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

November 30, 2022

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Wednesday, November 30, 2022. The meeting was called to order at 10:33 a.m. by the Chairperson, Adolfo Carrión Jr., who stated that the meeting was being held via WebEx in accordance with Chapter 417 of the Laws of 2021, as modified by Chapter 1 of the Laws of 2022. The Chairperson noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Charles G. Moerdler, Denise Scott, Preston Niblack, and Jaques Jiha. 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 September 28, 2022.

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

RESOLVED, to approve the minutes of such meeting.

The Chairperson stated that the next item on the agenda would be the President's report and called upon Eric Enderlin, President of the Corporation, to make his presentation.

Mr. Enderlin thanked the Commissioner and Board Members in attendance. He said that there was a very full agenda this morning as we work toward the end of another busy and productive year for HDC and our partners. He said that he continues to be incredibly proud of the dedication of the HDC team that makes the good work you will hear about today possible.

Mr. Enderlin stated that after a report from the Audit Committee, the Members would hear from the Corporation's First Executive Vice President, Ruth Moreira, seeking the Members' approval for an authorizing resolution for the financing of a variety of affordable housing developments throughout the City.

Following that, Mr. Enderlin stated that Vice President for Development, Luke Schray would seek your approval for two new initiatives that the HDC team has been working hard in partnership with HPD to bring to fruition. He said that first, he would present for the Members' approval, the authorization of a Loan to the NYC Shelter Acquisition and Predevelopment Loan Fund. He said that this authorization would enable an important partnership between HDC and the Department of Homeless Services, and ultimately help to finance high quality purpose-built homeless shelters for some of our most vulnerable neighbors.

Mr. Enderlin stated that Mr. Schray would also seek the Members' approval for the New York City Minority Business Enterprise Guaranty Facility. He said that it was exactly this time last year that he brought to the Members' attention that the HDC team was working to formalize a

City proposal to address the lack of access to guaranty funds among minority-owned affordable housing developers. He said that we are pleased to now come to the Members with details on how we hope to operationalize this partnership with the City.

Mr. Enderlin stated that the Corporation's Executive Vice President for Capital Markets and Investments, Ellen Duffy, would then seek the Members' approval for amendments to bond resolutions related to previously financed developments.

Mr. Enderlin stated that Executive Vice President and Chief Financial Officer, Cathleen Baumann, would then present HDC's proposed FY23 Operating Budget and Property Disposition Report. He said that it is no small feat that the Capital Markets team led by Ms. Duffy and the Accounting & Budget team lead by Cathy have helped HDC's financial position remain strong throughout these uncertain times.

Mr. Enderlin said that lastly, Ms. Moreira would seek the Members' approval for a Declaration of Intent Resolution.

Mr. Enderlin stated that the agenda before the Members would advance the City's efforts to alleviate our housing and homeless crisis, while ensuring a more equitable New York. He said that he wanted to thank the Board for their ongoing support and extended his gratitude to the entire HDC team – some of whom were presenting to the Members and others who have been working diligently behind the scenes for months to get the Corporation to this point.

Mr. Enderlin thanked the Members and turned it back over to the Board Chair.

The Chairperson thanked Mr. Enderlin on behalf of the Board for the outstanding work that he and his team have been doing. He said that he knows this very well because they talk just about every day.

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

Mr. Gould stated that the Audit Committee met on October 28, 2022, at which time the Corporation's external auditors, Ernst & Young, presented their audit plan for the annual audit of the Corporation's 2022 financial statements. He said that the Members also reviewed the 2022 third quarter financials, and other investment, debt, credit and internal audit reports.

Mr. Gould stated that the Members also met prior to this meeting at which time the FY 2023 first quarter internal audit plan was approved. He said that the Members also reviewed investment, debt and credit reports. He noted that this was the conclusion of his report.

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

The Chairperson stated that the next item of business on the agenda would be the Approval of an Authorizing Resolution relating to the issuance of Multi-Family Housing Revenue Bonds, 2022 Series F, G and 2023 Series B and C in an amount not expected to exceed $1,589,685,000 and called upon Ms. Moreira, First Executive Vice President of the Corporation to make this presentation.

Ms. Moreira thanked the Members and everyone in attendance and referred their attention to the blackline of the memorandum that was e-mailed to the Members in the morning entitled "Multi-Family Housing Revenue Bonds, 2022 Series F, G, 2023 Series B, C; and Approval of Mortgage Loans" dated November 22, 2022 (the "Open Resolution Memorandum").

Ms. Moreira stated that she was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2022 Series F, G and 2023 Series B and C in an amount not expected to exceed $1,589,685,000 (the "2022 Series F Bonds," "2022 Series G Bonds," "2023 Series B Bonds," and "2023 Series C Bonds respectively, and collectively, the "Bonds"). She said that together with the Corporation's unrestricted reserves and available funds of the Open Resolution, the Bonds were expected to be used to finance the construction, acquisition, rehabilitation and/or permanent financing of certain projects, and other activities as described in the Open Resolution Memorandum.

Ms. Moreira stated that interest on the 2022 Series F & G Bonds and 2023 B & C Bonds was expected to be exempt from Federal, New York state and local income tax, and such bonds 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 and the refunding of certain outstanding bonds or obligations of the Corporation. She added that an Authorizing Resolution would authorize the 341st through 345th Supplemental Resolutions.

