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

November 25, 2024

A meeting of the Members of the New York City Housing Development Corporation was held on Monday, November 25, 2024, at the office of the Corporation, 120 Broadway, 2nd Floor, New York, New York. The meeting was called to order at 11:00 a.m. by the Chairperson Adolfo Carrión Jr., who noted the presence of a quorum. The Members present were Harry E. Gould, Jacques Jiha, Preston Niblack, and Denise Scott. The Members absent were Charles G. Moerdler and Mark Norman.

The Chairperson stated that the Members would approve the minutes of the Members Meeting held on September 24, 2024.

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

RESOLVED, to approve such minutes.

The Chairperson stated that the next item on the agenda would be the president's report and called upon Mr. Enderlin to make this presentation.

Mr. Enderlin stated that he would like to welcome the Members and all who have joined the meeting today for what will be the final meeting this year of the HDC Board. He stated that as we approach year end, the deals presented to the Members today will help to ensure more New Yorkers have access to safe, affordable housing, including some of our lowest income New Yorkers and those at-risk of or who have experienced homelessness.

Mr. Enderlin stated that the important projects we seek to advance today require the creative deployment of resources that we are always seeking to protect and expand. He stated that looking ahead, with a new Administration on the horizon, we will remain focused on collaborating with our national partners to advocate for the programs, policies, and funding needed to tackle the growing housing crisis, not just in New York, but across the country. Mr. Enderlin stated that we will also continue to work with our many partners closer to home to make sure we are doing all we can at the local and state levels to improve the lives of New Yorkers and build stronger, more resilient communities.

Mr. Enderlin stated that we were encouraged that the Mayor and Governor announced an agreement last week to advance the historic City of Yes for Housing Opportunity zoning proposal, which would allow for the creation of up to 80,000 new homes over the next 15 years, and a $5 billion investment towards housing and critical infrastructure improvements. He stated that we were excited about the opportunities this presents and look forward to working with all our City and State partners to explore every avenue to both increase new housing supply, while securing the existing affordable housing stock for future generations.

Mr. Enderlin stated that he would now turn to today's agenda. He stated that we will begin with a presentation on an earlier meeting of the Audit Committee.

Mr. Enderlin stated that we will then turn to Senior Vice President for Development Lauren Connors, who will present several items for the Members' approval. He stated that these include the issuance of bonds that will support the financing of more than 1,400 affordable homes throughout the city, as well as an updated request for approval related to the Linden Plaza Mitchell-Lama Development in Brooklyn to account for a change in the project's credit enhancement structure. Mr. Enderlin stated that Ms. Connors would also request approval of a convertible option bond (or "COB"), which would help us to ensure the conservation of private activity bond volume cap – one of our most critical, yet limited, financing tools.

Mr. Enderlin stated that next, Vice President for Development Angus Page would present for the Members' approval the refinancing of 8 Spruce, an iconic development located not far from where we meet today that is known to many New Yorkers thanks to the distinctive style of the project's architect Frank Gehry. Mr. Enderlin stated that 8 Spruce Street was originally financed under the Liberty Bond Program, which was created in the aftermath of September 11th to spur development and aid in the revitalization of lower Manhattan.

Mr. Enderlin stated that, Ms. Connors would join us again to request the Members' approval of the refinancing of 125 Court Street in Brooklyn.

Mr. Enderlin stated that we will then hear from Vice President for Strategy Operations, Alex Merchant regarding a request for approval to fund contract services for the City Housing Activation Taskforce, which is charged with bolstering the supply of affordable housing citywide by identifying and preparing City-owned sites determined to be feasible for mixed-income housing development.

Mr. Enderlin stated that Director of Budget and Financial Planning, Bobby Toth would then join us to present the Fiscal Year Operating Budget for approval followed by Chief Financial Officer, Cathy Baumann who will present for the Members' approval the Annual Report on Property Disposal Guidelines.

Mr. Enderlin stated that before we proceed to the agenda, he wanted to flag for the Board that the Capital Markets team expects to prepare a Request for Proposal to select an investment banking group qualified to underwrite future HDC bond issues. He stated that we plan to distribute the RFP in January of 2025, after which a review committee comprised of senior staff members of the Corporation would conduct an evaluation of the responses. A report and recommendation would then be presented to the Members at one of our future meetings anticipated in the first half of 2025.

With that in mind, Mr. Enderlin also wanted to thank each of the Board Members, for their ongoing commitment to these important convenings. He stated that as we strive to solve our city's evolving housing crisis, a more frequent occurrence of Board Meetings has become instrumental in advancing both our affordable housing and public housing transactions at a steady pace. He stated that while we do not have any NYCHA PACT preservation deals for approval today, he wanted to acknowledge the value of meeting on a quarterly basis to accommodate the urgency of the Corporation's expanded pipeline and express how much we value the Members' participation in furthering our collective mission.

