

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

November 30, 2023

A meeting of the Members of the New York City Housing Development Corporation (the “Corporation” or “HDC”) was held on November 30, 2023, at 120 Broadway, 2nd Floor, New York, New York. The meeting was called to order at 11:03 a.m. by the Chairperson, Adolfo Carrión Jr., who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Denise Scott, Jacques Jiha and Charles G. Moerdler. A list of observers is appended to these minutes.

The Chairperson stated that the first item on the agenda would be the approval of the minutes of the meeting held on October 10, 2023.

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 would be the President’s Report and called upon Eric Enderlin, President of the Corporation to make this presentation.

Mr. Enderlin thanked the Commissioner and thanked the Members and partners in attendance.

Mr. Enderlin stated that this would be the Corporation’s final Board meeting in 2023, and as he reflects on all that was accomplished together this past year, he wanted to thank the HDC team for always rising to meet the challenge of the moment. He stated that while HDC’s mission remains the same, their role has expanded in recent years as HDC works together with government and industry partners to ensure that as many New Yorkers as possible have a safe, affordable place to call home.

Mr. Enderlin stated that with that, he would turn to the official business, as there is a full agenda today. He said that after brief reports from the HDC Board committees, they would hear from Senior Vice President for Development, Lauren Connors and Senior Vice President for Capital Markets, Tinru Lin who will present jointly, given the length of their presentation, to seek the Members’ approval for several items that would enable us to fund the creation and preservation of affordable housing throughout the city. He stated that notably, among those items for consideration is HDC’s first hotel to permanently affordable housing conversion of the JFK Hilton in South Jamaica.

Mr. Enderlin stated that Vice President for Special Projects and Initiatives, Luke Schray would then seek the Members’ approval for an expansion of HDC’s participation in the New York

City Acquisition Fund (“NYCAF”). He said that a truly innovative example of public-private partnership, NYCAF had been an enormously impactful resource for spurring the creation of affordable and supportive housing, resulting in more than 15,000 homes since its launch in 2006. He said that NYCAF was one of the strongest supporters of MWBE and non-profit developers, helping us to serve an important equity goal as well.

Mr. Enderlin stated that next, Executive Vice President and Chief Financial Officer, Cathy Baumann, would present for the Members’ approval the FY24 Operating Budget. He stated that despite the challenging realities of the current environment, teams have worked to ensure that HDC’s financial position remains strong so that HDC can continue to advance the City’s housing goals. He stated that as HDC’s work with partner agencies continues apace, they have seen commensurate growth of key departments. He said that at the same time, all parts of the Corporation have been stepping up to absorb the work of their expanding operations. He said that HDC hasn’t been immune to the hiring challenges and turnover seen in the broader labor market and in the public sector, but through strategic hires in critical areas they are making the necessary investments to increase productivity and capacity, and to protect the City’s significant public investments well into the future. He added that Ms. Baumann would also ask the Members to approve the Annual Property Disposition Report, and to formally adopt HDC’s Mission Statement.

And, finally, Mr. Enderlin stated that Ms. Connors would seek the Members’ approval for a Declaration of Intent Resolution for a proposed new affordable housing development in the Bronx.

Mr. Enderlin stated that before he concludes, he also wanted to make a brief announcement. He said that the Corporation’s Senior Vice President for Administration and External Affairs and Chief of Staff, Elizabeth Strojan, who was not present for the meeting would be departing HDC, and indeed, New York City, to return home to take on a new role as Executive Director of the Louisville Metro Housing Authority in Kentucky (“LMHA”). He said that over these past seven years, Ms. Strojan had been instrumental in helping HDC navigate its growth and remains a tireless advocate for the resources needed from all levels of government to advance it’s affordable and public housing goals. He said that HDC’s loss was LMHA’s gain, and on behalf of all her colleagues at HDC, he wanted to thank Ms. Strojan for her leadership and extend our congratulations and best wishes on this exciting next chapter.

Mr. Enderlin stated that, he would turn it back to the Chairperson, to take them through today’s meeting.

The Chairperson stated that Ms. Strojan was the consummate professional and that he was going to miss her wit and her sense of humor. He said that he told her earlier that day that Louisville had no idea of what was coming to them. He added that the LMHA was a housing authority that needed a lot of work.

The Chairperson stated that he wanted to take the privilege of the Chair, on behalf of the Board, to say thank you to the HDC team and said that the Corporation was a great partner to the housing agency in New York City. He said that he often talks about the banner year that was had

and that that it does not happen because of HPD but because of HPD and HDC working together. The Chairperson thanked Mr. Enderlin and the Corporation.

The Chairperson stated that the next item on the agenda would be the Report of the Governance Committee and called upon Mr. Gould to advise the Members of this item.

Mr. Gould stated that the Governance Committee met prior to this meeting at which time there was a discussion of hiring of the Director of Housing Coordination. He added that no action was required of the Members at this point.

The Chairperson stated that he looked forward to the arrival of that Director, and that the next item on the agenda would be the approval of October 10th, 2023, and November 30, 2023, Report of the Audit Committee Meetings and again called upon Mr. Gould.

Mr. Gould stated that the Audit Committee met on October 10th, 2023, at which time the Corporation's external auditors, Ernst & Young, presented their audit plan for the annual audit of the Corporation's 2023 financial statements. He stated that the Members also reviewed the 2023 third quarter financials and other investment, debt, credit and internal audit reports. He stated that the Members also reviewed and approved the Corporation's purchasing guidelines.

