Fiscal Year ending October 31, 2013.

The Chairperson stated that the next item for consideration by the Members would be the approval of an Authorizing Resolution relating to the Multi-Family Mortgage Revenue Bonds

(250 Ashland Development), 2013 Series A. She called upon Jonah M. Lee, Vice President for Development, to advise the Members regarding this transaction.

Mr. Lee referred the Members to the memorandum before them entitled "Multi-Family Mortgage Revenue Bonds (250 Ashland Development), 2013 Series A" dated November 18, 2013 (the "250 Ashland Development Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the Multi-Family Mortgage Revenue Bonds (250 Ashland Development Bond Resolution and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the Multi-Family Mortgage Revenue Bonds (250 Ashland Development) Bond Resolution; and (iii) the Bond Purchase Agreement, all of which are appended to these minutes and made a part hereof.

Mr. Lee stated that he was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Mortgage Revenue Bonds (250 Ashland Development), 2013 Series A (the "Bonds") in an amount not to exceed $36,000,000. He said that interest on the Bonds was anticipated to be exempt from Federal, state and local income tax, and would be subject to an allocation of private activity volume cap.

Mr. Lee stated that the borrower and mortgagor would be BAM GO Developers LLC and BAM GO Developers II LLC, each a New York limited liability company controlled by Picket Realty Construction Consultants LLC. He noted that Melissa Pianko, Executive Vice President of Development for the Gotham Organization, was in attendance representing the borrower.

Mr. Lee stated that the Bonds would be used for the purpose of paying a portion of the costs of constructing and equipping a 52-story residential tower with approximately 12,000 square feet of retail space and 8,000 square feet of office space to be located at 250 Ashland Place in the Fort Greene neighborhood of Brooklyn. He said that the Project would be developed on City owned land, which was expected to be conveyed to the mortgagor on or about the date of the construction loan closing. He said that the Project would contain 586 rental units financed under the Corporation's Bifurcated Mixed Income Program. He said that 118 of the residential units would be affordable to families earning no more than 60% of the Area Median Income which is currently $51,540 for a family of four. He added that 82 of the units would be affordable to families earning 135% of AMI, and 82 of the units would be affordable to families earning 165% of AMI. He said that the remaining 304 units would be rented at market rates.

Mr. Lee stated that to achieve the proposed income and affordability mix, the Corporation anticipates originating a Bank Loan in an amount not to exceed $180,000,000 during construction, and after satisfaction of the Bond Loan, in a total amount not to exceed $300,000,000, which would participated and funded by a syndicate of banks led by Wells Fargo Bank, National Association. He said that the Project would also be financed with a subordinate loan from unrestricted reserves in an amount not to exceed $3,000,000. He said that the subordinate loan would bear interest at a rate of 1%. He said that details of these loans were outlined in the 250 Ashland Development Memorandum. He added that the Project would also benefit from the borrower's equity contribution of over approximately $94,000,000.

Mr. Lee stated that following initial occupancy, rents on the Project would be subject to Rent Stabilization. He said that pursuant to the terms of a regulatory agreement to be executed by the Corporation and the mortgagor, the occupancy restrictions would remain in effect in perpetuity.

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

Mr. Lee stated that the initial term of the Wells Fargo MPA was anticipated to be four years, with two optional one year extensions. He said that upon construction completion, it was anticipated that the Bond Loan would be paid off entirely and the Bonds would be redeemed. He noted that all risks and fees were outlined in the 250 Ashland Development Memorandum.

Mr. Moerdler stated that he was required by the Conflicts of Interest Board to disclose, although he is not disqualified by reason thereof, that Members of his firm, but not he, represent Wells Fargo on occasion, as well as JPMorgan Chase, which is involved in the next agenda item.