Mr. Enderlin stated that as we gear up for another busy December closing season, it's a timely moment to reflect on the impressive contributions of the entire HDC team. Mr. Enderlin stated that he wanted to extend his sincere thanks to each member of the HDC staff for their dedication to improving the lives of New Yorkers in need. He stated that it's clear that HDC has never been busier, and its efforts are making a real difference.

Mr. Enderlin stated that with that he would conclude his remarks and turn it back to the Commissioner.

The Commissioner stated that the next item on the agenda would be the Report of the Audit Committee Meeting and called upon Mr. Gould to make this presentation.

Mr. Gould stated that the Audit Committee met prior to this meeting at which time investment, debt, credit and internal audit reports were reviewed, as well as the Corporation's presentation to the rating agency, Moody's. He stated that the Members also approved the FY 2025 first quarter internal audit plan. Lastly, Mr. Gould stated that the Members reviewed and approved the Corporation's purchasing guidelines.

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

The Chairperson stated that the Members would consider the approval of the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2024 Series F, G and H, and 2025 Series A; and Approval of Mortgage Loans and called upon Lauren Connors, Senior Vice President, Development to make this presentation.

Ms. Connors referred the Members to the memorandum before them entitled "Multi-Family Housing Revenue Bonds, 2024 Series F, 2024 Series G, 2024 Series H, and 2025 Series A; and Approval of Mortgage Loans" (the "Open Resolution Memorandum") dated November 19, 2024.

Ms. Connors stated that she was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2024 Series F, G and H, and 2025 Series A in an amount not expected to exceed $1,525,160,000. She stated that she would go into more detail about these approvals but want to first flag that we are doing quite a bit this month so this would be a lengthy presentation.

Ms. Connors stated that the Bonds, together with the Corporation's unrestricted reserves and available funds of the Open Resolution, were expected to be used to finance the construction, acquisition, rehabilitation and/or permanent financing of certain projects, and other activities described in the Open Resolution Memorandum. She stated that interest on the Bonds was 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 an allocation of new private activity bond volume cap, an allocation of "recycled" volume cap, and/or the refunding of certain outstanding bonds or obligations of the Corporation. She stated that the anticipated interest rates, maturity dates, and other relevant terms of the Bonds were described in the Open Resolution Memorandum.

Ms. Connors stated that on September 24, 2024, the Members approved the making of certain mortgage loans for the Linden Plaza development in an amount not to exceed $207,295,000. Members were now being asked to approve the use of the Corporation's general obligation pledge, in an amount not expected to exceed 10% of the outstanding principal balance of the mortgage loan, to be financed with bond proceeds, plus costs associated with any delinquency resolution to facilitate the top loss share supplemental security for such mortgage loan. An Authorizing Resolution would authorize the 366th through 369th Supplemental Resolutions.

Ms. Connors stated that it was anticipated that all or a portion of the proceeds of the 2024 Series F Bonds together with the Corporation's unrestricted reserves would be used to finance all or a portion of the senior and/or subordinate mortgage loans for five developments. The proceeds would create approximately 1,491 new rental homes in Brooklyn and the Bronx, including a supplemental senior loan for one development previously approved by the Members.

Ms. Connors stated that due to the limited availability of new private activity bond volume cap, the Columbia Street Commons I and Innovative Urban Village - Phase 1B developments were expected to receive a portion of the required financing proceeds through bonds issued in 2025.

Ms. Connors stated that it was also anticipated that a portion of the proceeds of the 2024 Series F Bonds would be used to finance or reimburse the Corporation for amounts previously advanced from its unrestricted reserves to finance all or a portion of certain subordinate loans for certain of the developments described in Attachment "7" of the Open Resolution Memorandum. The Members had previously approved the subordinate loans for the developments described in Attachment "7" and were now being asked to approve the use of the 2024 Series F Bond proceeds for the financing of, or reimbursement for, all or a portion of the loans. She stated that the issuance of the 2024 Series F Bonds for this purpose would allow for the replenishment of the Corporation's reserves, which could 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 all or a portion of the 2024 Series F Bonds would initially be issued as tax-exempt, fixed-rate bonds to finance all or a portion of the short and long term 2024 Series F mortgage loans.

Ms. Connors stated that depending on market conditions, the Corporation may choose to issue all or a portion of the 2024 Series F-1 and 2024 Series F-2 Bonds as variable rate demand bonds. If structured as variable rate demand bonds, the Corporation expects to select a bank to provide liquidity for the 2024 Series F-1 and 2024 Series F-2 Bonds through a stand-by bond purchase agreement.