Mr. Gould stated that the Members also met prior to this meeting at which time investment, debt, credit and internal reports were reviewed, as well as the Corporation's presentations to the rating agencies. He said that the Members approved the Fiscal Year 2024 first quarter internal audit plan.

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 for the Members consideration would be the approval of the Authorizing Resolution relating to the Multi-Family Housing Revenue Bonds, 2023 Series E and F, 2024 Series A and B; Approval of a Co-Managing Underwriter; Approval of a Participation Loan; Amendment to 2016 Series J Supplemental Resolution; and Approval of Mortgage Loans and called upon Lauren Connors, Senior Vice President, Development and Tinru Lin, Senior Vice President, Capital Markets to advise the Members regarding this item.

Ms. Connors referred the Members to the blacklined memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2023 Series E, F, 2024 Series A, and B; Approval of a Co-Managing Underwriter; Approval of a Participation Loan; Amendment to 2016 Series J Supplemental Resolution and Approval of Mortgage Loans" (the "Open Resolution Memorandum") dated November 21, 2023.

Ms. Connors thanked the Members and stated that she was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2023 Series E, 2023 Series F, 2024 Series A and 2024 Series B in an amount not expected to exceed

\$794,500,000. She stated that the Bonds together with the Corporation's unrestricted reserves and available funds of the Multi-Family Housing Revenue Bonds, Bond Resolution were expected to be used to finance the construction, acquisition, rehabilitation and/or permanent financing of certain projects, and other activities described as follows.

Ms. Connors stated that the Members were being recommended to approve Sumitomo Mitsui Banking Corporation as a Co-Manager for issuances of the Corporation's Open Resolution, Housing Impact Bond Resolution for NYCHA financings, the Multi-Family Secured Mortgage Revenue Bond Resolution and stand-alone conduit debt. She stated that more information about this recommendation would be provided by Tinru Lin. She said that in addition, the Members are also being asked to approve an amendment to the 2016 Series J Bonds initially issued on December 22, 2016 for the Crossing at Jamaica Station High-Rise development.

Ms. Connors stated that Members were also being asked to approve the origination of one or more participation mortgage loans to assist in the large-scale, multi-phase development and re-financing of the Halletts Point development. She said that in addition, they are asking the Members to approve one or more participation agreements with M&T Bank and a to-be-determined lender syndicate to fund a 100% participation interest in the mortgage loan.

Ms. Connors stated that interest on the 2023 Series E, 2023 Series F, and 2024 Series A Bonds are expected to be exempt from Federal and New York State and local income tax and such bond series would qualify as tax-exempt private activity bonds with a combination of an allocation of new private activity bond volume cap, 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. She stated that interest on a portion of the 2023 Series E Bonds was expected to be exempt from Federal and New York State and local income tax because such bonds would finance a project owned and operated by a 501(c)(3) organization. She stated that interest on the 2024 Series B Bonds was not expected to be exempt from Federal income tax but was expected to be exempt from New York State and local income tax.

Ms. Connors stated that an Authorizing Resolution would authorize the 352nd through 357th Supplemental Resolutions and the amendment of the 2016 Series J Supplemental Resolution.

Ms. Connors stated that the Members were being asked to approve the origination of one or more participation loans in an amount not expected to exceed \$352,000,000 to finance the large-scale, multi-phase development and re-financing of the Halletts Point development. She said that upon origination, the Corporation would sell a 100% participation interest in the participation loans to M&T Bank and a to-be-determined lender syndicate, pursuant to one or more participation agreements.

She stated that on December 22, 2016, the Corporation issued the 2016 Series J Bonds which were purchased and are held by the Federal Home Loan Bank of New York ("FHLB") and the proceeds were used to finance the construction of the Jamaica Station Highrise. She stated that the 2016 Series J Bonds were originally issued with a mandatory tender date of May 2, 2022 in the event the project did not, by such date, achieve such conversion. Ms. Connors stated that

substantial completion on the project was delayed due to extensive construction challenges and the project's conversion has been delayed due to the rate of stabilized occupancy.

Ms. Connors stated that in March 2022, to help address the delays, Members approved an amendment to extend the mandatory tender date to February 1, 2024. She stated that HDC was excited to report that the project was expected to convert to a permanent loan with a direct pay Freddie Mac Credit Enhancement Agreement this December. Ms. Connors stated that however, in an abundance of caution and given the impending mandatory tender date of February 1, 2024, the Members were being asked to approve a second amendment to the 2016 Series J Supplemental Resolution to extend such mandatory tender date to facilitate a later conversion date if such extension is needed. She stated that if approved by the Members, such extension would be subject to approval by FHLB. Ms. Connors stated that it was expected that the above-described mandatory tender date would be extended to a date no later than February 1, 2025.

Ms. Connors stated that it was anticipated that all or a portion of the proceeds of the 2023 Series E Bonds, in an amount not expected to exceed \$431,815,000, together with the Corporation's unrestricted reserves, would be used to finance all or a portion of the senior and subordinate mortgage loans for the six (6) developments. She said that in the aggregate, the developments would create approximately 1,119 new rental homes in Manhattan, Brooklyn and Queens. She further stated that a portion of the proceeds would also provide additional financing for 255 existing units in Brooklyn which the Members have previously approved.

Ms. Connors stated that due to the limited availability of new private activity bond volume cap, the Rockaway Village Phase 5 development is expected to receive a portion of the required financing proceeds through bonds issued in 2024.