Ms. Moreira stated that a portion of the proceeds of the 2022 Series F Bonds together with the Corporation's unrestricted reserves, would be used to finance all or a portion of the mortgage loans for 7 developments. She said that in the aggregate, the developments would create approximately 2,069 rental homes in the Bronx, Manhattan, Brooklyn and Queens. For more information on these developments, she referred Members to Attachments 1-7 of the Open Resolution Memorandum.

Ms. Moreira stated that it was anticipated that the 2022 Series G Bonds would be issued as a convertible option bond or "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 mortgage loans this December. She said that if issued, the proceeds of the 2022 Series G Bonds were expected to provide construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments, all of which are listed on Attachments 1 - 8 of the Open Resolution Memorandum and which would all meet the low-income set-asides required to issue private activity tax-exempt bonds. She said that the mortgage loans for these developments were expected to close in 2023 at which point the 2022 Series G Bonds were expected to be remarketed to match the terms of the applicable mortgage loans. She added that most of the developments listed would not be funded from the 2022 Series G Bond proceeds but all would be eligible for such financing.

Ms. Moreira stated that it was anticipated that a portion of the proceeds of the 2023 Series B Bonds would be used to refund various series of the Corporation's Multi-Family Housing Revenue Bonds that are eligible to be refunded, to generate interest rate savings in the Open Resolution.

Ms. Moreira stated that it was also anticipated that a portion of the proceeds of the 2023 Series B Bonds would also 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 certain developments described in Attachment 9 and which the Members have previously approved. She said that the issuance of the 2023 Series B 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. Moreira stated that it was anticipated that the 2023 Series C 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 Finance Agency. She said that if issued, the proceeds of the 2023 Series C Bonds were expected to provide construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments, all of which are listed on Attachments 1 – 8 of the Open Resolution Memorandum. She said that the mortgage loans for these developments have either previously closed with corporate-funded loans that would be refinanced with recycled bonds or were expected to close in 2023 at which point the 2023 Series C Bonds were expected to be refunded or remarketed to match the terms of the applicable mortgage loans. She noted that most of the developments listed would not be funded from the 2023 Series C Bond proceeds, but all would be eligible for such financing.

Ms. Moreira stated that the 2022 Series F bonds were expected to be issued as tax-exempt with some sub-series as recycled or new volume cap, and as fixed rate, in an initial term rate term with convertible options and as variable rate demand bonds. She said that the Corporation expects UBS AG to provide liquidity through a standby bond purchase agreement for the 2022 Series F variable rate demand bonds in accordance with the programmatic authority delegated to the Corporation's staff by the Members at the March 29, 2019, Members' meeting. She said that in order to manage the interest rate risk associated with the variable rate portion of the 2022 Series F Bonds, the Corporation was working with Mohanty Gargiulo LLC, its hedge advisor, and expects to enter into one or more interest rate hedging instruments.

Ms. Moreira sated that the 2022 Series G Bonds and 2023 Series C Bonds were expected to be issued as tax-exempt variable rate obligations initially in the Term Rate Term. She added that the 2023 Series B Bonds were expected to be issued as tax-exempt fixed rate bonds.

Ms. Moreira stated that more detail on the developments as well as bond underwriters, risks, fees and credit ratings associated with the bonds were outlined in the Open Resolution Memorandum.

Mr. Moerdler stated that pursuant to the requirements of the Conflicts of Interest Board that he was required to disclose that members of his firm, but not he, represent from time to time, CitiBank, Morgan Stanley, Wells Fargo and JPMorgan which are among the entities that are affiliated with this group of transactions. He said that he is not required to recuse himself after having made the disclosure.

There being no questions, Ms. Moreira then called upon Susannah Lipsyte, Executive Vice President and General Counsel, who 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 Multi-Family Housing Revenue Bonds, 2022 Series F andG and 2023 Series B and C in an amount not expected to exceed $1,589,685,000.

Upon a motion duly made by Mr. Gould, and seconded by Mr. Moerdler, the Members of the Financing 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 terms of any liquidity facility; and (iv) other activities listed therein and in the Open Resolution Memorandum; (B) the making of seven (7) senior and subordinate loans for the new construction of seven developments comprised of six (6) ELLA developments and one (1) Mix and Match development from proceeds of the 2022 Series F Bonds and/or the Corporation's unrestricted reserves in an amount not expected to exceed $796,000,000; (C) the use of such amount of the Corporation's unrestricted reserves to fund all or a portion of the short-term portion of the senior loans for the seven (7) developments; and for the authorizations requested above the Members are requested to approve: (D) the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish such financings; and (E) the execution of one or more interest rate hedging instruments in a combined notional amount not expected to exceed $100,000,000 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.

The Chairperson stated that the next item on the agenda for consideration by the Members would be the Approval of Loan to the New York Shelter Acquisition and Predevelopment Fund and called upon Mr. Schray to advise the Members of this transaction.

Mr. Schray referred the Members' attention to the memorandum before them entitled "Approval of Loan to the New York Shelter Acquisition and Predevelopment Fund" dated November 22, 2022 (the "Shelter Acquisition Memorandum").