Ms. Connors stated that it was anticipated that the 2024 Series G Bonds would be issued as a convertible option bond or 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. She stated that it was also anticipated that the 2024 Series H Bonds would be issued as a COB to preserve private activity volume cap in the event the Corporation receives tax-exempt new private activity volume cap in excess of the amounts needed to finance the mortgage loans this December.

Ms. Connors stated that if issued, the proceeds of the 2024 Series G Bonds and 2024 Series H Bonds were expected to provide construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments described in Attachment “8” of the Open Resolution Memorandum, which would meet the low income set aside required to issue private activity tax-exempt bonds. The mortgage loans for these developments had either previously closed with corporate funded loans that would be refinanced with recycled bonds or are expected to close in 2025, at which point the Bonds were expected to be remarketed to match the terms of the applicable mortgage loans.

Ms. Connors stated that the 2024 Series G Bonds may be issued in the first quarter of 2025 or later when prepayments from the Corporation and NYSHFA are expected to come in. She stated that the 2024 Series G Bonds and 2024 Series H Bonds were each expected to be issued as variable rate obligations initially in the term rate mode. The Corporation may direct that all or a portion of the 2024 Series G Bonds or the 2024 Series H Bonds be converted from time to time to another interest rate mode.

Ms. Connors stated that it was anticipated that a portion of the 2025 Series A Bonds would be used to refund certain tax-exempt Open Resolution Bonds, including but not limited to 1) bonds issued in 2015 through 2017 which have reached their optional call date and 2) bonds issued in 2020. The 2025 Series A Bonds would initially be issued as tax-exempt fixed-rate bonds. She stated that for more information on these developments, please see Attachments 1 – 8 in the Open Resolution Memorandum.

Ms. Connors stated that the Members were being asked to authorize the issuance of the Bonds pursuant to multi-modal Supplemental Resolutions. All or a portion of the Bonds may be converted to other interest rate modes provided for in the Supplemental Resolutions.

Ms. Connors stated that, in order to manage the interest rate risk associated with the variable rate portion of the Bonds, the Corporation is working with Mohanty Gargiulo LLC, its hedge advisor, and expects to enter into one or more interest rate hedging instruments. More detail on the developments and the bond underwriters, risks, fees and credit ratings associated with the bonds were outlined in the Open Resolution Memorandum.

There being no questions, Susannah Lipsyte, Executive Vice President, and General Counsel 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, 2024 Series F, G and H, and 2025 Series A; and Approval of Mortgage Loans.

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

RESOLVED, to approve (A) an authorizing resolution that provides for the adoption of Supplemental Resolutions to the Open Resolution, the issuance of the Bonds, the pledge to the Open Resolution of any mortgage loans or assets of the Corporation, the terms of any liquidity facility and other activities listed therein and, in the Open Resolution Memorandum; (B) to approve (a) the making of five (5) senior loans and four (4) subordinate loans for four (4) ELLA developments, and one (1) Mix and Match development from proceeds of the 2024 Series F Bonds and/or available funds of the Open Resolution or the Corporation's unrestricted reserves in an amount not to exceed $497,555,000; and (b) the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the such financing; (C) to approve (a) an amendment to an action authorized by the Members on September 24, 2024, to authorize the use of the Corporation's general obligation pledge in an amount not to exceed 10% of the outstanding principal of the mortgage loan for the Linden Plaza development, plus costs associated with any delinquency resolution and (b) the execution by an Authorized Officer of the Corporation of a loss sharing agreement or any documents necessary to accomplish the such loss sharing; and (D) to approve the execution of one or more interest rate hedging instruments in a combined notional amount not to exceed $100,000,000 and the execution by an Authorized Officer of the Corporation of any and all documents necessary to enter into said hedging instruments.

The Chairperson stated that the next item of business would be the Approval of the Issuance of the Corporation's Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2024 and called upon Angus Page, Vice President, Development for the Corporation to advise the Members regarding this item.

Mr. Page referred the Members to the memorandum before them entitled "Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2024 (the "8 Spruce Street Memorandum") dated November 19, 2024.

Mr. Page stated that he was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Mortgage Revenue Bonds, Series 2024 in a combined amount not to exceed $575,000,000. He said that a portion of the proceeds of the Bonds, the 2024 Liberty Bonds, in an amount expected to be $203,900,000 would be used to refund the Corporation's Multi-Family Mortgage Revenue Bonds Series 2014 Classes D, E, and F. He said that the remaining proceeds of the Bonds, the 2024 Taxable Bonds, in an amount expected to be $346,100,000 would be used to refund the Corporation's Multi-Family Mortgage Revenue Bonds, Series 2014, Classes A, B, and C.