Ms. Connors stated that Baisley Pond Park Residences was expected to be the Corporation's first hotel to permanent affordable housing conversion. She stated that the project expects to utilize HDC 501(c)3 Bonds to finance the conversion of the 12-story hotel into a 318-unit affordable residential development. Ms. Connors stated that for more information on these developments, please see Attachments 1 – 6 in Open Resolution Memorandum.

Ms. Connors stated that it was anticipated that a portion of the proceeds of the 2023 Series E Bonds, in an amount not expected to exceed \$59,185,000, would be used to finance or to reimburse the Corporation for amounts previously advanced from its unrestricted reserves to finance all or a portion of certain subordinate loans for the developments described in Attachment "9" of the Open Resolution Memorandum. She stated that the Members had previously approved the subordinate loans for the developments described in Attachment "9" of the Open Resolution Memorandum and are now being asked to approve the use of the 2023 Series E Bond proceeds for the financing of, or reimbursement for, all or a portion of the loans described therein. Ms. Connors stated that the issuance of the 2023 Series E Bonds for this purpose would allow for the replenishment of the Corporation's reserves, which can then be re-lent to new developments in furtherance of the Corporation's commitment to the mayor's housing plan.

Ms. Connors stated that it was anticipated that the 2023 Series F Bonds, in an amount not expected to exceed \$100,000,000, would be issued as a Convertible Option Bonds ("COB") to

preserve tax-exempt “recycled” volume cap in excess of the amounts currently needed by the Corporation and the New York State Housing Financing Agency or to preserve tax-exempt volume cap. She stated that if issued, the proceeds of the 2023 Series F Bonds were expected to provide construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments, all of which were listed in Attachments in the Open Resolution Memorandum, including Attachment “10” and which would all meet the low income set aside required to issue private activity tax-exempt bonds. Ms. Connors stated that the mortgage loans for these developments had either previously closed with corporate funded loans that would be refinanced with recycled or volume cap bonds or are expected to close in 2024 at which point the 2023 Series F Bonds were expected to be refunded or remarketed to match the terms of the applicable mortgage loans. She stated that most of the developments listed in Attachment “10” of the Open Resolution Memorandum would not be funded from the 2023 Series F Bond proceeds but all would be eligible for such financing.

Ms. Connors stated that it was anticipated that the proceeds of the 2024 Series A and B Bonds, in an amount not expected to exceed \$203,500,000, together with the Corporation’s unrestricted reserves, would be used to finance a portion of the permanent loans for two (2) developments previously approved by the Members. She stated that for more information on these developments, please see Attachments 7 and 8 in the Open Resolution Memorandum.

Ms. Connors stated that it was anticipated that a portion of the proceeds of the 2024 Series B Bonds may be used for future lending. She stated that the issuance of the 2024 Series B Bonds, together with an anticipated interest rate hedge that would be described by Ms. Lin, for future lending would enable the Corporation to lock in an interest rate spread now in a rising market. She stated that any future lending for a development that has not been previously approved by the Members would be presented for approval to the Members prior to the making of such loan. More detail on the developments as well as fees were outlined in your Open Resolution Memorandum.

Ms. Connors stated that if there are no questions, Ms. Lin would provide more information on the structure of the bonds and the recommendation of Sumitomo Mitsui Banking Corporation as a co-manager.

Ms. Lin stated that she was pleased to recommend that the Members approve Sumitomo Mitsui Banking Corporation (“SMBC”) as a Co-Manager for issuances of the Corporation’s Bond Resolutions.

Ms. Lin stated that in July 2019, the Corporation issued a Request for Proposal (“RFP”) for Managing Underwriters and on January 21, 2020, the Members approved a diverse roster of underwriters for issuances under the HDC Bond Resolutions. She stated that the Members also approved continued flexibility to allow any firm not then selected as an underwriter to participate in a financing if that firm makes a contribution that benefits the Corporation. She stated that such underwriter’s participation shall be subject to the Members’ prior approval.

Ms. Lin stated that at the March 2019 Board Meeting, the Members authorized the Corporation to enter into one or more liquidity facilities for variable rate Open Resolution bonds, from time to time, from a bank that is on the then current list of bond underwriters previously

approved by the Board and meet the minimum long-term and short-term rating requirements.

Ms. Lin stated that recently, SMBC acting through its New York branch, submitted responses to the Corporation's RFP for Managing Underwriters for issuances of HDC Bond Resolutions, and the 2023 RFP for liquidity facility and/or other variable rate structures. She stated that SMBC was a multinational bank providing banking services to a wide range of clients. Ms. Lin stated that its ratings would allow variable rate demand obligations supported by SMBC to be efficiently remarketed.

Ms. Lin stated that Capital Markets and senior staff evaluated the written material submitted by SMBC and determined that SMBC's strengths and abilities would assist the Corporation in its financing program as a Co-Manager and Liquidity Facility Provider.

Ms. Lin stated that it was recommended that the Members approve SMBC as a Co-Manager for issuances of HDC Bond Resolutions. She stated that with this authorization and the programmatic authority delegated by the Board at the March 2019 Meeting, SMBC would also be eligible to serve as a Liquidity Facility Provider for variable rate Open Resolution bonds.