Mr. Schray stated that he was pleased to present for the Members' approval a proposal related to the City's creation of the New York Shelter Acquisition and Predevelopment Fund that is intended to support the mayor's 'Housing our Neighbors Blueprint for Housing and Homelessness' initiative by providing short term loans to eligible nonprofit developers. He said that these loans were intended to encourage non-profit shelter operators to develop their own high-quality shelters by helping to pay for the costs of predevelopment and acquisition expenses after a developer has received a Request for Proposal award from the City's Department of Homeless Services for a long-term shelter contract, and prior to closing on construction financing with a private lender for the construction or rehabilitation of a shelter that meets certain eligibility requirements outlined in the Shelter Acquisition Memorandum.

Mr. Schray stated that towards this end, the Members are requested to authorize the making of a loan in an amount not to exceed $5 million with funds granted to the Corporation from the City of New York, acting by and through the Department of Homeless Services ("DHS"), to the to-be-formed New York Shelter Acquisition and Predevelopment Fund, LLC (the "Shelter Fund" or the "Fund") that would be created by the City's partner in this endeavor, SeaChange Capital Partners, Inc. He noted that a blackline of the Shelter Acquisition Memorandum was distributed this morning correcting SeaChange's name. He said that the HDC loan to the Shelter Fund would have a seven-year term and occupy a top loss position, with interest at 1% that would be deferred until maturity. He said that the Fund expects to begin operations in early 2023 with a total of $15 million in investments including $10 million in program related investment capital raised from foundations by SeaChange Capital Partners.

Mr. Schray stated that the Shelter Fund would make loans to eligible non-profits for the acquisition and predevelopment of high-quality shelters in New York City. He said that the Shelter Fund's below-market loans were expected to significantly reduce the capital costs for non-profits during the acquisition and predevelopment of shelters. He said that non-profits partnering with the Shelter Fund would own the shelters and associated land, ensuring that these assets remain available to serve people experiencing homelessness for an extended period of time. He said that loans by the Shelter Fund were expected to have an interest rate of 7%, accruing and deferred, and range in size from $250,000 to $3,000,000 with a duration of up to 18 months. He said that the legal structure of the Shelter Fund was expected to be a stand-alone limited liability company, managed by SeaChange with oversight in the form of credit committee participation from DHS, HDC, and SeaChange's New York Pooled PRI Fund. He added that consent of the HDC representative would be required in order for the Shelter Fund to move forward with a loan.

Mr. Schray stated that further details on the terms and risks of this proposal were outlined in the Shelter Acquisition Memorandum.

Mr. Schray asked if there were any questions and Mr. Moerdler said that there were.

Mr. Moerdler stated that he had a significant problem that may tangentially be involved with this proposal. A proposal that he said conceptionally is an extremely sound one that he could wholeheartedly support but he has a problem.

Mr. Moerdler shared that the elected officials of the City of Yonkers, Riverdale and adjacent communities, have all joined together with the New York Times in condemning a proposed shelter project on the border between New York City and Yonkers which is lacking in credibility, to put it politely. He stated that he cannot vote for this measure unless he can get agreement that before any approval would be given for the proposed shelter at 6661 Broadway, that the Members first have a discussion of that at the board level.

The Chairperson stated that he thinks because HDC would be on the loan committee and would likely vote, if HDC were to participate in the financing of such a development, the Members of this board, may have the opportunity to opine and vote on these items. The Chairperson then asked Mr. Enderlin or Ms. Moreira to please correct him if he was wrong.

Mr. Enderlin replied that the Commissioner was accurate that if that particular project were to come to the City for financing that involved HPD and HDC. He said that it was his understanding that this Fund, is looking at prospective projects based on the DHS process where HDC does not have a lot of insight. He added that HDC representatives on the credit committee for this would looking at these from a financial feasibility point of view and since HDC is not involved in the DHS RFP process, it would not make sense to create a choice limiting action. He said that he understood Mr. Moerdler's concern but there is no reason to believe that the site that he just named was involved in this and HDC is not in a position to judge a potential project prior to actually seeing a presentation on it.

Mr. Moerdler stated that in the event that such a project should in any manner, way, shape or form come before or to HDC, which is exactly what the Chairperson pointed out, the Board and he, as a Member of it, be notified and have an opportunity to discuss whatever action should be taken. He said to please understand again that the elected officials of both Yonkers, Westchester County and New York City have taken strong positions, as has the New York Times, concerning this project.

The Commissioner asked if the address was 6661 Broadway? Mr. Moerdler confirmed that it is 6661 Broadway and said that he can represent that this is something that has a virtually universal negative reaction. He said that it is not anywhere near a hospital or a police station, and it's opposite of a children's park when it is proposed to be only for adult males.

Ms. Scott said she would be less inclined to want to make an exception for one community that would prefer not to have a shelter but would rather create a process to discuss maybe everything or nothing. She understands that there are a bunch of people that don't want this particular shelter but that's probably going to be true in a lot of places. She added that if the Board makes an exception for one community in terms of the level of review by HDC on this credit committee, we should have that for all communities.

The Commissioner thanked Ms. Scott and said that his initial comment was that we look at everything with the same measuring tape and so regardless of the position that local officials would take, we would look at it all under merits. He added that he appreciates Mr. Moerdler's concern as a local resident, as well as a community leader there. He said that Ms. Scott's and Mr. Moerdler's points were well taken and that we would be impartial and objective in looking at the proposals that might come before them.

