

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

December 2, 2015

The annual meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Wednesday, December 2, 2015 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 10:01 a.m. by the Chairperson, Vicki Been, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Denise Notice-Scott, Charles G. Moerdler, Dean Fuleihan and Jacques Jiha. There is currently one vacancy. A list of observers is appended to these minutes.

The Chairperson called for the approval of the minutes of the meeting held on October 7, 2015.

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

RESOLVED, to approve the minutes of such meeting.

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

Mr. Rodney thanked the Chairperson and the Members in attendance. He said that balance was something we all strive for in everything we do. He said that we try to balance our lives; our checkbooks, some of us our diets – all of which seem to get more challenging around the holidays. He said that the actions presented for the Members' approval today embody the balance we here at HDC strive to achieve in all the many facets of the Corporation's work.

Mr. Rodney stated that we are balancing our HDC checkbook too, and later in this meeting our Senior Vice President and Treasurer, Cathleen A. Baumann, would be presenting the Corporation's Fiscal Year 2016 budget for approval. He said that continuing to build on our record of production is only possible through responsible and strategic fiscal planning, which allows us the flexibility to reach our goals while also containing administrative costs through operational innovations and managerial controls. He said that we believe the budget Ms. Baumann will present to the Members today achieves that strategic balance.

Mr. Rodney stated that HDC's Senior Vice President for Debt Issuance and Finance, Ellen K. Duffy, would present our recommended updated selection of underwriters for the Corporation's bond issuances following our most recent periodic assessment and a thorough RFP process. He said that these diverse and well-balanced selections include MWBE and Veteran-

owned firms, and we believe our recommendations will further enhance the structure and distribution of the Corporation's bond activities to maximize pricing opportunities.

Mr. Rodney stated that the authorizing bond resolutions to be presented for approval today by HDC's Senior Vice President for Development, Anthony R. Richardson, would further Mayor Bill de Blasio's Housing New York Plan. He said that the projects approved through these resolutions would foster complete and well-rounded communities; balancing diverse affordability levels with vital community services and commercial facilities – all of which would collectively uplift their neighborhoods as a whole. He said that he would like to make a particular note for the Members' attention with regard to Mr. Richardson's presentation. He said that as the Members are aware, HDC finances a considerable amount of its transactions through the use of tax-exempt bond proceeds, which is made possible through an allocation of private activity volume cap; unfortunately this year, the Corporation was not able to obtain the amount of volume cap needed to fund all of the projects in its December pipeline. However, he said, we will still ask the Members to approve all the transactions in the Open Resolution Memorandum in the event that HDC is able to secure an additional allocation of volume cap early next year. He said that Mr. Richardson would discuss the specific projects HDC intends to close on in the month of December that would comprise approximately \$136 million of cap allocation that we will have in hand in the month of December. He said that to the extent we are able to receive additional cap in early 2016, then the Members' approval today of all projects would allow the HDC staff to proceed with an additional round of closings for only the projects mentioned in the memo before the Members.

Mr. Rodney stated that adapting HDC's production output as necessary is a part of the balancing act that comes with the lofty goals of the plan we are striving to achieve.

Mr. Rodney stated that in addition to the projects approved today, yesterday the Board of HDC's subsidiary, the Housing Assistance Corporation, approved a major deal that HDC worked on very closely with The City's Administration to preserve affordability at the large Stuyvesant Town/ Peter Cooper Village complex on Manhattan's East Side.

Mr. Rodney stated that the proposed declarations of intent that will be presented near the end of today's meeting demonstrate that the HDC team is already focused on new projects and new opportunities to make this city more equitable and affordable for all.

Mr. Rodney stated that the Corporation is also balancing workload production with strategic plans that will enable HDC to do that work going forward with maximum efficiency. He said that the Corporation is in negotiations with a firm it had preliminarily selected from the recent RFP to find a tax credit guarantee partner in order to enhance the value of low-income housing tax credit pricing for future mixed income projects. He said that the Corporation will return to the Board for the Members' approval after further negotiation and prior to the execution of a Master Guaranty Agreement.

Mr. Rodney stated that as we reach the end of another banner year for the Corporation, he would like to thank the Mayor for his leadership, the HDC Board for its stewardship, HDC's colleagues at the New York City Department of Housing Preservation and Development

("HPD") and throughout government for their partnership, and the entire HDC staff for their dedication. He said that he wanted to stress the dedication of the HDC staff and said that through thick and thin, roller coasters and all, the staff has been truly dedicated and they are the face of the Corporation and the reason why HDC does so well. He wished everyone a happy and healthy holiday season. Mr. Rodney stated that this concludes his remarks, and if there were no questions the Chairperson could continue with the remaining agenda.