Ms. Lin stated that the Members were also recommended to authorize the issuance of the Bonds pursuant to multi-modal Supplemental Resolutions. She stated that the Supplemental Resolutions permit the option of causing the Bonds to be issued in or converted to various rate modes such as a fixed rate, a term rate, or variable rates including variable rate demand obligations ("VRDO"), index floating rate bonds, and the proposed 2 new alternatives known as "adjustable-rate remarketed securities" (or "ARRS") and "variable rate-remarketed obligations" (or "VRO"). She stated that the ARRS and VRO were alternative variable rate structures that did not require a liquidity facility. She stated that similar to the VRDO, both ARRS and VRO are variable rate bonds bearing a weekly or daily rate determined and reset by a Remarketing Agent; the bondholders have the option to tender bonds with required notice period. Ms. Lin stated that under the ARRS and VRO rate mode, if bonds tendered by bondholders were not remarketed, the bondholders are required to continue holding the bonds at a stepped-up penalty rate, until the bonds are successfully remarketed or are otherwise redeemed.

Ms. Lin stated that under the VRO rate mode, if bonds tendered were not remarketed after approximately one year, the bonds were required to be redeemed in full, from Open Resolution excess revenues, where under the ARRS rate mode, there is no requirement for an earlier-than-otherwise-scheduled redemption.

Ms. Lin stated that the VRO and ARRS Options were being considered for use because in recent times, the Capital Markets staff have seen higher liquidity facility costs and fewer interested liquidity facility providers. She stated that as recommended, all Bonds were expected to be issued pursuant to multi-modal Supplemental Resolutions, in the mode and structure as follows Ms. Lin stated that the 2023 Series E Bonds were expected to be issued as tax-exempt bonds using new volume cap, recycled cap, and 501C3 authority, with some sub-series issued initially as fixed rate long-term and short-term bonds, as well as variable rate demand bonds. She stated that if the Members authorize SMBC as a Co-Manager for issuances of HDC Bond Resolutions, the Corporation expects SMBC to provide liquidity for the 2023 Series E variable rate demand bonds

in accordance with the programmatic authority.

Ms. Lin stated that the 2023 Series F Bonds, if issued, were expected to be tax-exempt bonds initially in the Term Rate mode known as “convertible option bonds”, or “COB”, to preserve the recycled or new private activity volume cap.

Ms. Lin stated that the 2024 Series A Bonds were expected to be issued as tax-exempt bonds initially in the fixed rate mode, or depending on the market conditions, as variable rate bonds. She stated that the 2024 Series B bonds were expected to be issued as taxable bonds with some sub-series issued as fixed rate or variable rate bonds. She stated that the variable rate bonds were expected to be issued as SOFR-index bonds expected to be purchased by the FHLB. She added that further details of each series of Bonds were outlined in Open Resolution Memorandum.

Finally, Ms. Lin stated that the Members were being asked to approve one or more interest rate hedging instruments, in a combined notional amount not expected to exceed \$166,065,000 to manage its interest rate risk relating to the remarketing of certain bonds into variable rate and/or other bonds issued under the Open Resolution.

Ms. Lin stated that in order to manage the interest rate risk associated with the variable rate portion of the 2023 and 2024 Bonds, the Corporation was working with Mohanty Gargiulo LLC, its hedge advisor, and expects to enter into one or more interest rate hedging instruments. She stated that more detail on the security for Bonds, risks and risk mitigations, bond ratings and bond underwriters were outlined in the Open Resolution Memorandum.

Ms. Scott stated that she may be confused by the variable rate, so the heart of her question was, do they have to hedge at some higher level to control for the variability?

Ms. Duffy, Executive Vice President for Debt Issuance Finance and Cash Management stated that they enter into a hedge for the par amount or the notional amount of the hedge. She said that if they issued \$50 million of variable rate bonds, they would enter into a swape for up to \$50 million. She stated that the swap will be based on market conditions, and they would pay a fixed rate, and the dealer would pay the variable rate. She noted that this locks in the rate. She further stated that based on the market, the swap rate is even better than the publicly offered fixed rate for certain structures, so that is why they have been doing it this way.

Mr. Enderlin stated that it was a fairly straight forward question and issuance structure. He stated that they are fortunate to have this variable rate debt portfolio that can be hedged against, because it allows HDC to do forward commitments on things like some of the NYCHA financings. He stated that HDC has a whole portfolio which Members have heard a little about during the audit meeting in the morning.

There being no further questions, Susannah Lipsyte, Executive Vice President and General Counsel of the Corporation then described the provisions of the Authorizing Resolution and the actions the Members were being asked to approve.

The Chairperson asked for a motion to approve the Authorizing Resolution relating to the

Multi-Family Housing Revenue Bonds, 2023 Series E and F, 2024 Series A and B; Approval of a Co-Managing Underwriter; Approval of a Participation Loan; Amendment to 2016 Series J Supplemental Resolution; and Approval of Mortgage Loans.

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

RESOLVED, to approve (A) an authorizing resolution that provides for (i) the adoption of Supplemental Resolutions to the Open Resolution, (ii) the issuance of the Bonds, (iii) the pledge to the Open Resolution of any mortgage loans of the Corporation, (iv) the terms of any liquidity facility and other activities listed therein and, in the Open Resolution Memorandum; (B) to approve an authorizing resolution that provides for the amendment of the 2016 Series J Supplemental Resolution; (C) to approve (i) the making of six senior loans and six subordinate loans for six (6) developments from proceeds of the 2023 Series E Bonds and/or the Corporation's unrestricted reserves in an amount not expected to exceed \$431,815,000; (ii) the making of one senior loan and one subordinate loan for two developments from proceeds of the 2024 Series B Bonds and/or the Corporation's unrestricted reserves in an amount not expected to exceed \$203,500,000; and (iii) the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the senior and subordinate financing; (D) to approve (i) the origination of one or more participation mortgage loans in an amount not expected to exceed \$352,000,000 for the Halletts Point development; (ii) the execution of one or more participation agreements with M&T Bank and a to-be-determined lender syndicate to fund a 100% participation interest in the mortgage loan; and (iii) the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the participation loan financing; (E) to approve Sumitomo Mitsui Banking Corporation as a Co-Manager for issuances of the Corporation's Open Resolution, Impact Resolution, Mini-Open Resolution, and Stand-Alone debt; and (F) to approve the execution of one or more interest rate hedging instruments in a combined notional amount not expected to exceed \$166,065,000 and the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to enter into said hedging instruments.