Mr. Page stated that interest on the 2024 Liberty Bonds was anticipated to be exempt from Federal and New York State and local income tax. He said that interest on the 2024 Taxable Bonds would not be exempt from Federal income tax but was anticipated to be exempt from State and local income tax.

Mr. Page stated that the 2014 Bonds were issued in a commercial mortgage back securities (CMBS) structure to refund the Corporation's initial financing for the construction of 8 Spruce Street, formerly known as Beekman Tower. He said that the Project was a residential rental and retail unit of a four-unit mixed-use condominium development contained in one 76-story building located at 8 Spruce Street in lower Manhattan. He said that the building was designed by architect Frank Gehry and completed in March 2011.

Mr. Page stated that the Project was originally financed in part with a special allocation of Liberty Bonds which were authorized by Congress under The Job Creation and Worker Assistance Act of 2002. He said that the Project received approval in 2008 to be allocated Liberty Bonds by the joint State-City Liberty Bond Committee, and the 2024 Liberty Bonds would not require re-designation by the Committee.

Mr. Page stated that the Project contains 900 residential units and approximately 900 square feet of retail commercial space. He said that as of August 2024, the Project was approximately 97.2% leased. He said that the three other condominium units in the building were financed separately and are not part of the Project. They are: (i) an ambulatory care center located on portions of floor 1 and floor 5 that is owned and operated by an entity affiliated with the New York Presbyterian Hospital, (ii) a below grade parking garage that is also owned by an entity affiliated with the hospital, and (iii) a pre-Kindergarten through 8th grade New York City public school that is owned and operated by the New York City School Construction Authority. He said that the Borrower was a special purpose entity indirectly owned and controlled by Blackstone Real Estate Income Trust, Inc.

Mr. Page stated that all developments financed by the Corporation under the Liberty Bonds Program have no income restrictions or other affordability requirements. He said that the Project received a 20-year 421-a tax abatement and was therefore subject to rent stabilization laws. He said that the 421-a tax abatement would expire on June 30, 2031.

Mr. Page stated that the Bonds were expected to be structured as fixed rate obligations using a CMBS sequential pay structure. He said that to achieve the lowest interest rates for the Project, the 2024 Taxable Bonds and the 2024 Liberty Bonds were expected to be structured into three classes each, with the Bond Classes of 2024 Taxable Bonds having higher payment priorities and the Bond Classes of 2024 Liberty Bonds having lower payment priorities.

Mr. Page stated that the Bonds would have a final maturity in December 2031, approximately seven years, but the Loan would have a maturity of approximately five years. He said that the Bonds would be interest only obligations. He said that if the Loan was not repaid or refinanced at maturity, the Loan would be in default and the Special Servicer (Wells Fargo Bank) would pursue a refinance, workout, foreclosure or other remedies. He said that such a Loan default would not constitute a default under the Bonds as the staggered Bond maturity gives the Special Servicer an additional two years after the Loan maturity date to pursue such remedies.

Mr. Page stated that a Bond default caused by the Borrower's failure to pay debt service and the absence of a third-party credit enhancement was the primary risk associated with this transaction. He said that there was no financial risk to the Corporation associated with a Bond default; however, there was reputational risk as a default could diminish the Corporation's standing in the bond market at large. He said that the Corporation believes the risk of default is mitigated by conservative underwriting, the provision for Servicing Advances, and a Bond maturity that exceeds the Loan Payment term by two years.

Mr. Page stated that more detail on the 8 Spruce development and the bond underwriter, borrower, risks, fees and credit ratings associated with the bonds are outlined in 8 Spruce Street Memorandum.

Mr. Jiha asked about the structure of this deal specifically, why the interest rates vary for each component.

Ellen Duffy, Executive Vice President for Debt Issuance and Investments for the Corporation stated that this deal did not have credit enhancement and different classes have different priorities. She said that the class A bonds would have the highest priority and highest debt service coverage, and the tax-exempt bonds will have the lowest priority – two classes of tax-exempt bonds would be rated and the lowest class would be unrated. She stated that the tax-exempt bonds carry the lowest interest rate**.** Ms. Duffy stated that this mix would produce an overall lower interest rate for the deal. She said that the deal in 2014 was done in a similar way. She said that it's going be sold off the Muni desk, but it is a commercial structure that's fairly common for commercial buildings. She said that because there's no credit enhancement on the deal, having the different tiers gives bondholders different classes of the maturities to select from based on the respective rating and interest rate. Mr. Jiha asked what the spread was between the A and the F bonds. Ms. Duffy stated that the final rates would be determined at pricing in the week following the meeting. Mr. Page replied that between the A and the F bonds, there was only a 10-basis point spread but the difference between the A and the C bonds was 60 basis points. Ms. Duffy noted that the interest rate on the different classes would be based on the credit risk that investors are willing to take. Mr. Page added that the difference between the D and the F bonds would be approximately 115 basis points.