Mr. Moerdler asked how the Corporation was going to determine the priority of the various projects that presumably would be approved today. Mr. Rodney said that projects that we have that are ready to go are ones that would be matched up with the amount of volume cap we have available, and in collaboration with HPD, they would be matched up with the priorities we want to move forward. He said that a determining factor of the projects that we believe we are going to fund is that they have received the various required approvals, are in line, and ready to close. He said that as for the other projects which unfortunately can't close right now, he would like to get the Members' approval to the extent that they are able to roll out cap in the beginning of 2016 that will allow us to continue to move forward with those. Mr. Moerdler asked if those were less advanced in the approval process than the ones that were being prioritized. Mr. Rodney said that a couple of them were, which is part of the reason why they fell, but the other part is that many of them are ready to go but we don't have the ability to close on them now. Mr. Moerdler said that it would be to the Corporation's advantage and the City's advantage to be as transparent as possible as to how you have prioritized those that were going to go now and those that would have to wait, and asked Mr. Rodney to give some thought as to how he was going to do that. The Chairperson said that one thing she would emphasize in terms of what Mr. Rodney said was that it was a balancing act, the number of units, how ready things are, geographic dispersion, the AMI's targeted, whether or not there were homeless units – there were a whole host of factors that went into the prioritization. Mr. Moerdler said that to the extent possible, we should be as transparent as humanly possible in showing that it is a rational, reasonable process. The Chairperson said that they would try to figure out how they could be as transparent as possible and that they appreciated the suggestion.

The Chairperson said that she would like to take the Chair's prerogative to also say thank you to the HDC staff. She said that it has been a roller coaster and the HDC staff throughout the year has been just amazingly dedicated, smart, thoughtful and creative, and that under Mr. Rodney's leadership it's really quite a team.

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

The Chairperson stated that the next item of business on the agenda would be the approval of Underwriters for the Corporation's Bond Issuances, and called upon Ms. Duffy to advise the Members regarding this item.

Ms. Duffy referred the Members to the memorandum before them entitled "Approval of the Corporation's Underwriters for Debt Issuances" dated November 24, 2015 (the "RFP Memorandum"), which is appended to these minutes and made a part hereof.

Ms. Duffy stated that the Corporation issued a Request for Proposal (“RFP”) for managing underwriters, details of which were outlined in the memorandum dated July 22, 2015. She said that the Corporation’s RFP was broadly distributed in July 2015 to the leading investment banking firms in housing finance, including Minority & Women Owned Business Enterprise (“MWBE”) firms, and firms that had previously expressed an interest in becoming a managing underwriter. Additionally, she said, the Corporation posted the availability of the RFP on the New York State Contract Reporter and the Corporation’s website. She said that the Corporation received 29 written responses by the deadline of August 14, 2015. She said that of these responses, 21 firms sought a role as Senior Manager, while the remaining firms proposed to serve as a Co-Manager or Selling Group member for the Corporation’s debt issuance.

Ms. Duffy stated that based upon the Committee’s review of the RFPs, thirteen firms, including three MWBE firms, were invited to make oral presentations to the Corporation. She said that in making recommendations for selection to the Members, the Committee concluded that there were three distinct categories of financing for which the Corporation would need the services of a Senior Manager: (1) the Corporation’s Multi-Family Housing Revenue Bond Resolution (the “Open Resolution”) issuances; (2) the Corporation’s Multi-Family Secured Mortgage Revenue Bond Resolution (“Mini-Open”) issuances, and (3) stand-alone conduit (“Stand-Alone”) issuances.

Ms. Duffy stated that in its assessment process, the Corporation also focused on the appointment of M/WBE firms to Senior Manager roles. She said that seven MWBE firms and two Service Disabled Veteran Owned firms (“Disabled Veteran”) submitted RFPs. She said that the Committee recommends for the Member’s approval, three MWBE firms in Senior Manager roles, two MWBE firms and two Disabled Veteran firms as co-managers, and two MWBE firms as Selling Group members. She noted that a summary chart of the Committee’s recommendations for each of the services is provided in Appendix A of the RFP Memorandum.

Ms. Duffy stated that the Committee recommends expanding the Corporation’s senior management team from four to five firms, keeping two Senior Manager categories; Senior Manager and Rotating Senior Manager. She said that the Committee recommends reappointing JP Morgan as the Senior Manager.

Ms. Duffy stated that the Committee recommends the following firms for the position of Rotating Senior Manager for the Open Resolution:

- Citigroup Global Markets, Inc. (“Citi”)
- Morgan Stanley
- Ramirez & Co. (“Ramirez”) (MWBE Firm)
- Wells Fargo Securities

Ms. Duffy stated that the Review Committee was recommending that the Co-Senior Manager category be expanded to include the following six firms:

- Bank of America Merrill Lynch

- Barclays Capital Inc. (“Barclays”)
- Blaylock Beal Van LLC (“Blaylock”) (MWBE Firm)
- Raymond James & Associates, Inc. (“Raymond James”)
- RBC Capital (“RBC”)
- Siebert Brandford Shank & Co. (“Siebert”) (MWBE Firm)

Ms. Duffy stated that the Committee recommends that on future Mini-Open issuances, the book-running Senior Manager would rotate between the following three firms:

- Bank of America Merrill Lynch
- Ramirez (MWBE Firm)
- Raymond James

Ms. Duffy stated that the Committee recommends that any of the firms previously named as a Senior Manager were eligible to be a Senior Manager on stand-alone issuances. She said additionally, the Committee was recommending Goldman Sachs & Co. be added to the Senior Manager pool for the stand-alone deals.

Ms. Duffy stated that for most issuances, the Corporation would need a management group comprised of a variety of firms to serve as Co-Manager, including those with a retail client base, an institutional client base, a local presence and/or national scope. She said that the Committee agreed that the recommendations for firms to serve as Co-Manager apply to the Open Resolution, Mini-Open Resolution and Stand Alone deals. She said that in addition to the twelve firms recommended for Senior Manager positions, the following firms were recommended for Co-Manager:

- Academy Securities, Inc. (MWBE Firm and Disabled Veteran owned)
- Drexel Hamilton, LLC (MWBE Firm and Disabled Veteran owned)
- George K. Baum & Company
- Janney Montgomery Scott, LLC
- Jeffries LLC
- Loop Capital Markets, LLC (MWBE Firm)
- Roosevelt and Cross, Incorporated
- Stern Brothers & Co. (MWBE Firm)
- Stifel, Nicolaus & Company, Inc.