Ms. Scott stated that she needed to recuse from the next item on the agenda because Local Initiatives Support Corporation ("LISC") was a member of NYCAF.

The Chairperson stated that the next item on the agenda would be the Approval of New York City Acquisition Fund Additional Senior Term Loan and called upon Luke Schray, Vice President of Special Projects & Initiatives Development to advise the Members regarding this item.

Mr. Schray stated he was pleased to present for the Members' approval a proposal intended to enable a further increase in the volume of loans generated by the New York City Acquisition Fund LLC, or NYCAF, in support of Minority-and/or Women-Owned Business Enterprises and also non-profit developers as they seek to acquire property for affordable housing transactions.

Mr. Schray stated that the Members were requested to approve the use of unrestricted reserves of the Corporation in order to make an interest-only Senior Term Loan to the New York City Acquisition Fund LLC not to exceed \$10 million with a maturity in December 2026, with the

possibility for one or more extensions of the maturity date not to exceed five years. He said that this investment would supplement the \$15 million HDC Senior Term Loan that the members approved in 2018 with the goal of supporting a doubling of the size of NYCAF across all participating partners in order to expand its ability to serve MWBE and non-profit developers.

Mr. Schray stated that, created in 2006, the Acquisition Fund offers acquisition, predevelopment and moderate rehabilitation loans to experienced real estate developers of affordable housing in New York City. He stated that HDC holds a seat on the Acquisition Fund's Credit Committee that reviews and approves all loan proposals.

Mr. Schray stated that Senior Term Lenders to the Fund hold a senior position secured by the New York City Acquisition Fund LLC and its assets. He added that the money was used in conjunction with subordinate funds to finance up to 50% of each acquisition, with the remainder financed by loans secured by the project's assets. He said that further details on the terms and risks of this proposals were outlined in the memorandum before the Members.

Mr. Moerdler asked to what extent, if any, does the Board receive a periodic report of the financial success, problems of the various loans made by the Acquisition Fund, and its results.

Mr. Enderlin stated that the Board does not receive periodic reports but the Corporation could supply that information because they have complete access and visibility into NYCAF's actions. He said that there had only been one troubled loan that ended up being recycled and still used for affordable housing. He noted that the Corporation would be happy to report.

Mr. Moerdler stated that he thought it would be in the public interest to do so. Mary Hom, Chief Credit Risk Officer stated that the recent quarterly financial statements from NYCAF would show that there have been no delinquencies. Mr. Moerdler then stated that providing this information would enable the Board to make the kind of reports that are required to be made to show that they are doing the job that they are supposed to do.

The Chairperson stated that he sees the performance of this and the results of it as wonderful with no defaults. He said that it has propelled a number of new businesses into this multi-billion-dollar affordable housing market that they all operate in. He stated that he liked the idea of an annual report and that it should be celebrated.

Mr. Enderlin stated that it had been more successful than anyone could have imagined to the provision of affordable housing particularly in the provision of supportive housing. He said that was what surprised people the most was how useful it had become in supportive housing. He added that HDC is happy to provide an annual report. Mr. Moerdler stated that when this information is out to the public through this agency there will be a benefit for the entities and for the agencies involved.

Upon a motion duly made by Mr. Gould, and seconded by Mr. Moerdler, the Members, with Ms. Scott having recused:

RESOLVED, to approve the New York City Acquisition Fund Additional Senior Term Loan.

The Chairperson stated that the next item on the agenda would be a Presentation and Approval of the Fiscal Year 2024 Operating Budget and called upon Ms. Cathleen Baumann, Executive Vice President and Chief Financial Officer to advise the Members of this item.

Ms. Baumann stated that she was pleased to present the Corporation's proposed Fiscal Year 2024 operating budget for the Members' approval. She said that the Corporation ended Fiscal Year 23 with an excess of revenues over expenses, on a cash basis, of \$130.35 Million, an increase of \$24.29 Million over the budgeted amount. She said that the increase was mainly due to higher-than-expected earnings on investments due to rising interest rates throughout the year. She said that this also resulted in better-than-expected performance in the Open Resolution.

Ms. Baumann stated Fiscal Year 24 revenues are budgeted to be \$176.56 Million, a \$24.64 Million increase from the Fiscal Year 23 adopted budget. She said that the budget-to-budget increase was largely attributable to an increase in investment income due to higher interest rates.

Ms. Baumann stated that Fiscal Year 24 operating expenses are budgeted to be \$45.77 Million. She said that this was a \$90,000 or 0.2% decrease from the Fiscal Year 23 adopted budget. She said that the slight decrease from the FY23 budgeted amounts revolves around certain budget lines decreasing or increasing from last year. She said that the projected increase due to the growth in work and related growth in staff and related costs, was offset by the decrease in budget line costs associated with the move to the new office space last year.