Ms. Scott then said that she didn't understand what the takeout source was for the loans and needed more clarity around how the top loss guaranty risk works. Ms. Moreira said that she could talk a little bit about the takeout. She said that this Fund is being created to fund predevelopment costs associated with developing shelters. She said that in order to get financing from the Shelter Fund, there must be site control and a contract award from DHS to support that service and operations and services at the site. She said that the loans that the Shelter Fund would make are like holding loans until the construction financing and permanent financing can be secure so the takeout source for the loans could be a variety of things. She said that the takeout could be conventional lending from a conventional bank that could provide a construction loan that would be supported by the contractor credit lease financing that also provides financing for shelters.

Ms. Scott asked if the takeout source has to be identified upfront to get the predevelopment loan because it does trigger whether we get to the finish line or not and that she assumed puts the Fund or HDC's position in the Fund at a higher risk if there is no takeout within a certain timeframe. Ms. Moreira said that there is an 18-month takeout by the developer and not-for-profit operator that is awarded. Ms. Moreira said that this was similar to the process for the New York Acquisition Loan Fund and added that there could be soft commitment letters. Ms. Scott said that she would also recommend soft commitment letters.

Mr. Moerdler addressed Ms. Scott and said that he had no problem with applying the standard of review across the board and that he and his community generally supports shelters to alleviate homelessness. He said that there are major reasons why so many parties are focused on this particular shelter that is proposed including certain DOI investigation findings and the plans for there to be four to a room.

Ms. Lipsyte stated that in the proposed process, after DHS awards an RFP for a contract to a non-profit sponsor that puts in an application for this, SeaChange, as the Shelter Fund manager, would be doing a very careful vetting process before a prospective loan for a particular shelter project is presented to the credit committee that DHS, HDC and SeaChange would all have representation on. She emphasized that there was a multi-level vetting process involved.

Mr. Moerdler said that doesn't solve the problem he has. He said that all he's asking is if there is an application on this one, that either the full board or he, be advised so that he can then present the facts to everyone. The Chairperson said that there would be a notification as a matter of course and good practice to every Member. Mr. Moerdler said he appreciated it and thanked the Chairperson.

Ms. Scott asked, just to clarify, if this would be for all of the Members about every project. The Chairperson answered precisely and asked Mr. Enderlin, Ms. Moreira, Ms. Lipsyte if that was something that was reasonable, practically speaking. Mr. Enderlin said he believes so but that they obviously had some concerns. He said the way the Chairperson framed it as a notification so the Board can understand HDC's activities is right but to be clear, it wouldn't necessarily impact a vote per se. He said honestly, he did not expect that 666 Broadway would come up and that HDC does not generally have input on something this far along. However, he said that the way the Chairperson just described it as a notification process to Members sounds like a reasonable thing that shouldn't be overly burdensome and emphasized that HDC cannot prejudge an application. He asked Ms. Moreira and Ms. Lipsyte if they had any thoughts or concerns about that. Ms. Moreira said that she thought that was right and an award would be made by the Shelter Fund's credit committee which has both HDC, DHS, and SeaChange. She said that through that process, we could definitely provide the Board with a notification of what project is being awarded financing through this Fund. She added that if, and only if, we are to actually finance a development or shelter with HDC funding and with HPD funding of course, then at that point, the project would be presented to the Board as part of the normal approval that you have seen today, through our normal project and mortgage loan approval process.

Mr. Moerdler stated he was a little confused and he did not mean to prolong this. He said that all he wants is to have a notification, as the Chairperson has indicated before any definitive action is taken so that he can address it with the senate majority leader and others. Ms. Lipsyte said that when HDC as a representative of the credit committee receives a proposal, at that point the notification would be sent. She said because of HDC's obligations on that committee. It can't be an open-ended process for notification and we're not going to be able to convene a Board meeting related to the notification. She said we can send the notification with the understanding that if there's a concern or response, the Members would have to share that immediately. The Chairperson said that to that point, none of that will affect our regular process and we will move as we do with all items as a Board. He added that frankly, elected officials will always opine and have in the past, and will do it in the future, and they have ample opportunity and platforms to do so. He said that they usually know about controversial projects before a lot of people know.

The Chairperson asked if there were any other questions. Mr. Enderlin said that he had one quick comment. He said that sometimes these kinds of conversations get a little heated and ideas like crowding and multiple people in a room come up, and there are restrictions on that here. He said that when Mr. Moerdler mentioned four to a room, that is actually prohibited under this and that Mr. Schray could comment on that a little bit more. Mr. Moerdler said that when the Deputy Commissioner of Housing and Homeless Services appeared before Mr. Moerdler and others about 666 Broadway, the answer was that they would have up to six. Ms. Lipsyte said that a particular requirement for HDC to be involved in this Fund is that unrelated families or persons must be in separate sleeping rooms. Mr. Moerdler said that he did not want to get into a discussion because he has prolonged this spot too long and he apologized to every Member and staff for it. Ms. Lipsyte confirmed Mr. Enderlin's point that 6661 Broadway likely wouldn't be eligible under the Shelter Fund requirements. Mr. Enderlin said that there will be a notice requirement as the Chairperson has outlined.