Ms. Duffy stated that the Committee recommends the Board approve a new management category called the Selling Group. She said that the Selling Group members would have the opportunity to sell HDC bonds but would not have any underwriter liability for unsold maturities. She said that the Committee believes this group to be an important addition to the issuance process by expanding the Corporation’s profile in the municipal securities market and increasing the retail sales profile of the Corporation’s bonds. She said that the following firms were recommended for the Selling Group:

- BNY Mellon Capital Markets, LLC
- Bonwick Capital Partners, LLC (MWBE Firm)
- Mesirow Financial, Inc.
- M&T Securities, Inc.
- Rice Financial Products Company (MWBE Firm)
- Robert W. Baird & Co.
- Rockfleet Financial Services, Inc.
- Ross Sinclair & Associates

Ms. Duffy stated that the Committee recommends that HDC continue its practice of encouraging its Co-Senior Managers and Co-Managers to take an active stance in assisting the Corporation to structure financings for projects in its pipeline. She said that should any Co-Senior or a Co-Manager generate a unique and innovative financing structure that results in significant savings for HDC, that firm should have the opportunity to be promoted to Senior or Co-Senior Manager for that particular offering. Ms. Duffy then asked if there were any questions.

Mr. Moerdler stated that he is required by the Conflicts of Interest Board to disclose for the record that members of his firm, but not he, represent a number of the named entities, including, among others, Citi, Morgan Stanley, Wells Fargo, Goldman, Jeffries and JPMorgan, but that he was not required to recuse himself.

Ms. Duffy then described the actions the Members were being asked to approve.

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

RESOLVED, to approve the selection of Underwriters recommended by the Committee pertaining to Senior Managers, Rotating Senior Managers, Co-Senior Managers, Co-Managers and Selling Group members for the issuance of the Corporation's Open Resolution, Mini-Open Resolution, and Stand-Alone debt, and additional recommendations as set forth in the RFP Memorandum.

The Chairperson stated that the next item of business on the agenda would be the Approval of Authorizing Resolutions relating to the Multi-Family Housing Revenue Bonds, 2015 Series G, H, I, J, K and L and 2018 Series C and the Multi-Family Mortgage Revenue Debt Obligation (Prospect Plaza Site III), and called upon Mr. Richardson to advise the Members regarding this item.

Mr. Richardson referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2015 Series G, H, I, J, K, L and 2018 Series C, the Multi-Family Mortgage Revenue Debt Obligation (Prospect Plaza Site III) dated November 24, 2015 (the "Open Resolution Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the Two Hundred Nineteenth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series G, the Two Hundred Twentieth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds,

2015 Series H, the Two Hundred Twenty-First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series I, the Two Hundred Twenty-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series J, the Two Hundred Twenty-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series K, the Two Hundred Twenty-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series L, and the Two Hundred Twenty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2018 Series C and Certain Other Matters in Connection Therewith; the Resolution Approving the Funding Loan Agreement Authorizing the Issuance of the Multi-Family Mortgage Revenue Debt Obligation (Prospect Plaza Phase III) and Certain Other Matters in Connection Therewith (each, an "Authorizing Resolution" and collectively, the "Authorizing Resolutions"); (ii) the Two Hundred Nineteenth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series G, the Two Hundred Twentieth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series H, the Two Hundred Twenty-First Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series I, the Two Hundred Twenty-Second Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series J, the Two Hundred Twenty-Third Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series K, the Two Hundred Twenty-Fourth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2015 Series L, and the Two Hundred Twenty-Fifth Supplemental Resolution Authorizing the Issuance of Multi-Family Housing Revenue Bonds, 2018 Series C (each, a "Supplemental Resolution" and collectively, the "Supplemental Resolutions"); (iii) the Preliminary Official Statements; (iv) the Bond Purchase Agreements; (v) the Funding Loan Agreement; and (vi) the Forward Purchase Agreement, all of which are appended to these minutes and made a part hereof.

Mr. Richardson stated that as Mr. Rodney mentioned in his report, because of limited volume cap the Corporation would not be able to finance all of the projects described in the Open Resolution Memorandum this December; however, he said, the Corporation was requesting the Members' approval for all the projects today in order to facilitate a financing in the near future without an additional HDC Board meeting. He said that the Members had been presented a list of the projects requiring new volume cap that the Corporation anticipates would be included in the December bond issuance. He noted that any one of the like projects listed in the 2015 Series G chart may serve as a substitute in the event an anticipated project was not able to close in December.

Mr. Richardson noted that the Authorizing Resolution had been updated to include authorization of 2015 Series L, which is included in the Open Resolution Memorandum, and referred the Members to the black-lined version that had been placed before them.

Mr. Richardson also noted that the attachments to the Open Resolution Memorandum had been updated to reflect certain verified information and include additional information regarding the authorized projects for the two COBs and referred the Members to the black-lined version that had been placed before them.

Mr. Richardson further noted that the bonds and series described in the Open Resolution Memorandum were now expected to be issued in multiple issuances and designated different series names, all in accordance with the terms of the Authorizing Resolutions.