Ms. Baumann stated that the economy showed signs of improvement during Fiscal Year 23. She said that the rate of inflation had slowed but the Fed had not signaled a halt to interest rate hikes. She said that despite all the uncertainty, the Corporation had another successful year. She said that during Fiscal Year 23 the Corporation issued \$2 billion in bonds. She said additionally, \$249 million of corporate money was committed for subsidy loans bringing the total corporate subsidy provided over the past 20 years to \$3.8 billion. She said that along with the bond financings HDC's balance sheet remains strong. She said that total assets and net assets in the Enterprise Fund for fiscal year end are expected to be \$24.5 billion and \$4.1 billion, respectively.

Ms. Baumann stated that additionally, the Corporation's work with our partner agencies continues. She stated that HDC continues to work as the key financing partner under the NYCHA PACT program. She said that to date, HDC had contributed over \$1.87 billion in financing, supporting repairs and upgrades at 41 NYCHA campuses comprising over 14,500 homes under the PACT program. She said that in addition to assembling the financing, HDC joins NYCHA in providing ongoing asset management to ensure the ongoing physical and financial health of the developments.

Ms. Baumann stated the Corporation also continues its longstanding partnership work with HPD, including bringing additional debt and properties into the portfolio, increased loan servicing, and working on streamlining procedures and processes to enable applicants and shelter residents to move into their new homes more expediently. She said additionally, the Corporation was

continuing its efforts to help improve Housing Connect 2.0, with those efforts expected to increase in the upcoming year. She said that Housing Connect was a critical resource for a large and growing number of New Yorkers looking to secure affordable housing financed by HPD and HDC.

Ms. Baumann stated that these great partnerships and concerted efforts by the agencies to increase the supply of affordable housing have continued to increase the workloads of most of the HDC staff. She said that the NYCHA PACT portfolio, for instance, had a significant impact on staff resources over the past couple of years and would continue as well. She said that as some staff resources throughout the Corporation are redeployed to work on the PACT portfolio, there also needs to be a backfill of additional staff to work on the Corporation's business outside of the PACT portfolio.

Ms. Baumann stated that, nonetheless, it was critical that the Corporation is fortified to perform at the high standards and professionalism that bestows HDC's reputation and warrants its AA credit rating. She said that it was also critical that the Corporation continues to prepare for succession planning and build on its future. She said therefore, this year's budget includes an increase of 22 positions to the staff headcount, all of which were spread throughout the departments to maintain an efficient and productive workforce, and work product.

Ms. Baumann stated that the Fiscal Year 24 operating budget that senior management proposes demonstrates the Corporation's responsible and strategic fiscal planning. She said that by containing administrative costs through operational innovations and efficient managerial controls, HDC would maintain its flexibility as they reach their goals of increased productivity and maximize our contributions to the City's housing effort. She said that notes in Schedule A to the Budget Memo contained in the Members' board packages provide more details for each revenue and expense line item. Ms. Baumann asked if there were any questions.

Mr. Jiha asked why such a significant number of people had been added to the Corporation's payroll. Ms. Baumann agreed that the number was significant and said that out of the Corporation's 220 people, about 48 of them were working on PACT throughout their day, and out of those, for 14 of them, 50% to 100% of their work is based on PACT. She said that based on the foregoing, the Corporation would also have to backfill from behind. Aside from PACT, she said that the Corporation's other business needs are also expanding, with a need for an increased headcount and some support services. She added that the request for additional personnel is spread throughout the Corporation but the biggest impact this year is with Asset Management, where there is a request for 9 new hires to work on PACT.

Mr. Moerdler wanted to know what the new employees would be doing. Mr. Enderlin said that since HDC entered into this partnership with NYCHA a few years ago, they have constantly updated the allocation or share of time and people. He said that at this point, a significant portion of HDC's time and bandwidth goes to planning and developing the NYCHA initiatives. Ms. Enderlin shared that HDC closed a very large NYCHA partnership deal just yesterday and the expectation is that most of the mentioned hires will fall into the Asset Management department for such NYCHA or PACT work. He said that other than the importance of growing the Asset Management side of the NYCHA work, HDC recognizes that the NYCHA work involves

permanent affordability and rolling refinancings which requires HDC to know what is happening in that portfolio in real time. He said that this is also true on the debt side where Ms. Duffy, Ms. Lin, and team are managing risk. He said that secondarily, HDC has beefed up its data and analytics team and its ability to look at the needs assessments and the physical conditions to do inspections to ensure HDC provides the proper oversight on behalf of the City and reports out on a regular basis. He said that they were also in the process of renegotiating an MOU with NYCHA through City Hall which they will share with the Director as well. Mr. Enderlin said that in light of all of this and HDC's growing number of transactions with HPD, NYCHA, and DHS, which need to filter through legal and various departments, the request to add 22 new employees is part of the planning process.

Mr. Moerdler said that his concern was what was being done to monitor the activities of DHS and NYCHA given their histories to the extent that HDC finances them. He stated that his concern was not new as the distinguished Commissioner is aware of. He said that he had a very serious concern as to the quality of the housing provided by NYCHA and the shelter provided by DHS and their overall management as agencies. He said HDC has to watch them because it will bite them at some point. He said that it is clear that the Corporation is trying everything it can to do the very best job in the public interest. He said the Corporation was being asked to watch over and give a certification by reason of the quality of product generated here, a certification that those two agencies are reasonably functional, and they are not, and at some point, this may bite HDC. Mr. Moerdler said that he asks that HDC add whatever people needed to provide serious oversight.