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. Moerdler, and seconded by Ms. Goldman, the Members of the Finance Committee unanimously:

RESOLVED, (A) to approve the Authorizing Resolution which provides for (i) the adoption of the Bond Resolution, (ii) the execution of the Bond Purchase Agreement regarding the sale of the Bonds, (iii) the execution of the Mortgage Purchase Agreement with respect to the Bonds, (iv) the issuance of the Bonds as draw down bonds, and (v) the execution of mortgage related documents and any other documents necessary to accomplish the issuance of the Bonds and the financing of the Bond Loan; (B) to approve the origination at construction loan closing of a construction loan in an amount not to exceed $180,000,000, and after satisfaction of the Bond Loan in a total amount not to exceed $300,000,000, to finance a portion of the construction of the Project and a participation agreement with the Bank Loan Syndicate pursuant to which the Bank Loan Syndicate will acquire a participation interest in such loan, and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the participation; and (C) to approve the making of a subordinate loan to be funded by the Corporation's unrestricted reserves in an amount not to exceed $3,000,000, and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the subordinate financing.

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 the Multi-Family Housing Revenue Bonds 2013 Series E-1, E-2, E-3, F and G. She called upon Jonathan Springer, Senior Vice President for Development, to advise the Members regarding this item.

Mr. Springer referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2013 Series E-1, E-2, E-3, F and G; and Approval of Loans from Unrestricted Reserves" dated November 18, 2013 (the "Open Resolution Memorandum"), and the attachments thereto including (i) the Resolution Authorizing Adoption of the One Hundred Eighty-Fifth Supplemental Resolution Authorizing the Issuance of the Multi-Family Housing Revenue Bonds, 2013 Series E-1, the One Hundred Eighty-Sixth Supplemental Resolution Authorizing the Issuance of the Multi-Family Housing Revenue Bonds, 2013 Series E-2, the One Hundred Eighty-Seventh Supplemental Resolution Authorizing the Issuance of the Multi-Family Housing Revenue Bonds, 2013 Series E-3, the One Hundred Eighty-Eighth Supplemental Resolution Authorizing the Issuance of the Multi-Family Housing Revenue Bonds, 2013 Series F and the One Hundred Eighty-Ninth Supplemental Resolution Authorizing the Issuance of the Multi-Family Housing Revenue Bonds, 2013 Series G and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) the One Hundred Eighty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2013 Series E-1, the One Hundred Eighty-Sixth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2013 Series E-2, and accompanying Series Certificate, the One Hundred Eighty-Seventh Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2013 Series E-3, and accompanying Series Certificate, the One Hundred Eighty-Eighth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2013 Series F and the One Hundred Eighty-Ninth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2013 Series G (each, a "Supplemental Resolution" and collectively, the "Supplemental Resolutions"); (iii) the Preliminary Official Statement; and (iv) the Bond Purchase Agreements, all of which are appended to these minutes and made a part hereof.

Mr. Springer pointed out that the Open Resolution Memorandum before the Members was a slightly revised version, adding an Attachment B-1 project description. He then stated that if approved, the actions requested of the Members today would facilitate the development of 2,444 units of affordable housing in fifteen developments spread across the Bronx, Brooklyn and Manhattan. He said that seven of these developments, with approximately 60% of total units, would involve the preservation of existing affordable housing. He said that the other eight developments, representing approximately 40% of units, involved new construction.

Mr. Springer stated that these units would provide housing to a variety of populations in need of affordable housing. He said that approximately two-thirds of the units would be affordable to people at 60% of Area Median Income, currently $51,540 dollars for a family of four. He said that nearly one quarter of the units would be affordable to households below that level, and the remaining units would be affordable to households at incomes up to 80% of Area Median Income. He said that four developments would include a total of 149 units set aside for formerly homeless families, with supportive services to be provided for these residents, and two developments would include a total of 184 units for seniors aged 62 and over.

Mr. Springer stated that he would like to call special attention to four of the projects recommended for funding today. He said that Compass 1A and Compass 1B were the first two buildings of a multi-phase development in a recently rezoned section of the Crotona East neighborhood of the Bronx that would ultimately include ten buildings with over 1,300 units of affordable and workforce housing. He added that two developments in the East New York neighborhood of Brooklyn would significantly transform the community and improve the housing stock: first, the Livonia Commons development would create four new mixed use buildings with 278 units along Livonia Avenue at City-owned sites that have long been vacant and underutilized; and second, the East New York portfolio resyndication would transfer to responsible ownership and provide much needed renovation for 468 units of affordable housing that are dispersed among 62 buildings in the area.