Mr. Richardson stated that he was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2015 Series G, H-1, H-2, I, J, K, L (collectively, the "2015 Bonds") and 2018 Series C (the "2018 Series C Bonds") in an amount not expected to exceed \$843,360,000, to finance the construction, acquisition, rehabilitation and/or permanent financing of certain projects and other activities as described in the Open Resolution Memorandum.

Mr. Richardson stated that, in addition, he was pleased to recommend that the Members authorize the Corporation to enter into one funding loan agreement with Citibank to receive funds which would, in turn, be loaned by the Corporation to one borrower – commonly referred to as the "back-to-back" structure – as a stand-alone financing in an amount not expected to exceed \$36,170,000 and to enter into a forward bond purchase agreement with Citibank regarding the sale of the 2018 Series C Bonds.

Mr. Richardson stated that the expected amount of the 2015 Series G, H-2, K Bonds and the "back-to-back" Funding Loan Obligation (as defined in the Open Resolution Memorandum) were subject, in part, to the Corporation's receipt of an allocation of new private activity bond volume cap.

Mr. Richardson stated that interest on the 2015 Series G, H-2, I, J, K, L Bonds, 2018 Series C Bonds, and the Funding Loan Obligation was expected to be exempt from Federal, state and local income tax and such bonds and obligations would qualify as tax-exempt private activity bonds with a combination of an allocation of new private activity bond volume cap, and an allocation of "recycled" volume cap in accordance with the Housing and Economic Recovery Act of 2008 and the refunding of certain outstanding bonds or obligations of the Corporation. He said that due to the limited availability of new private activity bond volume cap, some projects contain a bifurcated structure that enables satisfaction of the Federal low-income housing tax credit requirements with a smaller allocation of new private activity bond volume cap from the Corporation. He said that interest on the 2015 Series H-1 Bonds was not expected to be exempt from Federal income tax, but was expected to be exempt from state and local income tax.

Mr. Richardson stated that the Corporation expects to designate the 2015 Series G, H-1, H-2, I, and J Bonds as Sustainable Neighborhood Bonds, in what would be the Corporation's third issuance of Sustainable Neighborhood Bonds, following the inaugural issuance this past June.

Mr. Richardson stated that approval of these Resolutions would authorize the 219th through 225th Supplemental Resolutions under the Corporation's Open Resolution and the Funding Loan Agreement.

Mr. Richardson stated that it was anticipated that the 2015 Series G Bond proceeds, in an amount not expected to exceed \$331,795,000, would be used to finance mortgage loans for as many as fourteen developments - six ELLA projects, four Preservation projects, one Mix and Match project, two Mixed-Middle Income projects, and one Mitchell Lama Restructuring project consisting of more than 1,800 units of rental housing, located in all five boroughs.

Mr. Richardson stated that six ELLA developments, two Mixed-Middle Income ("M2") developments, one Mix and Match development, and one Mitchell-Lama development would receive subordinate financing from the Corporation's unrestricted reserves in an amount not to exceed \$94,935,000.

Mr. Richardson stated that one of the ELLA developments is expected to receive subordinate financing pursuant to the funding swap with the New York City Department of Housing Preservation and Development ("HPD") for HPD Energy Efficiency Initiatives, as approved by the Members on October 7, 2015 (the "Green Funding Swap"), in an amount not expected to exceed \$4,515,000.

Mr. Richardson stated that the subordinate loans would bear an interest rate equal to the Applicable Federal Rate as recently published by the Internal Revenue Service ("AFR") with set lower monthly payments, would be advanced during construction and remain in the projects as permanent loans. He said that the subordinate loan for one Mitchell-Lama development was expected to bear an interest rate not to exceed five percent (5%). He said that the 2015 Series G Bonds were expected to be issued as fixed rate tax-exempt bonds.

Mr. Richardson stated that it is anticipated that the proceeds of the 2015 Series H Bonds, in an amount not expected to exceed \$204,270,000, would be used to finance a mortgage loan for one M2 development to be known as the Jamaica Crossing High-Rise and to be located in Queens.

Mr. Richardson stated that the Jamaica Crossing High-Rise development was also expected to receive subordinate financing pursuant to the Green Funding Swap with HPD, in an amount not expected to exceed \$20,475,000. He said that the subordinate loan was expected to bear an interest rate equal to the AFR with set lower monthly payments, would be advanced during construction, and would remain in the project as a permanent loan. He said that the 2015 Series H-1 Bonds were expected to be issued as taxable index floating rate bonds; the Series H-2 Bonds were expected to be issued as tax-exempt index floating rate bonds. He noted that more information on the project was included in Attachment 15 to the Open Resolution Memorandum. He said that during the construction period, the 2015 Series H Bonds were being issued on parity with all other bonds in the Open Resolution.

Mr. Richardson stated that upon the conversion of the Jamaica Crossing High-Rise Mortgage Loan to permanent financing it is anticipated that the mortgage loan would be "walled-off" from the rest of the Open Resolution and secured by a direct-pay credit enhancement facility from The Federal Home Loan Mortgage Corporation ("Freddie Mac"). He said that upon such conversion, the 2015 Series H Bonds would be secured only by the Jamaica Crossing High-Rise Mortgage Loan and the Freddie Mac Credit Enhancement instrument and would no longer be

secured by all the revenues and assets pledged to the Open Resolution. He said that the security for the Open Resolution bonds would no longer include the Jamaica Crossing High-Rise mortgage loan.