Ms. Scott stated that she would agree that the Asset Management arm of HDC is what this Board would require for all work with NYCHA and DHS. She said if it was not here, she would be asking for it in order to put that oversight where it belongs especially on the physical management side, and to make sure that the dollars HDC are putting in are being managed to an outcome that would be worthy of the level that Mr. Moerdler was talking about. She said that she was not sure that 22 employees would be enough based on her insight into the development side and the conditions that the folks are going through PACT to achieve new outcomes. She said that there are significant issues to successfully accomplish occupied rehabs. She added that she thought that the Corporation had to beef up its Asset Management and that she did not see any other way.

Mr. Jiha stated that the whole point of the PACT is that it is supposed to be a model. He said, therefore, the need for these resources from his perspective is less pronounced than under normal other circumstances.

Mr. Jiha asked Mr. Enderlin to confirm that the office rent was being shown as free rent. Mr. Enderlin confirmed yes.

Mr. Moerdler stated that there was a charge being paid under the mobility tax and questioned whether HDC was subject to it. Ms. Baumann said that they may have looked into it when it was first instilled and determined they were subject to it but the Corporation would check into it again.

Mr. Enderlin stated he appreciated all of the perspectives shared earlier and that the Corporation was moving into a new mode of work with NYCHA to get to a place where it is more

sustainable, is high functioning, is clear of where the financing stands, and what the physical conditions of those properties are. He added that this was a model that requires HDC to think differently about HDC's Asset Management. Mr. Moerdler said that was exactly what he would ask the Corporation to do. He said that the Corporation was providing these agencies finally a sense of compass and of proper service and he wanted to be sure that (a) HDC had the arms and legs to do that job, and (b) they had the full authority to do the job. Mr. Moerdler went on to say that the Chairperson who is the former borough president of the Bronx is well aware that NYCHA is not doing a good job there. Mr. Enderlin added that the Corporation was financing against strong federal contracts to do this work and keeping it solid after the closing through monitoring is the key. The Chairperson said that it is the asset and property management side of work that is so critical right now. The Chairperson stated that with the rising costs that he is seeing on his end they have working groups and teams that are constantly working to monitor and figure out new efficiencies.

Mr. Enderlin stated that DHS was similarly moving in a direction towards innovative long-term financeable contracts that allow insight, oversight, monitoring, and efficiency to that kind of program. He stated that he was not saying that all of the agencies do not have some challenges but the portions that HDC is working within these new models are fundamentally different than the experience Mr. Moerdlers and others have had. Mr. Moerdler said that the way NYCHA and DHS are moving may be towards the positive, but they are moving not only at a snail's pace but an anchored snail's pace.

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

RESOLVED, to approve the Corporation's Fiscal Year 2024 Operating Budget.

The Chairperson stated that the next item of business would be the Presentation of the Property Disposition Report and again called upon Ms. Baumann to make this presentation.

Ms. Baumann stated that she was pleased to recommend that the Members approve the Property Disposition Guidelines attached to the Property Disposal Guidelines Report. She said that pursuant to the Public Authorities Accountability Act of 2005 each public authority was 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 had not changed since originally approved by the Members in Fiscal Year 2008. She said that the Corporation did not currently own any real property, nor did it dispose of any in the prior year as noted in the annual property disposition report in the Members' packages. Ms. Baumann stated that after approval, the report would be submitted to the Office of the State Comptroller, the Director of Budget, the Commissioner of General Services, and the Office of the NYC Comptroller. She said that the report would also be published on the Corporation's website.

If there are no questions, the Members are being asked to approve the Corporation's Fiscal Year 2023 Property Disposition Guidelines.

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

RESOLVED, to approve the Corporation's Fiscal Year 2023 Property Disposition Guidelines.

The Chairperson stated that the next item on the agenda would be the Adoption of the Corporation's Mission Statement and called upon Ms. Baumann to advise the Members regarding this item.

Ms. Baumann stated that she was pleased to recommend that the Members adopt a Resolution and the Corporation's mission statement pursuant to the Public Authorities Accountability Act of 2005. She said that pursuant to the Public Authorities Law, state and local public authorities are required to develop and adopt a mission statement and maintain it on its website. She said that the mission statement included in the packet before the Members was formalized in 2006/2007 as part of the Public Authorities Accountability Act of 2005, also known as PAAA, and has been posted on the Corporation's website ever since.

Ms. Baumann stated that the mission statement had also been submitted annually to the NY State Authorities Budget Office, or "ABO", as part of annual submissions required under PAAA. She stated that the mission of the ABO is to make state and local authorities more accountable and transparent, and ABO have asked for the Corporation's most recent mission statement.

Ms. Baumann stated that the mission statement would remain the same and reads as follows:

"HDC seeks to increase the supply of multi-family housing, stimulate economic growth, and revitalize neighborhoods by financing the creation and preservation of affordable housing for low, moderate, and middle-income New Yorkers."

Ms. Baumann stated that after approval, the mission statement would be resubmitted to the ABO and the Resolution would be posted on the Corporation's website.

Mr. Moerdler stated that he looks forward to the day that someone would supply an intelligent, understandable and consistent definition of the words "affordable housing". He stated that it was not the situation today although the Chairperson had made great progress in that direction. However, he said that it was a mess to which the Chairperson said it was a moving target.

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

RESOLVED, to adopt the proposed Resolution and the Corporation's mission statement.

The Chairperson stated that the next item of business would be the approval of a Declaration of Intent Resolution for Whitlock Point Phase 2, 1154 East 165 Street, Bronx, NY and called upon Ms. Connors to make this presentation.

Ms. Connors stated that the 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. She stated that before HDC were to actually finance a project, the specifics of the transaction would be presented to the Members for review and approval.