The Chairperson stated that he would now entertain a motion to approve a loan to the New York Shelter Acquisition and Predevelopment Fund. Mr. Schray said that he had one more paragraph to read to the Members before the vote.

Mr. Schray stated that if there were no further questions, the Members were requested to approve: (A) the making of a loan with grant proceeds from DHS in the amount of $5,000,000 to the New York Shelter Acquisition and Predevelopment Fund, LLC that would be in a top loss position in relation to other loans to the Fund; and (B) the execution by an authorized Officer of the Corporation of related documents and any other documents necessary to accomplish this loan.

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

RESOLVED, to approve (A) the making of a loan with grant proceeds from DHS in the amount of $5,000,000 to the New York Shelter Acquisition and Predevelopment Fund, LLC that would be in a top loss position in relation to other loans to the Fund; and (B) the execution by an authorized Officer of the Corporation of related documents and any other documents necessary to accomplish this loan.

The Chairperson thanked Mr. Schray for making sure the record was correct and then stated that the next item on the agenda would be the Approval of the New York City Minority Business Enterprise Guaranty Facility and again called upon Mr. Schray to advise the Members of this item.

Mr. Schray referred the Members to the memorandum before them entitled "New York City Minority Business Enterprise Guaranty Facility" dated November 22, 2022 (the "MBE Memorandum"). Mr. Schray said that he was pleased to present for the Members' approval a proposal related to the City's creation of a New York City Minority Business Enterprise Guaranty Facility that is intended to support the Mayor's 'Housing our Neighbors Blueprint for Housing and Homelessness' initiative by providing limited backstop construction loan guaranties to construction lenders for affordable housing developers certified as Minority Business Enterprises ("MBE"). He said that MBE developers of affordable housing have historically had difficulty securing construction loans because they are not able to meet the guaranty and liquidity requirements of commercial banks. He said that to fill the guaranty and liquidity needs, these developers often form a partnership with larger firms that dilutes their ownership and decision making in their project, reduces their developer fees, and limits their ability to grow and take on more projects independently. He said that recognizing this challenge, HPD has asked HDC to participate along with Goldman Sachs to create the MBE Guaranty Facility to promote the participation and growth of MBE developers by acting as a limited backstop to the bank guaranties provided by the MBE developers.

Mr. Schray stated that towards this end, the Members were being asked to authorize a guaranty and the use of up to $25 million of the Corporation's unrestricted reserves, if necessary, for the Guaranty Facility, of which up to 70%, or $17.5 million, would occupy a top loss position. He said that the Facility would be unfunded unless there is a default on a project loan that results in a construction lender calling on a backstop guaranty, at which point HDC would use its unrestricted reserves to fund the financial obligation under the MBE Guaranty Facility. He said that upon funding of a guaranty by HDC, pursuant to a Memorandum of Understanding with HPD, HPD would begin the process to repay HDC via a swap arrangement wherein HPD would grant funds to HDC for a future project so that HDC can decrease its subsidy by the amount funded for the guaranty. He said that Goldman Sachs was expected to commit $25 million to the Facility, subject to credit committee approval.

Mr. Schray stated that the MBE Guaranty Facility would further HDC's goals of creating affordable housing in New York City by facilitating more direct opportunities for MBE developers to participate in the affordable housing development market on their own. He said that the MBE Guaranty Facility was expected to provide a total of up to $50 million in backstop guaranties to MBE developers that meet the eligibility criteria described in the attached draft term sheet as they seek private construction loans or letters of credit in order to develop city-financed affordable housing projects in New York City. He said that each senior construction loan amount is expected to be $50 million or less. He said that the maximum amount of each backstop guaranty would be capped at 10% of the senior loan, unless otherwise approved by the unanimous agreement of the

MBE Guaranty Facility's credit committee, which would consist of a representative from HDC, HPD, and Goldman Sachs. He said that within these parameters, the Facility was expected to provide backstop guaranties that enable as much as $500,000,000 in private construction lending to MBEs. He added that further details on the terms and risks of this proposal are outlined in the MBE Memorandum.

Mr. Schray stated that if there are no questions, the Members were requested to approve: (A) a guaranty that would be a general obligation of the Corporation, and the use of the Corporation's unrestricted reserves, if necessary, to fund such guaranty, for the MBE Guaranty Facility in an amount not to exceed $25 million, of which up to $17.5 million would occupy a top loss position; (B) the execution of a risk share agreement with Goldman Sachs; (C) the issuance of individual guaranties to construction lenders; and (D) the execution by an authorized officer of the Corporation of related documents and any other documents necessary to accomplish this guaranty.