Mr. Richardson stated that the 2015 Series H Bonds were expected to be purchased by the Federal Home Loan Bank of New York ("FHLBNY") and would be subject to an optional tender on demand of the bondholder during two periods: first, prior to and in connection with the Jamaica Crossing High-Rise Mortgage Loan converting to permanent financing and second, during the permanent phase starting on or about May 1, 2026 and thereafter on a quarterly basis. He said that in either case, the Corporation would have up to twelve (12) months after receiving a tender notice from FHLBNY to structure a new financing and pay the purchase price of tendered bonds.

Mr. Richardson stated that in the event the Corporation and Borrower are unable to structure a new financing prior to a tender of the 2015 Series H Bonds, either the construction letter of credit provider during the construction period or Freddie Mac during the permanent period, as applicable, would be available to pay the purchase price of the 2015 Series H Bonds.

Mr. Richardson stated that it was anticipated that the proceeds of the 2015 Series I and Series J Bonds would be used to refund certain of the Corporation's Multi-Family Mortgage Revenue Bonds for the refinancing of the permanent mortgage loans for two (2) developments.

Mr. Richardson stated that the Members approved the stand-alone construction financing of these developments on December 7, 2012. He said that the 50th Avenue Development and Borden Avenue Development, also known as Hunter's Point South Sites A and B, respectively, are two of seven parcels that would eventually comprise the Hunter's Point South Neighborhood in Queens. He said that the construction financing closed on February 14, 2013.

Mr. Richardson stated that the refinancing would provide the developments with a 10-year interest only permanent financing and lock in the current low interest rate by refunding the outstanding variable rate bonds into fixed rate term rate bonds in the Open Resolution, as described in further detail in the Open Resolution Memorandum. He said that in the event the Borrower and Corporation are unable to structure a new financing prior to the 10 year mandatory tender date of the 2015 Series I and Series J Bonds, the Federal National Mortgage Association ("Fannie Mae") would be available to pay the purchase price of such bonds. He said that the 2015 Series I and J Bonds were expected to be issued as variable rate bonds initially in the term rate mode. He added that for more information on the individual projects, please see Attachments 16 and 17 to the Open Resolution Memorandum.

Mr. Richardson stated that it was anticipated that the 2015 Series K Bonds would be issued as a convertible option bond ("COB") to preserve private activity volume cap in the event the Corporation determines any mortgage loans authorized by the Members would not be ready to close this December or if the Corporation otherwise receives tax-exempt new private activity volume cap in excess of the amounts needed to finance mortgage loans this December.

Mr. Richardson stated that it was anticipated that the 2015 Series L Bonds would be issued as a convertible option bond ("COB") in the event the Corporation has tax-exempt "recycled" volume cap in excess of the amounts needed by both the Corporation and the New York State Housing Finance Agency ("HFA"). He noted that the 2015 Series K and L Bonds were expected to be issued as variable rate bonds initially in the term rate mode.

Mr. Richardson stated that if issued, the proceeds of the 2015 Series K Bonds, in an amount expected not to exceed \$20,000,000, and Series L Bonds in an amount expected not to exceed \$60,000,000, were expected to provide first position construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments, inclusive of all developments listed in Attachments 1 through 19 to the Open Resolution Memorandum and which would meet the affordability requirements for Federal low income housing tax credits. He said that these projects were expected to close in 2016 at which point the 2015 Series K and L Bonds would be remarketed to match the term of the applicable mortgage loan. He said that most of the projects listed would not be funded from the 2015 Series K and L Bond proceeds but all would be eligible for such financing.

Mr. Richardson stated that the Corporation expects to (a) enter into a loan agreement with Citibank to finance the construction of one (1) development to be named Prospect Plaza Site III (the "Funding Loan Agreement") and issue a Multi-Family Housing Revenue Debt Obligation in an amount not expected to exceed \$36,170,000 that is expected to be exempt from Federal, state and local income tax and will qualify as tax-exempt private activity bonds with an allocation of new private activity bond volume cap (the "Funding Loan Obligation"), (b) enter into a forward bond purchase agreement with Citibank regarding the sale of the 2018 Series C Bonds and (c) issue the 2018 Series C Bonds, in one or more sub-series, in an amount not expected to exceed \$10,495,000, to refund a portion of the Funding Loan Obligation for the permanent phase financing of the development.

Mr. Richardson stated that the Prospect Plaza Site III would receive subordinate financing from the Corporation's unrestricted reserves in an amount not to exceed \$8,775,000. He said that the subordinate loan would bear an interest rate equal to AFR, with set lower monthly payments, would be advanced during construction and would remain in the project as a permanent loan. He said that the Funding Loan Obligation and the 2018 Series C Bonds were expected to be issued at a fixed rate. He said that for more information on the individual project, please see Attachment 19 in the Open Resolution Memorandum.

Mr. Richardson stated that more detail on the developments, as well as the Bond underwriters, Risks, Fees and Credit Ratings associated with the 2015 Bonds, were outlined in the Open Resolution Memorandum.

Mr. Moerdler asked what Mr. Richardson meant when he was speaking about the Series H Bonds for Jamaica Crossing and he said if the developer and the Corporation were unable to agree Freddie Mac "will be available" to attend to that shortfall. He also noted that Mr. Richardson made the same statement "will be available" when referring to the Series I and J Bonds. He asked Mr. Richardson to please define "will be available". Richard M. Froehlich, Chief Operating Officer, Executive Vice President and General Counsel for the Corporation said

that there are credit facilities providing that if there is a put, then at the end of the put period if there isn't a refinancing then you call on the letter of credit or the credit enhancement. Mr. Moerdler asked if that information was part of the closing documents and would be reduced to writing. Mr. Froehlich replied yes and Mr. Moerdler said that he wanted it on the record.

