

**MINUTES OF THE MEMBERS' MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY**

**HELD ON THURSDAY, FEBRUARY 16, 2023, AT 9:15 A.M.
641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

Kenneth Adams	Chairman
RuthAnne Visnauskas	Commissioner, the New York State Division of Housing and Community Renewal
Bethaida Gonzalez	Member (via video conference)
Sadie McKeown	Member
James McIntyre	Member, representing the Temporary President of the State Senate
Eric Mostert	New York State Division of the Budget, representing the Acting Director (via video conference)
Chris Curtis	New York State Division of the Taxation & Finance, representing the Commissioner of Taxation and Finance

Chairman Adams presided over the meeting. Ms. Diana Villarnovo Lopez, Senior Vice President and Counsel to HCR, formally opened the meetings and acted as secretary.

Ms. Lopez noted that Mr. Jesse Olczak, representing the Director of the New York State Division of the Budget, and Eric Mostert, representing the Commissioner of Taxation and Finance are participating via video conference from the Capitol Building, Room 131, in Albany; and that Bethaida Gonzalez is participating via video conference from the Syracuse Regional Office, 620 Erie Boulevard, Suite 312.

A public notice was given of the time and location of the venues in accordance with the New York State Open Meetings Law.

Ms. Lopez asked for motions and seconds to call to order the February 16, 2023, meetings of the New York State Housing Finance Agency (HFA), the New York State Affordable Housing Corporation (AHC), and the State of New York Mortgage Agency (SONYMA).

Ms. Lopez asked for a motion to call the meeting of the HFA Board to order, Mr. McIntyre motioned to call the HFA Board to order and Mr. Olczak seconded the motion.

Ms. Lopez noted that these motions and seconds would be used, unless specific items called for a different vote, or unless any Member wished to record his or her vote differently.

She noted that it has been a busy few since the last Board meeting, with major events such as the Governor revealing her Executive Budget proposal along with additional details on the housing compact. As a result, she and many on her staff have been on what has seemed to be a whirlwind tour of the State, meeting with elected officials, doing media interviews, round tables, and meeting with stakeholders to explain the plan and its components, with a focus around statewide growth targets, and regulatory and tax incentive initiatives. Our role has been to fill in the details and provide further explanations, to flesh out the very complex questions which cannot be covered in a speech or a formal announcement. She added that we are laser focused, making sure that people understand the Governor's ambitious housing plan and that we are getting input and feedback, because we want to make sure we understand where people have concerns and what are the ways that we can address those to make the Governor's plan something that can move forward. Ms. Visnauskas added that she agrees with the Governor that doing nothing is not an option, and that the housing crisis is too severe to not have it addressed. She added that additional events are planned next week in Long Island, in Westchester the week after and in Buffalo and Albany. She added that in March she will be doing her Budget testimony before the Legislature which is always challenging as well as interesting. She closed her presentation by noting that at today's meetings we would be seeking approval for several major housing developments across the state, including Queen's, Brooklyn, Buffalo, Rochester, and Hempstead. She also mentioned that the agenda including further work on our mission statements, discussed at our last meetings, to underscore the kind of things that we are tasked with as an agency to do and why you see what you see coming to the various Boards every month. With that, she ended her presentation.

Chairman Adams stated that he looked forward to getting a report from Ms. Visnauskas on her Budget testimony although he pointed out that the testimony would be televised and could be viewed by the public, board members and staff.

The first item on the agenda was the adoption of the minutes of the HFA Board meeting held on January 26, 2023. There being no objections or corrections from the Directors, the minutes were deemed approved.

The next item was the approval of Resolutions of the HFA Members authorizing the financing approval of \$121,090,000 maximum fixed-rate and/or variable-rate, tax-exempt and/or taxable bonds, an amount not to exceed \$61,219,124 in HFA subsidy funds, an amount not to exceed \$13,606,935 in Federal Housing Trust Fund Program Loan funds,

and an amount not to exceed \$2,500,000 in NYSERDA Clean Energy Initiative funds for Clarkson Estates (AKA: Vital Brooklyn Site L) Brooklyn, Kings County.

Ms. Behrens presented the project.