Mr. Niblack said that the usual terminology was MWBE and asked if it was implied or included here and why it is not more explicit. Mr. Enderlin said that it is specifically an MBE facility and it is not implied on the "W" because when they looked at the numbers, what stood out was that minority enterprises were under-represented in both the size and scale of it. Mr. Niblack asked if they found that women were not under-represented. Mr. Enderlin said that not in the same way or the same degree. The Chairperson said that in HPD's experience, the minority side of the "MW" equation has a severe deficit of activity and opportunity historically and the "W" side is over-represented by white women-led firms among other interesting patterns. He said that the "M" side does capture black and brown women which is really the intent of this. He said that he thinks that there are historic structural inequities that persist and that they all have an opportunity as an administration to address those which is why it is "MBE". Ms. Scott said she agreed with the Commissioner one hundred percent because this is so sorely needed and she commends the City, HPD and HDC for putting this fund together. She said that it's going to begin to address the inequities and the systemic barriers that have been in the way of black and brown developers, men and women, advancing in this industry, so she thanks the HDC President and the HPD Commissioner. The Commissioner said that everyone understands that this is a multi-billion-dollar industry that provides tremendous opportunities to lots of people in our city and in our region.

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

RESOLVED, to approve (A) a guaranty that would be a general obligation of the Corporation, and the use of the Corporation's unrestricted reserves, if necessary, to fund such guaranty, for the MBE Guaranty Facility in an amount not to exceed $25 million, of which up to $17.5 million would occupy a top loss position; (B) to approve the execution of a risk share agreement with Goldman Sachs; (C) the issuance of individual guaranties to construction lenders; and (D) the execution by an authorized officer of the Corporation of related documents and any other documents necessary to accomplish this guaranty.

The Chairperson stated that the next item for approval by the Members would be the Amendments to Multi-Family Rental Housing Revenue Bonds (2 Gold Street) Bond Resolution and Multi-Family Mortgage Revenue Bonds (201 Pearl Street Development) Bond Resolution and called upon Ms. Duffy to make this presentation.

Ms. Duffy referred the Members to the memorandum before them entitled "Amendments to Multi-Family Rental Housing Revenue Bonds (2 Gold Street) Bond Resolution and Multi-Family Mortgage Revenue Bonds (201 Pearl Street Development) Bond Resolution" dated November 22, 2022 (the "2 Gold Street, 201 Pearl Street Memorandum").

Ms. Duffy stated that on March 23, 2006, the Members adopted the Multi-Family Rental Housing Revenue Bonds (2 Gold Street) Bond Resolution approving the issuance of the Corporation's Multi-Family Rental Housing Revenue Bonds (2 Gold Street), 2006 Series A and 2006 Series B (the "2 Gold Street Bonds"). She said that the proceeds of the Bonds were used to refund prior bonds of the Corporation, the proceeds of which were used by 2 Gold L.L.C. for the purpose of paying a portion of the costs of constructing and equipping a 51-story building containing 650 residential units and retail and commercial space located at 2 Gold Street in Manhattan.

Ms. Duffy stated that on November 9, 2006, the Members adopted the Multi-Family Mortgage Revenue Bonds (201 Pearl Street Development) Bond Resolution approving issuance of the Corporation's Multi-Family Mortgage Revenue Bonds (201 Pearl Street Development), 2006 Series A and 2006 Series B (the "201 Pearl Street Bonds"). She said that the proceeds of the Bonds were used by 201 Pearl L.L.C., for the purpose of paying a portion of the costs of constructing and equipping a 28-story building containing 189 residential units and retail and commercial space located at 201 Pearl Street in Manhattan.

Ms. Duffy stated that both bond series were variable rate demand bonds, whose interest rates presently were reset on a weekly basis by a Remarketing Agent pursuant to a Remarketing Agreement between the Remarketing Agent, the related Mortgagor and the Corporation. She said that Fannie Mae was the credit facility provider, under the related Direct Pay Credit Enhancement Instrument that secures such Bonds. She said that the Bond Resolutions and the Remarketing Agreements permit the respective Mortgagors to, from time to time, replace the current Remarketing Agent with a successor Remarketing Agent provided the successor meets certain qualifications, including that it have a rating equal to or higher than a BBB– long term rating or an A-3 short term rating issued by S&P Global Ratings ("S&P"), the rating agency that rates the Bonds.

Ms. Duffy stated that the Mortgagors desire to appoint, as such a successor Remarketing Agent, BNY Mellon Capital Markets LLC, which does not maintain credit ratings with S&P or any other rating agency, although its parent entity does maintain ratings exceeding the above minimum levels. She said that the Mortgagors have requested that the Corporation amend the respective Bond Resolutions to permit such appointment.

Ms. Duffy stated that the proposed amendments would modify the Remarketing Agent rating requirement in each Bond Resolution to provide that the requirement may be satisfied either by the Remarketing Agent or by a parent entity. She said that each such amendment was permissible with sufficient notice to the applicable Bond holders (providing an opportunity to tender their Bonds, if desired), and consent of the credit facility provider to the amendment, both of which would be required prior to the amendments taking effect. She said that the amendments would not impact S&P's ratings of the Bonds.

There being no questions, Ms. Lipsyte then described the actions the Members were being requested to approve.

The Chairperson called for a motion to approve Amendments to Multi-Family Rental Housing Revenue Bonds (2 Gold Street) Bond Resolution and Multi-Family Mortgage Revenue Bonds (201 Pearl Street Development) Bond Resolution.

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

RESOLVED, to approve authorizing resolutions which provide for (A) the adoption of the First Supplemental Resolution to the Multi-Family Rental Housing Revenue Bonds (2 Gold Street) Bond Resolution and the First Supplemental Resolution to the Multi-Family Mortgage Revenue Bonds (201 Pearl Street Development) Bond Resolution which provide for the amendments to the respective Bond Resolutions; and (B) the execution by the President or any authorized officer of the Corporation of all other documents required for the amendments.