Mr. Moerdler then stated as a matter of disclosure that various financial institutions that he previously mentioned as part of his earlier disclosure are also involved here, and as required by the Conflicts of Interest Board he makes the disclosure that members of his firm, but not he, represent them and he would add to that list L&M Development, and noted that he is not disqualified from voting.

Mr. Gould stated that given the track record and the history of the Corporation he asked if there was a reason given as to why the volume cap was not approved as requested. Mr. Rodney stated they were told that there were a number of other priorities that the State had in other areas that needed attention before the end of the year. He said that unfortunately, the Corporation did not get the amount that was requested but, again, HDC staff is diligently working on the individual projects and as soon as additional cap is available we intend to proceed with that.

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

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

RESOLVED, (A) to approve (i) the Authorizing Resolution that provides for (a) the adoption of Supplemental Resolutions to the Open Resolution providing for the issuance of the 2015 Bonds and 2018 Series C Bonds, (b) the distribution of Preliminary and final Official Statement(s) for the 2015 Bonds and 2018 Series C Bonds, and a supplemental official statement relating to the 2015 Series H Bonds, (c) the execution of bond purchase agreement(s) with the Underwriter(s) of the 2015 Bonds and the forward bond purchase agreement(s) with the Underwriter(s) of the 2018 Series C Bonds or a direct purchaser of any or all of the 2015 Bonds and 2018 Series C Bonds, (d) the use of the Corporation's unrestricted reserves to fund costs of issuance, capitalized interest and mortgage reserves for the 2015 Bonds and 2018 Series C Bonds, as may be required, (e) the use of the Corporation's general obligation as a "Cash Equivalent" (under the Open Resolution) to satisfy the Debt Service Reserve Account requirement with respect to the 2015 Bonds and 2018 Series C Bonds, (f) the refunding of certain bonds of the Corporation, (g) the execution of amendments to the existing Participation Agreement with the City of New York relating to designating certain 2015 Bonds financing mortgage loans as Mitchell-Lama Restructuring Bonds, (h) and the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to issue the 2015 Bonds and 2018 Series C Bonds and to make the mortgage loans relating to the 2015 Bonds and 2018 Series C Bonds; (B) to approve the Authorizing Resolution which provides for (a) the execution of the Funding Loan Agreement, (b) the execution of a Supplement or Supplements to the Funding Loan Agreement regarding the allocation of volume cap and (c) the execution of mortgage-related documents and any other documents necessary to accomplish the issuance of the Funding Loan Obligations and the financing of the related loan; (C) to approve the making of

subordinate loans for seven (7) ELLA developments, two (2) Mixed-Middle (M2) developments, one (1) Mix & Match development and one (1) Mitchell-Lama development from the Corporation's unrestricted reserves in an amount not to exceed \$94,935,000, and the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the subordinate financing; and (D) to approve the making of subordinate loans for one (1) ELLA development and one (1) Mixed-Middle (M2) development pursuant to the Green Funding Swap in an amount not to exceed \$24,990,000.

The Chairperson stated that the next item of business on the agenda would be the Approval of a Loan for Marseilles Apartments, and called upon Jonah M. Lee, Vice President and Director of Preservation for the Corporation, to advise the Members regarding this item.

Mr. Lee referred the Members to the memorandum before them entitled "Approval of a Loan for Marseilles Apartments" dated November 24, 2015 (the "Marseilles Memorandum"), which is appended to these minutes and made a part hereof.

Mr. Lee stated that he was pleased to present for the Members' approval the origination of a loan to finance the preservation of Marseilles Apartments, a 135-unit, 501(c)(3)/Section 8 rental development on the upper west side of Manhattan, in an amount not expected to exceed \$20,650,000.

Mr. Lee stated that the loan proceeds would be utilized by the Mortgagor, Marseilles LLC and Marseilles Housing Development Fund Company, Inc., to refinance existing indebtedness, redeem the Corporation's 2004 Series A Bonds, fund minor repairs, recapitalize project reserves, and facilitate the long-term preservation of affordability and financial stability at the development.

Mr. Lee stated that all, or a portion of the loan may be initially funded from the Corporation's unrestricted reserves, and is expected to be insured under the Corporation's Risk-Sharing program with HUD with the Corporation taking 50% of the risk. He said that it was anticipated that the Corporation's reserves would be replenished through a sale of the beneficial ownership interest in the loan to the Federal Financing Bank pursuant to the FFB Program. He said that this project was expected to be the Corporation's third transaction under the FFB Program, which was previously approved by the Members in September 2014.

Mr. Lee stated that the risks and fees associated with the project were described in greater detail in the Marseilles Memorandum.

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

RESOLVED, to approve (i) the making of a loan in an aggregate amount not to exceed \$20,650,000 for the preservation of the Marseilles Apartments development, and (ii) the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the financing.

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

Ms. Duffy referred the Members to the memorandum before them entitled "Approval of Investment Guidelines" dated November 24, 2015 (the "Investment Guidelines Memorandum"), 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 noted that there were no changes.

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

RESOLVED, to approve the Investment Guidelines.