Chairman Adams noted the past history and excellent work of CAMBA Housing Ventures, the borrower on this project. Mr. Kapell noted the sizable impact that inflation was having on this, as well as on the other projects before the Board at this meeting. Ms. Behrens agreed that the increase in rates has had an impact but she added that there were also increases in construction and labor costs which have created a challenging negotiation. She noted that CAMBA increased their equity contribution and sought out additional financing to bridge the gap created by the increased costs.

Mr. Kapell asked if Google Map features could be used in the future in the board memos to give the Board members a clearer sense of the location and look of the projects. Mr. Kapell asked about the high project costs, and Ms. Behrens answered by providing detail on the parking component of the project which is unusual in Agency projects. She noted the location of the project in a section of Brooklyn that is highly populated and which has high car usage, thus requiring substantial expenses involved in creating the parking component of the project. Chairman Adams provided further detail as to the character of the neighborhood, addressing the need for parking.

Ms. Lopez moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second previously entered for the HFA Members, Ms. Lopez asked all HFA members voting to approve to signify by saying aye. The motions were carried, and the resolutions adopted.

The next item was the approval of Resolutions of the HFA Members authorizing the financing approval of an amount not to exceed \$38,720,000 of fixed and/or variable-rate, tax-exempt and/or taxable bonds, and an amount not to exceed \$17,040,000 in HFA subsidy funds, for Estella Housing, Hempstead, Nassau County.

Ms. Behrens presented the project.

Mr. Freeman confirmed that 50% of the project was for four-bedroom apartments. He then noted that this was not part of the original plan for this project, and provided additional detail as to the prior history of the project as it developed in Long Island. The original plan was to be for veteran services, and then another portion for families and other individuals living in the area. Ms. Behrens noted that she was unfamiliar with the history of the project before it came to the Agency for financing. Mr. Freeman provided some of the history, noting that one of the reasons it took six years for it to come to fruition was because the Mayor at the time did not want to provide the tax incentives due the impact that would have had on an already existing deficit. Originally, fifty percent of the project was to be set aside for veterans. Ms. Behrens noted that it appears that over time the project maintained some of the veteran preference. Chairman Adams

noted that it must have been something that was negotiated with the Town in order to get the PILOT agreement. Chairman Adams added that the Agency does not get involved in the negotiations between the developers and the Town or County in this case over the PILOT agreements. This all happens before the project comes to the Agency for financing. He noted that in some cases, such as this one, the project that is before the Agency for financing is very different, for various reasons, including those involving local politics, than what the project was at the beginning. The State role is thus limited.

Mr. Freeman agreed with the points but added that the change from the original set aside for veterans ended up being a very large change and it behooves the Agency to know why that number changed so drastically. Mr. Freeman then asked about the income bands the project was serving. Ms. Behrens provided the details.

Mr. Kapell noted that if this project was analyzed using the fair housing tool that former Board member Gross used it would get a low score because of its outsized impact. The suggestion of the tool would be to move it to the village of Garden City. Chairman Adams noted the comment but added that we also should keep in mind that this is just one part of a larger plan that involves rezoning and revitalization, so that while we are providing housing for lower incomes, it is also part of a larger plan of balanced development.

Ms. Lopez moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second previously entered for the HFA Members, Ms. Lopez asked all HFA members voting to approve to signify by saying aye. The motions were carried, and the resolutions adopted.

The next item was the approval of Resolutions of the HFA Members authorizing an amount not to exceed \$77,885,000 of fixed and/or variable-rate, tax-exempt and/or taxable bonds, and an amount not to exceed \$12,975,000 in HFA Subsidy Loan funds and an amount not to exceed \$951,500 in NYSERDA Clean Energy Initiative funds for the Sutphin Senior Housing project in Jamaica, Queens County.

Ms. Behrens presented the project.

Ms. McKeown asked about the high insurance costs. Ms. Behrens confirmed that insurance costs have risen dramatically in recent months and that many projects were having trouble finding ways to pay for those increases. Mr. McIntyre reiterated prior concerns he has raised about the apparent disconnect between the costs for these projects and the sizable diligence carried out by various government organization which should in fact make the projects easier to insure and bring the premiums down. The topic of finding a vehicle, such as a captive insurance company, to self-insure affordable housing projects was discussed and Mr. McIntyre provided some background on what states like Florida were trying to do.