The Chairperson stated that the next item on the agenda was the Presentation and Approval of the Fiscal Year 2023 Operating Budget and called upon Ms. Baumann to make this presentation.

Ms. Baumann stated that she was pleased to present the Corporation's proposed Fiscal Year 2023 operating budget for the Members' approval. She said that the Corporation ended Fiscal Year 22 with an excess of revenues over expenses, on a cash basis, of $116.29 Million, an increase of $11.74 Million over the budgeted amount. She said that the increase was due to higher than expected servicing fees, and earnings on investments due to rising interest rates throughout the year. This also resulted in better than expected performance in the Open Resolution.

Ms. Baumann stated that Fiscal Year 23 revenues were budgeted to be $151.92 Million, an almost $7 Million increase from the Fiscal Year 22 adopted budget. She said that the budget to budget increase was largely attributable to an increase in investment income due to higher interest rates. She said that Fiscal Year 23 expenses were budgeted to be $45.86 Million. She added that this was a $5.46 Million or 13.51% increase from the Fiscal Year 22 adopted budget. She said that the increase from the Fiscal Year 2022 budgeted amounts revolves around certain budget lines decreasing or increasing from last year, but the overall projected increase was due to the growth in work, growth in staff and the signing of the new office lease.

Ms. Baumann stated that notwithstanding the upheaval in the post-pandemic financial landscape, the Corporation has been weathering the storm relatively well this past year. She said that during Fiscal Year 22 the Corporation issued almost $2B in bonds and debt obligations to finance a total of 32 developments in a combination of new construction and preservation loans.

She said that additionally, $127 million of corporate money was committed for subsidy loans. She noted that along with the bond financings HDC's total assets and net assets for fiscal year end were expected to be $25 billion and $3.69 billion, respectively.

Ms. Baumann stated that additionally, the Corporation's work with our partner agencies continues. She said 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 Billion in financing, supporting repairs and upgrades at 33 NYCHA campuses comprising over 10,000 homes under the PACT program. She said that in addition to assembling the financing, HDC joins NYCHA in providing ongoing asset management for PACT transactions as well.

Ms. Baumann stated that 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 added that there had also been an increase in underwriting for workouts, which was no easy task during this period of rising expenses and interest rates.

Ms. Baumann stated that these great partnerships and concerted efforts by the agencies to revitalize neighborhoods and increase the supply of affordable housing also comes with increased workloads on staff and other costs. She said that these demands on an organization as successful as HDC, as well as continued succession planning for the future, denote a need to grow our staff once again this year. She said that this year's budget includes an increase of ten positions to the staff headcount, all of which are spread throughout the departments to maintain an efficient and productive workforce, and work product.

Ms. Baumann stated that along with the growth in staff comes an investment in the physical space. Ms. Baumann stated that the Corporation's office lease at its current location expired on November 18th, 2022, and after an extensive search of the best opportunities available in the financial district, HDC was able to take advantage of a down real estate market and executed a lease at the historic Equitable Building located at 120 Broadway in July 2022. Ms. Baumann stated that while we wait for the landlord to complete construction at 120 Broadway, we have extended our lease here at 110 William through the Spring of next year.

Ms. Baumann stated that the Corporation was very proud to remain in the Financial District area, which we have called home for more than fifty years. She said that HDC was dedicated to ensuring the success of New York City's communities and was proud that the new office space would allow us to be a continued part of the revitalization of one of the city's most vibrant business districts.

Ms. Baumann stated that the new space would allow HDC to accommodate the needs of our growing staff for years to come. She said that this year's budget carries certain one-time expenditures to prepare for the new office space, which has led to a larger than normal increase to the operating budget this year. She said that if not for these increased budget lines related to the new space, the Fiscal Year 23 expense budget would have increased just a little over 3%. She said that as these are one-time budget expenditures, we are anticipating that next year's operating budget would see an overall decrease and a return to routine operating budget activity.

Ms. Baumann stated that amid serious economic uncertainties stemming from high inflation and geopolitical realities far outside of our control, the Fiscal Year 23 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 we reach our goals of increased productivity and maximize our contributions to the City's housing effort.

Ms. Baumann stated that the notes in Schedule A to the budget memo contained in the board packages provide more details for each revenue and expense line item.

Ms. Baumann stated that if there were no questions, the Members were being asked to approve the Corporation's Fiscal Year 2023 Operating Budget.

Mr. Niblack asked what the Corporation's current authorized headcount and vacancies were. Ms. Baumann stated that currently, with the increase of 10 heads, HDC would be at about 228. She said that HDC has about 20 vacancies currently and that there are 3 requested budget new hires from last year that they are still looking to fill for this year.

The Chairperson then called for a motion to approve the Fiscal Year 2023 Operating Budget.

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

RESOLVED, to approve the Fiscal Year 2023 Operating Budget.

The Chairperson stated that the next item on the agenda 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 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. She said that the guidelines have not changed since originally approved by the Members in Fiscal Year 2008. She said that the Corporation does 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. She said 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 if there were no questions, the Members were being asked to approve the Corporation's Fiscal Year 2022 Property Disposition Guidelines.