Mr. Springer stated that the HDC's loans would leverage significant additional investment in these developments. He said that an anticipated $350 million of senior loans were expected to leverage $68 million of HDC subordinate debt, $84 million of HPD subordinate debt and $308 million of other funding, of which a majority was Federal low income housing tax credit equity. He added that the total investment exceeds $800 million.

Mr. Springer stated that in order to achieve these results, he was pleased to recommend that the Members authorize the following four actions on behalf of the Corporation.

First, Mr. Springer said, he recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2013 Series E-1, 2013 Series E-2, 2013 Series E-3, 2013 Series F and 2013 Series G (collectively, the "Bonds") in an amount not to exceed $510,640,000. He said that interest on all of these Bonds was expected to be exempt from Federal, state and local income tax. He said that the Supplemental Resolutions relating to these Bonds constitute the 185th through 189th Supplemental Resolutions to be approved under the Corporation's Open Resolution.

Mr. Springer stated that proceeds of the 2013 Series E Bonds would not exceed $364,320,000. He said that the Series E-1 Bonds would be issued on a fixed rate basis and the Series E-2 and Series E-3 Bonds would be issued as variable rate demand obligations. He said that the proceeds of these Series E Bonds would be used to provide first position construction and permanent financing for the developments listed in Attachments A-1 through A-14 of the Open Resolution Memorandum.

Mr. Springer stated that proceeds of the 2013 Series F Bonds were expected to be $22 million, but would not exceed $80 million. He said that issuance of these Bonds would enable the Corporation to preserve volume cap from 2013 by authorizing the Corporation to issue a Convertible Option Bond.

Mr. Springer stated that proceeds of the 2013 Series G Bonds were expected to be $20 million, but would not exceed $60 million. He said that issuance of these Bonds would allow the Corporation to preserve "recycled" volume cap from bonds originally issued in 2010, 2011 and 2012, by authorizing the Corporation to issue a refunding Convertible Option Bond with prepayment proceeds.

Mr. Springer stated that the proceeds of the 2013 Series F and 2013 Series G Bonds would be used to provide first position construction and permanent financing under the

Corporation's programs for the new construction or rehabilitation of one or more tax-exempt eligible developments. He said that the mortgage loans for any projects to be financed other than those disclosed in Attachments A-1 through A-14 and Attachment B-1 to the Open Resolution Memorandum would be presented to the Members for authorization in the future.

Second, Mr. Springer stated, the Members are asked to approve the origination of eight subordinate loans, consisting of three loans from the Corporation's unrestricted reserves in an amount up to $24,730,000 and five loans from the 421-a Affordable Housing Trust Fund in an amount up to $43,025,000. He said that these subordinate loans would be made under the Low Income Affordable Marketplace (or "LAMP") and New Housing Opportunities (or "New HOP") Programs.

Third, Mr. Springer stated, the Members are asked to approve the origination of a senior loan and a subordinate loan to a New HOP development from the Corporation's unrestricted reserves, in an amount not to exceed $18 million. He said that the loans would be used to fund the new construction of an 80-unit development in the Bronx.

Fourth and finally, Mr. Springer stated, the Members are asked to authorize the Corporation to enter into a Purchase and Sale Agreement with The City of New York relating to the existing subordinate debt on a portfolio of projects in East New York with a total of 468 units, which is also being financed with proceeds of the 2013 Series E Bonds.

Mr. Springer stated that more detail on the developments, as well as the Bond underwriters, risks, fees and credit ratings associated with the 2013 Bonds, were outlined in the Open Resolution Memorandum.

Mr. Moerdler stated that he must disclose for the record, as required by the Conflicts of Interest Board, that Members of his firm, but not currently he, represent The Related Companies, and from time to time, JPMorgan Chase, but that he was not disqualified from voting on this agenda item. Mr. Moerdler then asked to be recused from voting on the project described in Attachment A-14 to the Open Resolution Memorandum, Livonia Commons. And last, Mr. Moerdler stated, he would like to compliment HDC for, again, discovering the Bronx.