There being no further questions, Susannah Lipsyte, Executive Vice President, and General Counsel 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 issuance the of the Corporation's Multi-Family Mortgage Revenue Bonds, Series 2024 (8 Spruce Street).

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

RESOLVED, to approve an authorizing resolution which provides for (i) the execution of an Indenture of Trust, (ii) the execution of bond purchase agreement(s) with the Underwriter(s) of the Bonds or a direct purchaser of any or all of the Bonds, (iii) redemption of the Corporation's Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014, (iv) the execution of the Servicing Agreement, (v) the distribution of preliminary and final Official Statements in connection with the financing of the Bonds, and (vi) the execution by an Authorized Officer of mortgage loan related documents and any other documents necessary to accomplish the issuance of the Bonds.

The Chairperson stated that the next item on the agenda would be Approval of an Amendment of the Multi-Family Rental Housing Revenue Bonds (Atlantic Court Apartments) Bond Resolution and Authorization of Refunding Bonds and upon Lauren Connors, Senior Vice President, Development to make this presentation.

Ms. Connors referred the Members to the memorandum before them entitled "Amendment of the Multi-Family Rental Housing Revenue Bonds (Atlantic Court Apartments) Bond Resolution and Authorization of Refunding Bonds" (the "Atlantic Court Apartments Memorandum") dated November 19, 2024.

Ms. Connors stated that she was pleased to recommend that the Members approve (1) the amendment of the Corporation's Multi-Family Rental Housing Revenue Bonds, the Atlantic Court Apartments Bond Resolution (the "Resolution") in connection with a remarketing and interest-rate mode change of the 2005 Series A Bonds, (the "2005 Bonds") and (2) the authorization to issue a series of bonds in a principal amount not to exceed $83,700,000 (the "Refunding Bonds") to refund the outstanding 2005 Bonds in the event the Corporation determines that a refunding is preferred over a remarketing in light of the anticipated Bond closing schedule.

Ms. Connors stated interest on the 2005 Bonds is anticipated to be exempt from Federal, State and local income tax.

Ms. Connors stated that the proceeds of the 2005 Bonds were lent by the Corporation to 125 Court Street LLC (the "Borrower") and used to refund prior bonds, the proceeds of which were used by the Borrower to pay a portion of the acquisition and construction costs for a 321-unit "80/20" multi-family rental housing development located at 125 Court Street in Brooklyn.

Ms. Connors stated that the outstanding variable-rate 2005 Bonds are expected to be remarketed or refunded as fixed-rate obligations and secured by a direct-pay Credit Enhancement Agreement provided by the Federal Home Loan Mortgage Corporation or Freddie Mac, subject to Freddie Mac approval. The Trustee will draw upon the credit facility to make all payments due on the 2005 Bonds.

Ms. Connors stated that the credit facility is expected to remain in effect until maturity. She stated that the project contains a total of 321 dwelling units, of which 64 apartments, representing 20% of the total units, are reserved for low-income families earning less than 50% of the New York City area median income (or AMI) adjusted for household size, including 10 apartments that are reserved for very low-income families earning less than 40% of AMI.

Ms. Connors stated that the Borrower, 125 Court Street LLC, is a single-purpose entity controlled by the principals of Two Trees Management Company, a New York-based real-estate development firm.

Ms. Connors stated that, similar to other multi-modal transactions undertaken by the Corporation, the Resolution and other agreements entered into in connection with the financing provide that the 2005 Bonds may be converted to (i) a Weekly Rate, (ii) a Term Rate or (iii) a Fixed Rate, all at the option of the Borrower with the approval of the credit enhancer and the Corporation pursuant to the terms of the Resolution.

Ms. Connors stated that due to changes in market conventions, the Members are now being asked to approve an amendment to the Resolution to make certain technical revisions to revise certain maturity and redemption provisions, as well as provisions related to the permitted timing of a conversion to the Fixed Rate, so that the Corporation can more effectively remarket the 2005 Bonds into the Fixed Rate. The Members are also being asked to approve the issuance of the Refunding Bonds to refund the outstanding 2005 Bonds in the event that the Corporation's staff, in consultation with the Borrower, determines that such a refunding is preferred instead of remarketing the 2005 Bonds.

Ms. Connors stated that the Members are also being asked to approve the origination of one or more participation mortgage loans in an amount not to exceed $67,929,311 and one or more participation agreements with Wells Fargo Bank to fund a 100% participation interest in the mortgage loan.