Ms. Connors referred the Members to the memorandum before them entitled "Resolution of Declaration of Intent Whitlock Point Phase 2 located in the Bronx, New York." She stated that the proposed development would consist of the new construction of one building containing a total of 251 residential low-income rental units to be located in the Longwood neighborhood in the Bronx. She said that it was expected that the development would use approximately \$90,340,000 in tax exempt bonds. She said that the project was to be developed by a single purpose entity to be formed and controlled by Stagg Group LLC.

Mr. Moerdler stated that out of an abundance of caution he would like to recuse himself from this item.

Upon a motion duly made by Ms. Scott, and seconded by Mr. Gould, the Members, with Mr. Moerdler recusing:

RESOLVED, to approve the Resolution of Declaration of Intent Resolution for Whitlock Point Phase 2, 1154 East 165 Street, Bronx, NY.

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. Moerdler noting his recusal, and seconded by Mr. Jiha, the Members unanimously:

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

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

Respectfully submitted,



Moira Skeados
Secretary

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

November 30, 2023

ATTENDANCE LIST

Eric Enderlin	NYC Housing Development Corporation
Cathleen Baumann	NYC Housing Development Corporation
Lauren Connors	NYC Housing Development Corporation
Tinru Lin	NYC Housing Development Corporation
Ruth Moreira	NYC Housing Development Corporation
Moira Skeados	NYC Housing Development Corporation
Susannah Lipsyte	NYC Housing Development Corporation
Luke Schray	NYC Housing Development Corporation
Madhavi Kulkarni	NYC Housing Development Corporation
Paul Cackler	NYC Housing Development Corporation
Austin Chin	NYC Housing Development Corporation
Carol Micalizzi	NYC Housing Development Corporation
Melissa Barkan	NYC Housing Development Corporation
Paul Cackler	NYC Housing Development Corporation
Lisa Geary	NYC Housing Development Corporation
Trisha Ostergaard	NYC Housing Development Corporation
David Mischiu	NYC Housing Development Corporation
Gene Yee	NYC Housing Development Corporation
John Gearrity	NYC Housing Development Corporation
Claudine brown	NYC Housing Development Corporation
Sakshee Sani	NYC Housing Development Corporation
Lois Bricken McCloskey	NYC Housing Development Corporation
Ilana Moyer	NYC Housing Development Corporation
Jennifer Beamish	NYC Housing Development Corporation
Adam King	NYC Housing Development Corporation
Samantha Chui	NYC Housing Development Corporation
Josephine Logozzo	NYC Housing Development Corporation
Mohammad Islam	NYC Housing Development Corporation
Lisa Wertheimer	NYC Housing Development Corporation
Horace Greene	NYC Housing Development Corporation
Mary Bruch	NYC Housing Development Corporation
Alison Glaser	NYC Housing Development Corporation
Aaron Pincus	NYC Housing Development Corporation
Tania Dorado	NYC Housing Development Corporation
Brian Wong	NYC Housing Development Corporation
Arjun Subakeesan	NYC Housing Development Corporation

Daniel Quiroz	NYC Housing Development Corporation
Marion Amore	NYC Housing Development Corporation
Angus Page	NYC Housing Development Corporation
Susan Tso	NYC Housing Development Corporation
Justine Martin	NYC Housing Development Corporation
Violine Roberty	NYC Housing Development Corporation
Zi Lin Liang	NYC Housing Development Corporation
Michael Lam	NYC Housing Development Corporation
Ronald Kestelboym	NYC Housing Development Corporation
Bonnie Nesbitt	NYC Housing Development Corporation
Chanin French	NYC Housing Development Corporation
Jose Pardo	NYC Housing Development Corporation
William Byrd	NYC Housing Development Corporation
Merin Urban	NYC Housing Development Corporation
Jamaine Gooding	NYC Housing Development Corporation
Ping Choi	NYC Housing Development Corporation
Tolulope Abotyade-Cole	NYC Housing Development Corporation
John Gearity	NYC Housing Development Corporation
Susan O'Neill	NYC Housing Development Corporation
Farhana H. Choudhury	NYC Housing Development Corporation
Ankita Vaid	NYC Housing Development Corporation
Lisa Brice	NYC Housing Development Corporation
Yaffa Oldak	NYC Housing Development Corporation

Rebecca Reape	Wells Fargo
Nick Fluehr	Wells Fargo
Jeremy Welsh-Loveman	NYC Office of Management & Budget

Kevin Murphy	Hawkins Delafield & Wood LLP
Greg Kenniger	Hawkins Delafield & Wood LLP
Annie Lee	Bank of America
Joe Monitto	Bank of America
Michelle Kim	Bank of America
John Germain	TD Securities
Joan Tally	Morgan Stanley
Joe Tait	Raymond James
Patrick Moran	Siebert Williams Shank
Kin Wong	Sumitomo Mitsui Banking Corporation
Jeff Philp	Orrick
Damian Busch	Barclays
Vikram Shah	Barclays
Mike Koessel	Citi
Yuan Chen	Citi
Mitch Gallo	RBC Capital Markets
Ian Phelps	RBC Capital Markets
Mark Broseker	RBC Capital Markets
Ben Killia	Wells Fargo
Sara Ketchum	Academy Securities

Peter Weiss
Kemi Akande
Gregory Boggs
June Yom
Samphas Chhea
Andrew Pfeifer

Loop Capital
Loop Capital
Morgan Stanley
J.P. Morgan
Jefferies
Stifel