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. Gould, and seconded by Ms. Goldman, and with Mr. Moerdler abstaining from voting on the Livonia Commons project, the Members of the Finance Committee:

RESOLVED, (A) to approve the Authorizing Resolution that provides for (i) the adoption of Supplemental Resolutions to the Open Resolution providing for the issuance of the Bonds; (ii) the distribution of Preliminary and final Official Statement(s) for the Bonds; (iii) 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; (iv) the sale of the Bonds through one or more Competitive Sales including the distribution of one or more Notices of Sale in connection with any

Competitive Sale of the Bonds; (v) the use of the Corporation's unrestricted reserves to fund costs of issuance, capitalized interest and mortgage reserves for Bonds, as may be required; (vi) 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; (vii) the execution of standby bond purchase agreements with respect to certain of the Bonds; (viii) the refunding of certain bonds of the Corporation, including certain NIBP Bonds; (ix) 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 origination of one (1) senior loan and (1) subordinate loan to a New HOP development from the Corporation's unrestricted reserves, in an amount not to exceed $18,000,000 and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other document necessary to accomplish such financing; (C) to approve the making of subordinate loans for two LAMP developments and one New HOP development from the Corporation's unrestricted reserves in an amount not expected to exceed $24,730,000 and subordinate loans for five LAMP developments to be funded from the 421-a Affordable Housing Trust Fund in an amount not to exceed $43,025,000; and (D) to approve the Corporation entering into a Purchase and Sale Agreement with The City of New York relating to the existing subordinate debt on a portfolio of projects in Brooklyn with a total of 468 units.

Mr. Page stated that although he was voting in favor of the resolution, he was extremely concerned about the structure, and basically the cost, of NYCHA housing units involved in Randolph Houses South and said that he would not like his vote to imply that as of now his agency is committed to the approvals required of it to allow this project as currently constituted to go forward.

Mr. Jahr stated that Mr. Page's statement was understood and that the Bonds were being issued out of the Open Resolution and that the proceeds of them are used to finance a series of loans. He said that the Corporation would not proceed, at lease from its standpoint, with the financing of project A-10, Randolph Houses South, without full agreement on the part of The City of New York.

Mr. Page thanked Mr. Jahr, and added that he had served on the board for a while now and he had overwhelmingly followed the lead and the excellent judgment of the Corporation in pursuing its mandate, but this particular project, just in the details, and as he understands it at the moment, he questions.

The Chairperson stated that the next item on the agenda would be the approval of the Community Preservation Corporation Subordinate Participation Loan Facility and called upon Mr. Springer to advise the Members regarding this item.

Mr. Springer referred the Members to the memorandum before them entitled "Subordinate Participation in New Lending Facility for The Community Preservation Corp. ("CPC") dated November 18, 2013 (the "Subordinate Participation Memorandum"), which is appended to these minutes and made a part hereof.

Mr. Springer stated that he was pleased to request the Members' approval for HDC to purchase a Subordinate Participation in two or more of Citibank N.A. Revolving Credit Facilities, collectively called "The Revolver," to entities created by The Community Preservation Corp., or "CPC," in an amount not to exceed $20 million dollars. He said that the purpose of the Revolver was to provide financing for CPC to facilitate the origination, acquisition, or participation in mortgage loans for the construction, rehabilitation, and refinancing of multi-family rental properties located in New York City's low and moderate income communities. He said that the entire Revolver was not expected to exceed $525 million dollars consisting of $350 million dollars in new lending and $175 million dollars in the takeout of existing debt. He said that this Participation would replace the Limited Guaranty to CPC Funding SPE 1, LLC approved by the Members in April 2012. He said that staff believes that the purchase of the Participation furthers HDC's goals for the preservation and creation of affordable housing in New York City and provides important access to capital for developers seeking construction financing or refinancing of affordable housing developments. He said additionally, the Participation would further the production capacity for CPC, a primary private sector partner of HPD, and was consistent with HDC's mission to provide access to capital for affordable multi-family housing.

Mr. Springer stated that HDC's Participation would be used to fund both new and existing mortgage loans on a loan-by-loan basis (and not on CPC's portfolio as a whole) in New York City. He said that HDC would take the first loss on those mortgage loans in which it participates, capped at 10% of each mortgage loan, and $20 million dollars overall. He said that all loans funded with this Participation would be underwritten in accordance with SONYMA or REMIC underwriting criteria. He said that additionally, all the mortgage loans which would be funded through this Participation would satisfy all of HDC's statutory requirements.