Ms. Connors stated that more detail on the development and the bond underwriter, risks, fees and credit ratings associated with the bonds are outlined in the Atlantic Court Apartments Memorandum.

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

The Chairperson asked for a motion to approve the Amendment of the Multi-Family Rental Housing Revenue Bonds (Atlantic Court Apartments) Bond Resolution and Authorization of Refunding Bonds.

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

RESOLVED, to approve an (i) authorizing resolution which provides for the adoption of the First and Second Supplemental Resolutions amending the Resolution and the Third Supplemental Resolution authorizing the Refunding Bonds, (ii) approve (a) the origination of one or more participation mortgage loans in an amount not to exceed $67,929,311 for the 125 Court Street development, (iii) the execution of one or more participation agreements with Freddie Mac and a to-be-determined lender syndicate to fund a 100% participation interest in the subordinate taxable mortgage loan; and (iv) the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the participation loan financing.

The Chairperson stated that the next item on the agenda would be the Approval to Fund Contract Services for City Housing Activation Taskforce and called upon Mr. Merchant to advise the Members regarding this item.

Mr. Merchant stated that he was pleased to recommend that the Members approve the use of the Corporation's unrestricted reserves in an amount not to exceed two million dollars to fund contract services for consultants to support the City Housing Activation Task Force ("Task Force"). He stated that the Task Force was preparing City-owned properties for development into mixed-income housing to bolster the supply of affordable housing citywide.

Mr. Merchant stated that on August 21st, 2024, Mayor Eric Adams issued Executive Order No. 43. This Order created the City Housing Activation Task Force and mandated that participating agencies "identify potential sites for housing development." The Task Force was part of Mayor Adams' "Get Stuff Built" plan to address the housing supply crisis with a "moonshot" goal of building five hundred thousand homes over the next decade. He stated that the Task Force included the Corporation, EDC, HPD, DCP, DCAS, OMB, and the city agencies that occupy sites identified for review.

Mr. Merchant stated that the Task Force builds directly on the Housing Supply Study completed by BJH Advisors, which received approval for partial funding by the Members on October 10th, 2023. Mr. Merchant stated that as part of a broader set of recommendations, the Study identified 20 City-owned properties that could possibly be developed into mixed-income housing. He stated that the Task Force would now extend that work to a larger set of properties and, if approved by the Members, additional contract services to perform the tasks necessary to prepare a site for development into mixed-income housing.

Mr. Merchant stated that following a competitive mini-Request for Proposals issued on September 20th, 2024, EDC selected FXCollaborative and Skidmore, Owings & Merrill as lead consultants ("the Consultants"). He stated that EDC consulted the Mayor's Office and the relevant agencies to evaluate the Consultants' responses. He stated that EDC would contract directly with the Consultants. Mr. Merchant stated that the City asked the Corporation to facilitate the work of the Task Force by funding the Consultants' contracts.

Mr. Merchant stated that the Consultants would help the Task Force evaluate and prepare identified City-owned properties for development into mixed-income housing. He stated that the Consultants and their subcontractors would provide services to evaluate the feasibility of redeveloping these sites and to support their predevelopment. Nearly all, if not all, of the sites under consideration have a current City use or activity that would need to be addressed. Mr. Merchant stated that a core function of the Consultants would be to evaluate the optimal solution for the existing City use.

Mr. Merchant stated that subject to the Members' approval, the Corporation and EDC would enter into a memorandum of understanding for the funding. He stated that as a condition of providing the funding, the Corporation would require indemnification from the City.

Mr. Merchant stated that the Members were requested to approve the use of the Corporation's unrestricted reserves in an amount not to exceed two million dollars to fund contracts between EDC and each of the Consultants and the Corporation's execution of any document necessary to carry out such funding.

Ms. Scott asked who was managing the Consultants. Mr. Merchant said that EDC was handling the invoicing and the administrative matters and there was a subgroup of the task force that HDC and HPD are both represented on and that would be identifying and assigning the tasks.

The Chairperson then called for a motion to approve the funding of Contract Services for City Housing Activation Taskforce.

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

RESOLVED, to approve the funding of Contract Services for City Housing Activation Taskforce.

The Chairperson stated that the next item on the agenda would be the Approval of the Fiscal Year 2025 Operating Budget and called upon Mr. Toth to make this presentation.

Mr. Toth stated that he was pleased to present the Corporation's proposed Fiscal Year 2025 Operating Budget for the Members' approval. He stated that the Corporation ended Fiscal Year 2024 with an excess of revenues over expenses, on a cash basis, of $172.03 million, an increase of $41.25 million over the budgeted amount. This increase was primarily due to higher-than-expected investment earnings and servicing fees, along with continued strong performance in the Open Resolution.