The Chairperson stated that the next item of business on the agenda would be the Presentation and Approval of the Fiscal Year 2016 Operating Budget, and called upon Ms. Baumann to advise the Members regarding this item.

Ms. Baumann referred the Members to the memorandum before them entitled "Proposed FY 2016 Budget" dated November 24, 2015 (the "FY 2016 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 2016 operating budget.

Ms. Baumann stated that as a central financing engine behind the Mayor's Housing New York Plan, HDC continues to expand on its history of production and accomplishments. She said that Fiscal Year 2015 continued that trend with another year of substantial growth. She said that during the last fiscal year, HDC issued almost \$2.2 billion in bonds, and as the Corporation is currently in the midst of its year-end audit, the unaudited results at fiscal year-end 2015 reflect approximately \$14.3 billion in assets and \$2.1 billion in net assets.

Ms. Baumann stated that during this same time period net income continues to be significant. She said that the Corporation ended fiscal year 2015 with excess revenues over expenses, on a cash basis, of \$86.58 million, an increase of \$16.88 million over the budgeted amount.

Ms. Baumann stated that this improvement was largely due to better-than-expected performance in the Open Resolution surplus, higher servicing fees, and fees received on loan originations and refinancings. She said that sustaining this strong bottom line would allow the Corporation 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, have been used by the Corporation to lend approximately \$1.86 billion over the last 12 years. She said that this strategy and trend will continue into the future.

Ms. Baumann stated that fiscal Year 2016 revenues were budgeted to be \$106.1 million, a \$7.12 million increase from the FY 2015 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, and an increase in loan origination fees expected with more deals closing under the Housing Plan.

Ms. Baumann stated that Fiscal Year 2016 expenses were budgeted to be \$29.48 million, a \$219,000 or 0.75% increase from last year's budget. She said that the slight increase from the FY 2015 budget revolves around certain budget lines decreasing or increasing from last year, with the net effect being a marginal increase. She said that the largest decreases occurred in the NYCERS pension line, as well as the consulting and rent lines. She said that this was offset by a large increase in the IT budget line this year. She said that the Corporation needs to make two critical investments to upgrade its software to continue to meet the demands of an expanding portfolio, the vast amounts of data that accompany the management of such a large portfolio, and the high demands of reporting on that data.

Ms. Baumann stated that the notes in Schedule A to the FY 2016 Budget Memorandum contained more details for each revenue and expense line item.

Ms. Baumann stated that the Corporation's financial outlook for FY 2016 continues to be positive. She said that while the Corporation had continued to flourish, building on our success is only possible through responsible and strategic fiscal planning. She said that this year's budget reflects a conservative expectation of future income, balanced against the needs of supporting the Mayor's Housing program.

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

RESOLVED, to approve the Fiscal Year 2016 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 24, 2015 (the "Property Disposal Guidelines Memorandum") and the Property Disposal Guidelines and Report for Fiscal Year ending October 31, 2015 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 Guidelines 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 Guidelines Memorandum.

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

Mr. Richardson reminded the Members that Declaration of Intent Resolutions were solely for tax code purposes, allowing any expenditures incurred by a project's developer within 60 days prior to the date the Resolution is passed to be eligible for tax exempt bond financing. He said that before HDC were to actually finance any of these projects, the specifics of the transaction would be presented to the Members for review and approval. He noted that he would ask for the approval of the Resolution at the conclusion of the narrative for each project.

Mr. Richardson referred the Members to the memorandum before them entitled "Resolution of Declaration of Intent, 94-02 148th Street, Queens, New York, Block 9999/Lots 9, 10, 11, 13, 15" dated November 24, 2015 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof.

Mr. Richardson stated that the proposed development would consist of the new construction of a building to contain 380 residential rental units to be located at 94-02 148th Street in Queens using approximately \$62.5 million in tax-exempt bonds. He said that the project was to be developed by a single purpose entity to be formed by Artimus Construction.

Mr. Moerdler stated that where we have taken the position of approving either the financing, rehabilitation, construction or syndication of a project he suggests that at such time as the board receives such proposals that the various community boards of the City of New York be notified of it unless that is already being done, noting that this is an issue that he has raised in the past. He said that he believed that the community boards were entitled to have notice, and also that the community boards should know about the excellent work being done by HPD and HDC.

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

RESOLVED, to approve the Declaration of Intent Resolution for 94-02 148th Street, Queens, New York.

Mr. Richardson then referred the Members to the Memorandum before them entitled "Resolution of Declaration of Intent, BEC Phase II Resyndication, Brooklyn, New York" dated November 24, 2015 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof.

Mr. Richardson stated that the proposed BEC Phase II Resyndication project would consist of the acquisition, restructuring and moderate rehabilitation of 560 residential rental units and 10 commercial units located within 44 buildings located predominantly in the Bedford

Stuyvesant and Crown Heights sections of Brooklyn using approximately \$67 million in tax-exempt bonds. He said that the project was to be developed by a single purpose entity to be formed by a joint venture between Hudson Companies, Inc. and BEC New Communities.

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

RESOLVED, to approve the Declaration of Intent Resolution for BEC Phase II Resyndication, Brooklyn, New York.

Mr. Richardson then referred the Members to the memorandum before them entitled "Resolution of Declaration of Intent" Norwood Gardens, 400 East 203rd Street, Bronx, New York, Block 3330, Lot 52" dated November 24, 2015 and the Declaration of Intent Resolution attached thereto, which is appended to these minutes and made a part hereof.