Mr. Springer stated that HDC would earn an origination fee equal to 50 basis points of each loan which is funded through the Participation. He said that fees would be earned on a loan-by-loan basis. He said that the approximate applicable interest rate for each loan shall be 30-day LIBOR plus 275 basis points. He said that the expected term of the Revolver was six years consisting of an origination period of two years, with the ability to earn into a third year of originations if certain performance thresholds are met, following the issue date of the Revolver, and a three year maturity date from the date of the last mortgage loan originated by the Revolver.

Mr. Springer stated that as many of you know, in its 39 years of existence, CPC has been an active partner with HPD in the mission to build and preserve affordable housing in New York City. He said that since inception, CPC has originated 700 HPD subsidized loans, accounting for $1.2 billion dollars in subsidy and leveraging over $652 million dollars in private capital. He said that over the years, CPC's involvement in a range of HPD programs has been critical to the success of those programs.

Mr. Springer stated that as a result of the most recent recession, CPC has experienced great difficulty securing funding for its core business. He said that this has largely been due to the dramatic deterioration in asset quality CPC experienced as a result of its expansion into non-core areas of lending. He said that CPC management has made efforts to address this problem by: (i) restructuring and replacing key management; (ii) implementing more stringent underwriting standards; (iii) re-focusing on core affordable lending; and (iv) securing an extension of its existing credit facility from its member institutions. He said that HDC and HPD believe that these steps are in the right direction and would help preserve CPC's role as a vital partner of HPD in its affordable housing mission.

Mr. Springer stated that further details on the history of CPC and its collaboration with the City in the area of affordable housing, as well as all fees and risks were outlined in the Subordinate Participation Memorandum. He said that if there were no further questions, he respectfully request that the Members approve the purchase of a Participation in the Revolver in an amount not to exceed $20 million dollars.

Mr. Moerdler asked Mr. Jahr what efforts were to be made by HDC and/or HPD to police CPC's compliance with this requirement. Mr. Jahr said that to begin with, part of this agreement was that there would be an HDC representative on CPC's risk committee so that going forward HDC would be intimately involved with decisions associated with risks, not just in terms of this particular facility, but across the board. Mr. Jahr said that he thought that by embedding HDC in those discussions and decisions he hoped that the Corporation could forestall any decision on the part of the organization to stray from its core mission.

Mr. Moerdler asked what leverage or rights HDC would have should the unhoped for occur. Mr. Jahr said that he thought that both HDC, as well as all the member banks involved, have an abiding interest in ensuring that CPC is managed prudently. He said that he thought to put it bluntly, if they went off the tracks it would not simply be HDC that would probably freeze the issuance under, or the use of, the Revolver but he thought that HDC would follow the lead of the banks that were participating in the Revolver. Mr. Moerdler asked Mr. Jahr if he would feel free to do so if he thought it was appropriate. Yes, Mr. Jahr said, absolutely. He said that without going too much further on this issue, the Corporation has looked at their portfolio and is going to do additional due diligence on the loans in the portfolio and the underwriting standards going forward; the Corporation does not want to roll its commitment guarantee into a facility that is riskier than what exists. In fact, he said, he thought that it was less risky than what HDC had been in, not that what HDC has been in was that risky, but he thought that they were properly protected in that CPC had done an excellent job of reserving against any future losses that might exist in this portfolio which were minimal. He said again, the Corporation's participation was restricted solely to multi-family housing loans within The City of New York. He said that HDC could not do homeownership—condos—which is what he thinks really undermined CPC in the past, nor can we finance developments outside of New York City. So, he said, the Corporation thinks that the proper protections are built in to ensure that we don't wind up suffering losses.

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

RESOLVED, to approve the funding of a Subordinate Participation in the Revolver in an amount not to exceed $20 million.

The Chairperson stated that the next item of business on the agenda would be the approval of the Affordable Housing Retrofit Program (AHRP)/CDBG-DR Multifamily Build it Back, and called upon Mr. Lee to make this presentation.