Mr. Toth stated that Fiscal Year 2025 revenues were budgeted at $191.36 million, an increase of $14.8 million, or 8.4% compared to the Fiscal Year 2024 Approved Budget. He stated that while overall revenues were expected to rise, investment income was projected to grow at a slower rate due to an anticipated decrease in interest rates. Mr. Toth stated that servicing fees on HDC-financed loans were projected to continue growing, a result of the increasing number of projects converting to permanent financing.

Mr. Toth stated that Fiscal Year 2025 expenses were budgeted at $51.55 million, an increase of $5.78 million, or 12.6%, compared to the Fiscal Year 2024 Approved Budget. He stated that while some budget lines have decreased due to reduced need and improved efficiency, the overall expense increase was driven by increased headcount and related fringe expenses, the City Housing Activation Task Force consultant contract—which was just approved by the Members—and the end of the Fixed Free Rent Period on the Corporation's new office lease.

Mr. Toth stated that the economy showed remarkable resilience during Fiscal Year 2024. He stated that in response to moderating inflation, the Federal Reserve began lowering the federal funds target range in September, signaling a readjustment away from high borrowing costs. Further interest rate decreases were anticipated in the coming months, and the Corporation would closely monitor changes in Washington that may affect its financial outlook.

Mr. Toth stated that the Corporation had another successful year, issuing $1.8 billion in bonds and committing $206 million in corporate reserves for new construction subsidy loans, bringing the total subsidy provided over the past 20 years to $4.0 billion. He said HDC's financial position also remains strong, with total assets in the Enterprise Fund increasing by 17.6% to $28.8 billion and net assets reaching $4.8 billion.

Mr. Toth stated that the Corporation continues to collaborate closely with the New York City Housing Authority (NYCHA) and New York City Department of Housing Preservation and Development (HPD).

Mr. Toth stated that as the key financing partner under the Permanent Affordability Commitment Together (PACT) program, HDC has contributed $3.13 billion in financing to support repairs and upgrades for 18,859 homes. In addition to assembling financing, HDC joins NYCHA in providing asset management for PACT transactions to ensure ongoing physical and financial health. This initiative has had the largest impact on the Corporation's workload over the past several years and is a key driver of the increase in headcount for Fiscal Year 2025.

Mr. Toth stated that HDC also continues its longstanding partnership with HPD, focusing on bringing additional debt and properties into the portfolio, enhancing loan servicing, and streamlining processes that enable applicants to move into their new homes more quickly. He stated that this includes supporting efforts to improve the functionality of Housing Connect 2.0, a vital resource for the growing number of New Yorkers seeking affordable housing financed by HPD and HDC.

Mr. Toth stated that these great partnerships and concerted efforts by the city's housing agencies to revitalize neighborhoods and increase the supply of affordable housing come with additional workloads for HDC staff. He stated that proposed budget would increase headcount by 11 positions, continuing a pattern of incremental, targeted hiring.

Mr. Toth stated that these new roles would support the growing development pipeline, safeguard investments in affordable housing, and enhance data and analytics capabilities, bolstering HDC's ability to finance and manage new projects—including PACT, oversee its preservation portfolio, and leverage data for strategic decision-making.

Mr. Toth stated that the Corporation would continue to pay close attention to cost management, balancing expenses while maintaining efficiencies, keeping pace with the expanding portfolio its staff are required to oversee, and maximizing its contribution to the mayor's housing goals. He stated that the proposed Fiscal Year 2025 Operating Budget reflects a balanced and measured response to this challenge, along with a conservative expectation of revenues, all while operating under changing economic times. Nevertheless, the Corporation remains very optimistic about its 2025 financial outlook.

Mr. Toth stated that the notes in Appendix A, which begins on page 7 in the budget memo contained in the Members board packages, provide a detailed explanation for each revenue and expense budget line.

Mr. Toth stated that the Members are being asked to approve the Corporation's Fiscal Year 2025 Operating Budget.

The Commissioner stated that he just wanted to add that he appreciates the phenomenal work being done by the HDC team. There needs to be growth at HDC in terms of staffing so that we can continue to support the surge that we're about to see in production, and we are going to continue to invest.

Mr. Niblack asked why the NYCER's contribution in 2024 was so far above budget. Mr. Toth replied that was because there was a surplus at the end of the fiscal year. Mr. Toth stated that the Corporation prepaid the 2025 appropriation, normally what happens is NYCER's sends a bill that's due at the end of the calendar year and that is when it is paid and then again later in the spring.

Mr. Niblack asked if the same thing was done in 2023. Mr. Toth replied yes. Ms. Baumann stated that was why the number looks so low on the approved budget, but our bill is about 2.9. Mr. Enderlin stated that was a rolling thing, and the surplus does go into affordable housing.