Mr. Richardson stated that the proposed Norwood Gardens project would consist of the new construction of a building to contain 116 residential rental units to be located on East 203rd Street in the Bronx using approximately \$30 million in tax-exempt bonds. He said that the project was to be developed by a single purpose entity to be formed by Stagg Group.

Mr. Moerdler stated that with regret he must vote against this resolution. He said that the Stagg Group has proven to community boards throughout the borough of the Bronx that it has acted in a fashion that is irresponsible and unresponsive to the needs of the community. He said that as long as it continues on that pattern he must vote against any proposal advanced on its behalf. He said that this was not just the view that he has, but community boards throughout the northwest and northeast Bronx have expressed the same view time and again. Ms. Notice-Scott asked if Mr. Moerdler would elaborate. Mr. Moerdler said that in terms of the most recent incident, in community boards 10 and 8 in the Bronx, the Stagg Group had taken positions of construction and of converting buildings that were not appropriate for conversion causing the community boards to adopt resolutions trying to stop those projects. He said that they have communicated with HPD and that Ted Weinstein, Director of Bronx Planning for HPD, had been most helpful in trying to mediate those problems. He said that as a former commissioner of buildings, if he were still holding that job, he would not approve a single Stagg project for the City of New York. He said that he has never seen a situation where there has been total irresponsibility on the part of the developer. He said that community boards have sought to meet with them, and that they have been either jawboned or ignored. To illustrate, he said, what they have had was a project that was supposed to be affordable housing and then suddenly it was converted to a shelter of some sort, and noted that his issue had nothing to do with the fact that it was a shelter. He said that they have sought to construct buildings, for example, one on top of a retaining wall or adjacent to a retaining wall in the community board area where the community has said that they were jeopardizing the viability of a retaining wall that has already once been in a state of collapse. He said that Mr. Weinstein, who is superb, a man of incredible ability, could fully brief the board on this. He said that this was a very sad chapter that has been ongoing. He said that a distinguished former borough president of one of the boroughs had played an important role in stonewalling all of the communities involved in this venture and it was something that he feels personally very troubled about. Mr. Rodney said that he was unaware of

Mr. Moerdler's concerns about this developer, and asked that this declaration of intent resolution be tabled. The Chairperson said that they would circle up with Mr. Weinstein and investigate, and table the resolution for now.

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

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

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

At 10:50 a.m., there being no further business, upon a motion duly made by Ms. Notice-Scott, and seconded by Mr. Gould, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz
Assistant Secretary

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

December 2, 2015

ATTENDANCE LIST

Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	“ ”
Joe Tait	Raymond James
Michael Baumrin	RBC Capital Markets
Jeff Sula	“ ”
Matt Tesseyman	Citibank
Carrie Lee	“ ”
Matt Bissett	“ ”
Mike Koessel	“ ”
Marvin Markus	Goldman Sachs
Peter Weiss	J.P. Morgan
Annie Lee	“ ”
Alan Jaffe	“ ”
Jeff Philp	Orrick, Herrington & Sutcliffe LLP
Susan Jun	BOA Merrill Lynch
Barbara Feldman	“ ”
Geoff Proulx	Morgan Stanley
John Germain	Jefferies LLC
Joseph Monitto	Barclays
Matt Engler	“ ”
Albert Luong	“ ”
Peter Cannava	Wells Fargo
Michael Duncan	“ ”
Ryan Scott	Blaylock Beal Van
Bronson Martin	Caine Mitter
John Carter	Siebert Branford Shank
Jose Yandun	“ ”
Cathy Bell	Stein Bros.
Sally Goldenberg	Politico
Samphas Chhea	Ramirez & Co.
Shams Lawson	Drexel Hamilton
Kimberly Alonzo	“ ”
Tara Boirard	NYC OMB
Daniel Duffy	“ ”
Jacqueline Gold	NYC DOF

Gary Rodney

New York City Housing
Development Corporation

Richard M. Froehlich

“ ”

Paula Roy Carethers

“ ”

Ellen K. Duffy

“ “

Anthony R. Richardson

“ ”

Cathleen A. Baumann

“ ”

Jonah M. Lee

“ ”

Susannah Lipsyte

“ ”

Diane J. Pugacz

“ ”

Jeet Gulati

“ ”

Claudine Brown

“ ”

Robert Sanna

“ ”

Jaclyn Moynahan

“ ”

Ayanna Oliver-Taylor

“ ”

Diana Glanternik

“ ”

Jason Osborn

“ ”

Shira Gidding

“ ”

Mary John

“ ”

Horace Greene

“ ”

Leroi Jiles

“ ”

Tinru Lin

“ ”

Micah Hunter

“ ”

Kate Gilmore

“ ”

Christina Clarke

“ ”

Selina Mendora

“ ”

Justin Mathew

“ ”

Elizabeth Rohlfig

“ ”

Merin Urban

“ ”

Michael Gaboury

“ ”

Moira Skeados

“ ”

Amy Boyle

“ ”

Patricia Halling

“ ”

Miriam Osner

“ ”

Jeffrey Stone

“ ”

Madhavi Kulkarni

“ ”

Bharat Shah

“ ”

Cathy Foody

“ ”

Mary Hom

“ ”

Uyen Luu

“ ”

Shirley Jarvis

“ ”

Cheuk Yu

“ ”

Catherine Townsend

“ ”