

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

August 15, 2013

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Thursday, August 15, 2013 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 4:43 p.m. by the Chairperson, Mathew M. Wambua, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Mark Page, Denise Notice-Scott, Charles G. Moerdler, David M. Frankel and Colvin W. Grannum. A list of observers is appended to these minutes.

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

Mr. Jahr thanked the Chairperson and the Members for carving out some time from their schedules to attend this meeting, and said that he hoped all present today have had an excellent summer to date. Mr. Jahr stated that it's been less than a month since the Members last met, and said that the Members would be meeting again on September 25, so this would be a brief, if not perfunctory report. Mr. Jahr stated that prior to this meeting, the Audit and Governance Committees met, but the central purpose of this meeting was simply to seek the Members' approval to refine HDC's authority for the NYCHA Capital Funding initiative, as well as authorize an increase in issuance for the Ocean Village development in The Rockaways. He said that he would leave it to staff to present these items. Mr. Jahr stated that that concludes his remarks, and if there were no questions or comments, the Members could move on to the next item on the agenda.

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

The Chairperson stated that the next item on the agenda would be the approval of an Amendment to an Authorizing Resolution for Capital Fund Grant Program Revenue Bonds (New York City Housing Authority Program), Series 2013A and Series 2013B and approval to select a Financial Advisor. He called upon Ellen K. Duffy, Senior Vice President for Debt Issuance and Finance for the Corporation, to advise the Members regarding this item.

Ms. Duffy referred the Members to the memorandum before them entitled "Amendment to Authorizing Resolution for Capital Fund Grant Program Revenue Bonds (New York City Housing Authority Program), Series 2013A and Series 2013B and Approval to Select a Financial Advisor" dated August 8, 2013 (the "NYCHA Memorandum") and the attachment thereto: the Resolution Amending the Resolution Authorizing Execution and Delivery of Instruments

Governing the Issuance of Capital Fund Grant Program Revenue Bonds (New York City Housing Authority Program) and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"), which is appended to these minutes and made a part hereof.

Ms. Duffy stated that she was pleased to recommend that the Members approve the Amendment to the Authorizing Resolution for the issuance of the Corporation's Capital Fund Grant Program Revenue Bonds (New York City Housing Authority Program), Series 2013A and Series 2013B originally adopted by the Members on July 25, 2013. She said that the amended authorization would provide the Corporation with the flexibility to sell the Bonds in a sealed bid process as a public, competitive sale.

Ms. Duffy stated that all material financing terms and the bond structure approved by the Members on July 25, 2013 remain unchanged except the Corporation is requesting the flexibility to sell the Bonds through a Competitive Sale. She said that if the Corporation elects to sell the Bonds using a Competitive Sale, it was expected that the Corporation would do so in consultation with the Financial Advisor. She said that the Bonds would be awarded to the bidder complying with the terms in the Notice of Sale and offering to purchase the Bonds at the lowest true interest cost to the Corporation. Ms. Duffy stated that the Corporation would reserve the right in its discretion to reject any or all bids.

Ms. Duffy stated that if the Corporation elects to sell the Bonds using a Competitive Sale, the underwriters approved at the July 25, 2013 board meeting would not be engaged but the Corporation expects that most underwriters approved for the negotiated sale would participate in the Competitive Sale bidding either by submitting a bid alone or forming a syndicate.

Ms. Duffy stated that due to the short notice of such required authorization and to allow for a thoughtful selection process, Members were being asked to authorize the Corporation to select between the three financial advisory firms to act as Financial Advisor for a Competitive Sale of the Bonds:

1. Caine Mitter & Associates
2. Public Resources Advisory Group
3. PFM Group

Ms. Duffy stated that a Financial Advisor performs an essential role in a Competitive Sale. She said that in a Competitive Sale, the Financial Advisor would provide guidance regarding date and time of the sale, review the Notice of Sale, and prepare any needed financial modeling including structuring the Bonds, calculating the true interest cost of each bid and preparing debt service schedules, and any additional calculations requested by the rating agencies.

Ms. Duffy stated that in selecting a Financial Advisor, the Corporation would evaluate each firm's recommendations for the Competitive Sale of the Bonds, their in-house analytic capabilities, the relevant experience providing Competitive Sale advisory services for similar transactions, and other relevant factors.