The Chairperson called for a motion to approve the Fiscal Year 2022 Property Disposition Guidelines.

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

RESOLVED, to approve the Fiscal Year 2022 Property Disposition.

The Chairperson stated that the next item for consideration by the Members would be the approval of a Declaration of Intent resolution for 261 Walton Avenue, Bronx, New York and called upon Ms. Moreira to make this presentation.

Ms. Moreira stated that Declaration of Intent Resolutions were solely for tax code purposes, allowing any expenditures incurred by a project's developer within 60 days prior to the date the Resolution is passed to be eligible for tax exempt bond financing. She said 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. Moreira referred the Members to the memorandum before then entitled Resolution of Declaration of Intent 261 Walton Avenue, Bronx, New York. She said that the proposed development would consist of the new construction of one 13-story building containing a total of 195 residential low-income rental units to be located in the Mott Haven neighborhood in the Bronx using approximately $68,255,000 in tax exempt bonds. She said that the project was to be developed by a single purpose entity to be formed and controlled by members of Knickpoint Ventures LLC, JCAL Development Group, and Touchstone Builders.

She said that the Members were asked to approve the resolution at this time.

The Chairperson called for a motion to approve the Declaration of Intent Resolution for 261 Walton Avenue, Bronx, New York.

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

RESOLVED, to approve the Declaration of Intent Resolution for 261 Walton Avenue, Bronx, New York.

Ms. Lipsyte stated that she was sorry to interrupt the Chairperson but people that had been listening very closely ask for there to be a redo of the vote for number 6 on the agenda which was the "Approval of a Loan to the NYC Shelter Acquisition and Predevelopment Loan Fund". She said that she knows that no one opposed it and that it was seconded but re-doing the vote to ensure HDC's position on this would put the people involved listening at ease and it would be the right thing to do. The Chairperson said that he would follow Ms. Lipsyte's counsel and stated that the Chair would now entertain a motion related to number 6 on the agenda to Approve a Loan to the NYC Shelter Acquisition and Predevelopment Loan Fund.

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

RESOLVED, to Approve a Loan to the NYC Shelter Acquisition and Predevelopment Loan Fund.

The Chairperson stated that he would like to close the meeting of the Finance Committee and called for a motion of the HDC Board to ratify those items just approved by the Finance Committee.

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

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

At this time, the Chairperson asked if there was any other business that Members would like to discuss.

At 11:36 a.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, 2022

ATTENDANCE LIST

Eric Enderlin	New York City Housing Development Corporation
Catheen Baumann	“ ”
Ellen Duffy	“ ”
Teresa Gigliello	“ ”
Mary Hom	“ ”
Mary John	“ ”
Madhavi Kulkarni	“ ”
Susannah Lipsyte	“ ”
Ruth Moreira	“ ”
Moira Skeados	“ ”
Lauren Connors	“ ”
Jessica Facciponti	“ ”
Lydia Aponte	“ ”
Elizabeth Strojan	“ ”
Farhana H. Choudhury	“ ”
Jeremy Boyer	“ ”
Claudine Brown	“ ”
Mary Bruch	“ ”
William Byrd	“ ”
Sean Capperis	“ ”
Austin Chin	“ ”
Christina Clarke	“ ”
Tolu Cole	“ ”
Nick Draeger	“ ”
Jonathan Duncan	“ ”
Chanin French	“ ”
Alison Glaser	“ ”
Horace Greene	“ ”
Adam King	“ ”
Alex Kleppin	“ ”
Tinru Lin	“ ”
Justin Mathew	“ ”
Stephanie Mavronicolas	“ ”
David Mischiu	“ ”
Ilana Moyer	“ ”
Yaffa Oldak	“ ”
Marion Amore	“ ”

Tania Dorado	“	”
Steven Esses	“	”
Susan Tso	“	”
Trisha Ostergaard	“	”
Michael Rose	“	”
Luke Schray	“	”
Merin Urban	“	”
Alex Medina	“	”
Lisa Wertheimer	“	”
Terren Wing	“	”
Gene Yee	“	”
Binh Ly	“	”
Bonnie Nesbitt	“	”
Cheuk Yu	“	”
Yvonne Glenn	“	”
Jamaine Gooding	“	”

Kevin Murphy	Hawkins Delafield & Wood LLP
Gregory Henniger	“ ”
Samuel Rees	Caine Mitter
Diana Beinart	NYC Dept. of Finance
Eric Tyszka	NYC Dept. of Investigation
Jeremy Loveman	NYC Office of Management & Budget
Joseph Tait	Raymond James
Musharrof Ahmed	Citi
Gloria Boyd	JP Morgan
Joseph Monitto	Bank of America
Annie Lee	“ ”
Damian Busch	Barclays
Vikram Shah	“ ”
Brendan Watson	“ ”
Nicholas Vakirtzidelis	“ ”
Peter Weiss	Loop Capital
Stephen Splawinski	Morgan Stanley

Rachel Sanchez	" "
Gregory Borys	" "
Tim Sullivan	UBS
Briana Eubanks	" "
Cathy Bell	Stern Brothers
Geoff Proulx	MAC
Sach Iyer	Jefferies
Eileen Heitzler	Orrick