Mr. Lee referred the Members to the memorandum before them entitled "Affordable Housing Retrofit Program (AHRP), CDBG-DR Multifamily Build it Back" dated November 18, 2013 (the "AHRP" Memorandum"), which is appended to these minutes and made a part hereof.

Mr. Lee stated that he was pleased to recommend that the Members approve the Corporation's Affordable Housing Retrofit Program. He said that in collaboration with The City of New York, and pursuant to a subrecipient agreement, the Corporation's A-H-R-P would administer, underwrite, service and asset manage loans consisting of Community Development Block Grant Disaster Recovery funds on behalf of HPD's "Build it Back" storm recovery program. He said that the A-H-R-P would provide evaporating subordinate mortgage loans, or grants to finance rehabilitation, resiliency and reimbursement of eligible costs incurred by affordable multifamily housing in the Corporation's loan portfolio that was affected by Superstorm Sandy.

Mr. Lee stated that the CDBG-DR funding available to the Corporation from the City's first allocation of Federal recovery funds totals approximately $60 million, and must be expended by September 1, 2015. He said that more than 30 developments representing over 150 buildings containing over 13,000 residential units in the Corporation's portfolio were affected by Superstorm Sandy. He said that the Corporation's staff was working with the owners of these properties to evaluate and address their storm recovery needs through refinancing and recapitalization under the A-H-R-P and the Corporation's existing financing programs.

Mr. Lee stated that eligible uses of AHRP funds shall include addressing storm damage, replacing affected systems, resiliency, and certain storm-related reimbursements. He said that funding may also be provided for multifamily new construction retrofit or redesign in the affected areas. He said that work financed under the A-H-R-P would be subject to all applicable federal requirements including, but not limited to the Davis-Bacon and Related Acts, Section 3, Section 504 of the Rehabilitation Acts, the National Environmental Policy Act, and the Uniform Relocation Act.

Mr. Lee stated that assistance would be prioritized for properties with a high proportion of residents earning at or below 80% of the Area Median Income (currently $68,700 for a family of four), properties with significant storm damage, and properties located in the highest flood risk areas. He noted that all program terms and risks are outlined in the AHRP Memorandum.

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

Upon a motion duly made by Ms. Goldman, and seconded by Mr. Page, the Members of the Finance Committee unanimously:

RESOLVED, to (i) approve the AHRP Program; and (ii) authorize the officers of the Corporation to prepare and execute all documents and enter into all agreements necessary to effectuate the making of loans and grants under the Program as described in the AHRP Memorandum.

The Chairperson stated that the next item of business would be the approval of the origination of Conduit Loans from New York City Grant Proceeds, and called upon Joan Tally, Executive Vice President for Real Estate and Chief of Staff for the Corporation, to advise the Members regarding this transaction.

Ms. Tally referred the Members to the memorandum before them entitled "Origination of Conduit Loans from New York City Grant Proceeds" dated November 18, 2013 (the "Conduit Loans Memorandum"), which is appended to these minutes and made a part hereof.

Ms. Tally stated that she was pleased to recommend that the Members authorize the Corporation to originate loans with funds granted by the New York City Department of Housing Preservation and Development ("HPD"). She said that from time to time, HPD, acting on behalf of the "City," grants funds to the Corporation pursuant to Section 661 of the Private Housing Finance Law, in order to facilitate the development or preservation of affordable housing. She said that the Corporation then lends these funds to project developers on behalf of HPD.

Ms. Tally stated that the funds are granted subject to a Memorandum Of Understanding ("MOU") which was executed by HPD, the City's Office of Management and Budget ("OMB") and the Corporation. She said that each grant is made subject to a Grant Agreement between HPD and the Corporation which governs the use of the funds and directs HDC to make construction or permanent loans to affordable housing development projects. She said that oftentimes a development also receives financing from the Corporation and is presented to the Members for approval prior to such financing. She said that in other cases, the Corporation's role is purely as a conduit lender for the benefit of New York City, with no other HDC financing involved. She said that in either instance, grant funds are subject to approval by HPD, loan terms are set according to HPD programmatic guidelines and the grants are subject to the approval of OMB and the availability of funds. Ms. Tally stated that per the terms of the Grant Agreement the Corporation will earn a fee for servicing the loan, funded through interest payments as is standard practice.