Ms. Duffy stated that fees related to a competitive sale were outlined in the NYCHA Memorandum.

Mr. Moerdler stated that he would vote for this resolution in the hope, as formally stated, that the Housing Authority would finally find its way to doing the job it's supposed to be doing and hasn't been doing. He said that it was a concern that he had before and wanted to express again.

The Chairperson stated that the Members shared Mr. Moerdler's concern and for that reason they were very eager to ensure that there are the capital funds necessary to help NYCHA through its obligations.

Richard M. Froehlich, Chief Operating Officer, Executive Vice President and General Counsel for the Corporation, then described the provisions of the Authorizing Resolution to the Members and the actions the Members were being requested to approve.

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

**RESOLVED**, (A) to approve a Resolution Amending the Authorizing Resolution authorizing, in addition to the authorizations contained in the existing Authorizing Resolution, (i) the sale of the Bonds through one or more Competitive Sales, (ii) the distribution of one or more Notices of Sale in connection with any Competitive Sale of the Bonds, and (iii) the execution of any other documents necessary to accomplish the issuance and sale of the Bonds through a Competitive Sale; and (B) to authorize the Corporation to select a firm to provide services of a Financial Advisor for the Competitive Sale of the Bonds from amongst the firms listed above.

The Chairperson stated that the next item of business would be the Approval of an Amendment to an Authorizing Resolution relating to Multi-Family Housing Revenue Bonds, 2013 Series A. He called upon Elizabeth Oakley, Vice President of Development for the Corporation, to advise the Members regarding this item.

Ms. Oakley referred the Members to the memorandum before them entitled "Amendment to an Authorizing Resolution Relating to Multi-Family Housing Revenue Bonds, 2013 Series A" dated August 8, 2013 (the "Open Resolution Memorandum") and the attachments thereto, all of which are appended to these minutes and made a part hereof.

Ms. Oakley stated that she was pleased to recommend for the Members' approval, an Amendment to the Authorizing Resolution relating to the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2013 Series A, to increase the authorized issuance to an amount not to exceed \$81.5 million, for the purpose of refunding certain obligations of the Corporation, in addition to the purposes previously authorized by the Members, as outlined in the September 20, 2012 memo, included as Attachment "A" to the Open Resolution Memorandum.

Ms. Oakley stated that the Members previously authorized the issuance of the Corporation's Multi Family Housing Revenue Bonds 2012 Series J in an amount not to exceed

\$31.6 million and 2013 Series A in an amount not to exceed \$45.32 million to finance the acquisition and two-phased rehabilitation of Ocean Village, a Mitchell Lama development located in the Rockaway section of Queens, as further described in Attachment "B". She said that the 2012 Series J Bonds were issued last October for the first phase of rehabilitation in the term rate and directly placed with Citibank with the option to remarket as an underwriting into a long-term fixed-rate mode upon the earlier of: conversion of the Project mortgage loan to permanent financing, the date that long-term AA-rated 30-year tax-exempt rates reached approximately 4.80%, or the end of the 2012 Series J term rate term. She said that 2013 Series A was authorized by the Members for the second phase of the rehabilitation to be issued either in the term rate and directly placed with Citibank, or sold through an underwriting as long-term fixed-rate bonds if the long-term "AA" rated 30 year tax-exempt rates reached approximately 4.80%.

Ms. Oakley stated that indicative pricing recently exceeded the 4.8% rate limit. She said that under the prior authorization, at such time the Corporation would direct Citibank as bondholder to tender the 2012 Series J and remarket such bonds as long-term fixed-rate bonds and issue the 2013 Series A as long-term fixed-rate bonds, which would result in two tax plans. She said that the Members were instead asked to amend the authorization to allow additional 2013 Series A proceeds to be used to refund 2012 Series J, which would create one tax issue for the long-term fixed-rate tax-exempt bond financing of the Project and create improved administrative efficiency for the Corporation. She said that all other material financing terms outlined in the memo included as Attachment "A" and approved by the Members on September 27, 2012, remain unchanged.