Mr. Enderlin stated that as you know, through regular years our resources to create the subordinate debt matches some of HPD's subordinate debts.

The Chairperson stated that he would now entertain a motion to approve the 2025 operating budget for HDC.

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

RESOLVED, to approve the Fiscal Year 2025 Operating Budget.

The Chairperson stated that the next item on the agenda would be a presentation of the Property Disposition Report and called upon Ms. Baumann to discuss this item.

Ms. Baumann stated she was pleased to recommend that the Members approve the Property Disposition Guidelines attached to the Property Disposal Guidelines Report. She stated 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. The guidelines had not changed since originally approved by the Members in Fiscal Year 2008. Ms. Baumann noted on page 3 in the annual property disposition report, during fiscal year 2024 the Corporation acquired real property in the form of a leasehold condominium unit for the office space here at 120 Broadway. She stated that the Corporation did not dispose of any real property during the fiscal year. She 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 added that the Report would also be published on the Corporation's website.

Ms. Baumann stated that the Members were being asked to approve the Corporation's Fiscal Year 2024 Annual Report on Property Disposition Guidelines.

The Chairperson the called for a motion to approve the Fiscal Year 2024 Annual Report on Property Disposition Guidelines.

Upon a motion duly made by Mr. Niblack and seconded by Mr. Jiha the Members of the Finance Committee unanimously:

RESOLVED, to approve the Fiscal Year 2024 Annual Report on Property Disposition Guidelines.

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 Ms. Scott, the Members unanimously:

RESOLVED, to ratify and adopt each of those items approved by the Finance Committee.

At 11:49 a.m. there being no further business, upon a motion duly made by Mr. Jiha and seconded by Mr. Gould the meeting was adjourned.

Respectfully submitted,

Moira Skeados
Secretary

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

November 25, 2024

ATTENDANCE LIST

Eric Enderlin	NYC Housing Development Corporation
Lauren Connors	NYC Housing Development Corporation
Ellen Duffy	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
Alexander Merchant	NYC Housing Development Corporation
Luke Schray	NYC Housing Development Corporation
Bobby Toth	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
John Gearrity	NYC Housing Development Corporation
Claudine Brown	NYC Housing Development Corporation
Jennifer Beamish	NYC Housing Development Corporation
Adam King	NYC Housing Development Corporation
Mohammad Islam	NYC Housing Development Corporation
Lisa Wertheimer	NYC Housing Development Corporation
Mary Bruch	NYC Housing Development Corporation
Alison Glaser	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
Violine Roberty	NYC Housing Development Corporation
Zi Lin Liang	NYC Housing Development Corporation
Chanin French	NYC Housing Development Corporation
Christopher Landi	NYC Housing Development Corporation
Cullen MacDowell	NYC Housing Development Corporation
David Sakara	NYC Housing Development Corporation

John Gearrity	NYC Housing Development Corporation
Susan O'Neill	NYC Housing Development Corporation
Merin Urban	NYC Housing Development Corporation
Justine Martin	NYC Housing Development Corporation
Yaffa Oldak	NYC Housing Development Corporation
Whitley Plummer	NYC Housing Development Corporation
Tom Bethany	NYC Housing Development Corporation
Lydia Aponte	NYC Housing Development Corporation
Erica Copeland	NYC Housing Development Corporation
Fabiana Meacham	NYC Housing Development Corporation
Kimberly Huang	NYC Housing Development Corporation
Marlene Salomon	NYC Housing Development Corporation
Mary Hom	NYC Housing Development Corporation
Naomi Rabalino	NYC Housing Development Corporation
Nicole Forero	NYC Housing Development Corporation
Robert O’Brian	NYC Housing Development Corporation
Rowan Abass	NYC Housing Development Corporation
Sean Capperis	NYC Housing Development Corporation
Sharon Skolnik	NYC Housing Development Corporation
Sophia Klein	NYC Housing Development Corporation

Danielle Hurlburt	EY
Ansel Caine	Caine Mitter
Joe Tait	Raymond James
Rachel Sanchez	Morgan Stanley
Greg Henniger	Hawkins Delafield & Wood LLP
Kevin Murphy	Hawkins Delafield & Wood LLP
Mitch Gallo	RBC
Tara Borvoid	OMB
Jeff Philp	Orrick
Peter Weiss	Loop Capital
Jennifer Doran	Loop Capital
Gloria Boyd	J.P. Morgan
Ben Djiounas	J.P. Morgan
Paul Haley	Barclays
Ben Killian	Wells Fargo
Samphas Chhea	Jefferies
Vikram Shah	Jefferies
Alan Jaffe	Jefferies
Damian Busch	Jefferies
John Germain	TD Securities