Ms. Tally then described the actions the Members were being requested to approve.

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

RESOLVED, to (i) authorize the Corporation to enter into construction and permanent loans according to Grant Agreements entered into subject to the MOU dated April 1, 2009; and (ii) authorize the officers of the Corporation to prepare and execute all documents and enter into all agreements necessary to effectuate the making of loans as described in the Conduit Loans Memorandum.

The Chairperson stated that the next item of business on the agenda would be the approval of a Declaration of Intent Resolution, and called upon Mr. Springer to advise the

Members regarding this agenda item.

Mr. Springer referred the Members to the Memorandum before them entitled "Resolution of Declaration of Intent, LAMP Preservation Program, Edgecombe Preservation, Scattered Site – See Exhibit A, NEW YORK, NY" dated November 18, 2013 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof.

Mr. Springer reminded the Members that Declaration of Intent Resolutions were solely for tax code purposes, allowing any expenditures to be eligible for tax exempt bond financing so long as they are incurred within 60 days prior to passage of the Resolution. He said that before HDC were to actually finance this project, the specifics of the transaction would be presented to the Members for review and approval.

Mr. Springer stated that the inducement today was for a project consisting of the preservation of 292 rental units with 5,000 square feet of retail space scattered across 19 buildings in the Sugar Hill and Hamilton Heights neighborhoods of Manhattan, using up to $20 million dollars of tax exempt bonds. He said that the project was to be developed by a single purpose entity to be formed by L&M Development Partners, Inc.

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

RESOLVED, to approve the Declaration of Intent Resolution for Edgecombe Preservation, Scattered Site, New York, New York.

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. Page, and seconded by Mr. Gould, and with Mr. Moerdler abstaining from voting on the Livonia Commons project which was part of the Multi-Family Housing Revenue Bonds approval identified as agenda item number 9, the Members:

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

At 11:22 a.m., there being no further business, upon a motion duly made by Mr. Page, and seconded by Ms. Goldman, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz

Diane J. Pugacz
Assistant Secretary

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

November 25, 2013

ATTENDANCE LIST

Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	" "
John Germain	Barclays
Albert Luong	" "
Joe Tait	Raymond James
Margaret Guarino	BOA Merrill Lynch
Alan Jaffe	JPMorgan
Annie Lee	" "
Howard Hong	" "
Peter Cannava	Wells Fargo
Francis McKenna	Academy Securities
Mike Koessel	Citicorp
Sadie McKeown	CPC
Alexa Sewell	" "
Amy Bartoletti	Ramirez
Matt McVay	" "
Michael Baumrin	RBC
Jeff Sula	" "
Ken Schneider	Loop Capital Markets
Max Frederic	" "
Eli S. Weiss	Joy Construction
Melissa Pianko	The Gotham Organization, Inc.
Jennifer Steinberg	NYC OMB
Geoff Proulx	Morgan Stanley
Thomas Caine	Caine Mitter
Marc Jahr	New York City Housing Development Corporation
Richard M. Froehlich	" "
Joan Tally	" "
Ellen K. Duffy	" "
Jonathan Springer	" "
Cathleen Baumann	" "
Diane J. Pugacz	" "
Melissa Barkan	" "
Jonah M. Lee	" "
Jeffrey Stone	" "

Claudine Brown	"	"
Jacklyn Moynahan	"	"
Elizabeth Oakley	"	"
Moira Skeados	"	"
Will Martin	"	"
Ruth Moreira	"	"
Ted Piekarski	"	"
Catherine Townsend	"	"
Susannah Lipsyte	"	"
Kerry Yip	"	"
Eileen O'Reilly	"	"
Zenaida Bhuiyan	"	"
Madhavi Kulkarni	"	"
Cathy Foody	"	"
Mary Hom	"	"
Urmas Naeris	"	"
Bharat Shah	"	"
Massandje Bamba	"	"
Shirley Jarvis	"	"
Mary John	"	"
Marcus Randolph	"	"
Hammad Graham	"	"
Adam Briones	"	"
Jim Quinlivan	"	"
Mary McConnell	"	"
Jonathan Veach	"	"
Dave Knapke	"	"
Tinru Lin	"	"