Ms. Oakley stated that as a brief project update, the mortgage loans for Ocean Village closed on November 9, 2012, less than two weeks after Hurricane Sandy flooded much of the eastern seaboard, including the Ocean Village property. She said that construction had progressed significantly ahead of schedule in all respects and insurance proceeds totaling over \$9,000,000 would be funding resiliency measures including building sea walls along the northern edge of the property. She said that as of July, the management company had also exceeded lease-up projections, bringing the nearly 35% vacancy at closing down to approximately 10%. She added that a more detailed description of risks and mitigates is outlined in the Open Resolution Memorandum.

Mr. Moerdler then disclosed for the record that members of his firm, but not he, represent in various matters not relevant here, JP Morgan Chase and Citibank, but that this did not disqualify him from voting on this item.

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

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

**RESOLVED**, to approve a Resolution Amending the Authorizing Resolution authorizing, in addition to the authorizations contained in the existing Authorizing Resolution, (i) the issuance of 2013 Series A Bonds in an amount not to exceed \$81,500,000 and (ii) the

authority to issue the 2013 Series A Bonds for the purpose of retiring certain outstanding obligations of the Corporation.

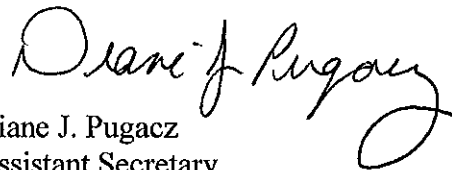
The Chairperson stated that at this time, he would like to close the meeting of the Finance Committee and call for a motion of the HDC board to ratify those items just approved by the Finance Committee.

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

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

At 4:52 p.m., there being no further business, upon a motion duly made by Mr. Gould, and seconded by Mr. Page, the meeting was adjourned.

Respectfully submitted,



Diane J. Pugacz  
Assistant Secretary

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August 15, 2013

**ATTENDANCE LIST**

|                      |  |
|----------------------|--|
| Howard I. Berkman    | Hawkins Delafield & Wood LLP                     |
| R. Gregory Henniger  | “ ”  |
| Kent Hiteshew        | JPMorgan   |
| Annie Lee            | “ ”  |
| Casey Biegelsen      | Barclays   |
| John C. Germain      | “ ”  |
| Damian Busch         | “ ”  |
| Margaret Guarino     | BOA Merrill Lynch                                |
| Rebecca Reape        | “ ”  |
| Joe Tait             | Raymond James                                    |
| Geoff Proulx         | Morgan Stanley                                   |
| Bernard Beal         | M.R. Beal  |
| Matthew McVay        | Ramirez  |
| Eric Velez           | Citigroup  |
| Eileen Heitzler      | Orrick, Herrington & Sutcliffe LLP               |
| Joshua Richardson    | NYC Department of Investigation                  |
| Sanna Wong Chen      | Siebert Brandford Shank                          |
| Zachary Thompson     | “ ”  |
| Thomas Caine         | Caine Mitter                                     |
| Peter Cannava        | Wells Fargo                                      |
| Jennifer Steinberg   | OMB  |
| Marc Jahr            | New York City Housing<br>Development Corporation |
| Richard M. Froehlich | “ ”  |
| Joan Tally           | “ ”  |
| Ellen K. Duffy       | “ ”  |
| Diane J. Pugacz      | “ ”  |
| Melissa Barkan       | “ ”  |
| Miriam Osner         | “ ”  |
| Jeff Stone           | “ ”  |
| Shirley Jarvis       | “ ”  |
| Catherine Baumann    | “ ”  |
| Will Martin          | “ ”  |
| Moira Skeados        | “ ”  |
| Hammad Graham        | “ ”  |
| Teresa Gigliello     | “ ”  |
| David Knapke         | “ ”  |

|                    |   |   |
|--------------------|---|---|
| Catherine Townsend | “ | ” |
| Ping Choi          | “ | ” |
| Mary John          | “ | ” |
| Liz Oakley         | “ | ” |
| Jonah Lee          | “ | ” |
| Mary McConnell     | “ | ” |
| Jim Quinlivan      | “ | ” |
| Cheuk Yu           | “ | ” |
| Uyen Luu           | “ | ” |
| Maura Corrigan     | “ | ” |
| Tinru Lin          | “ | ” |