Ms. Lopez moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second previously entered for the HFA Members, Ms. Lopez asked all HFA members voting to approve to signify by saying aye. The motions were carried, and the resolutions adopted.

The next item was deferred.

The next item was the approval of Resolutions of the HFA Members authorizing an amount not to exceed \$39,325,000 of fixed and/or variable-rate, tax-exempt and/or taxable bonds and an amount not to exceed \$22,902,845 in HFA subsidy funds and an amount not to exceed \$300,000 NYSEDA Clean Energy Initiative funds for the ETC Towers project, Buffalo, Erie County.

Mr. Hubley presented the project.

Mr. Freeman asked what was being done to the families being displaced from their apartments during the renovation. Mr. Hubley responded that they were being temporarily relocated while the renovations were being carried out, and that they would be returning to the project upon completion. Mr. Freeman noted that he was referring to the tenants that had been in place during the original phase of the project in the 1980s. Mr. Hubley stated that he did not know about that part of the project history. Mr. Freeman noted that in Baltimore he knew of a case where renters were paid \$140,000 to leave their apartments during renovation and when they came back the cost of the apartments had risen to \$267,000 which they could not afford.

Ms. Lopez moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second previously entered for the HFA Members, Ms. Lopez asked all HFA members voting to approve to signify by saying aye. The motions were carried, and the resolutions adopted.

The next item was deferred.

The next item was Resolutions of the HFA Members authorizing the issuance of additional tax-exempt and or taxable, fixed rate and or variable rate bonds in an amount not to exceed \$5,000,000 for a total of \$48,060,000 in connection with the Silo City Phase I project, Buffalo, Erie County previously approved by the Members at their September 3, 2020, Members' Meeting.

Ms. Behrens presented the item.

A question was asked about the level of construction monitoring carried out by the Agency on a project of this type. Ms. Behrens noted that the Agency relies on the letter of credit banks to be the front-line construction monitor and to provide continuous reporting. But she added that because the Agency is signing off on requisitions our design unit does send inspectors to the projects. She added that as part of the workout here, we were in touch with our design unit to find out exactly what happened, and we discovered that there was somewhat of a lapse that has been corrected by our construction monitoring team. She further stated that the Agency spends a lot of time consulting with Chase about our expectations on the construction monitoring side. She added that Chase included additional provisions in the documents to ensure enhanced construction monitoring at the expense of the development team.

Ms. Lopez moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second previously entered for the HFA Members, Ms. Lopez asked all HFA members voting to approve to signify by saying aye. The motions were carried, and the resolutions adopted.

The next item was Resolution of the HFA Members authorizing an amount not to exceed \$41,074,879 in HFA Subsidy funds for the Cobbs Hill Village project in Rochester, Monroe County.

Mr. Hubley presented the project.

Chairman Adams noted the history of the Pike Construction Company involved in this project, noting that it has been around since the 1870s and has a long history in construction in New York State with several generations of the same family leading the firm. This led Professor Ford to comment on the impact that generational history has on the success of companies in certain fields, noting that the advantage of generational standing stands in the way of newer companies that might want to enter the field and that government should look for ways to even the playing field.

Ms. Lopez moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second previously entered for the HFA Members, Ms. Lopez asked all HFA members voting to approve to signify by saying aye. The motions were carried, and the resolutions adopted.

The next item on the agenda was a resolution concerning the review and approval of the Mission Statements of the Agencies.

Ms. Lopez noted that this item had been discussed at the Governance Committee meetings held immediately prior to the January Board meetings. She noted that staff had proposed certain changes to the HFA/AHC Mission Statement designed to incorporate some new objectives found in the new State Housing Plan. During the Committee discussions, Committee

members approved the proposed changes, but offered some additional proposals for staff consideration. These comments concerned adding specific references dealing with Green initiatives, climate bonds, new construction initiatives, expanding diversity within the development community, and diversity in contracting. After a discussion, the Governance Committee adopted resolutions recommending no changes to the Mission Statement to be filed with PARIS before the end of the month and requesting that staff add text to the draft Mission Statements now before the Committees to incorporate the comments from the Committees, so that the HFA/AHC Mission Statement could be reviewed anew at the next Board meeting. She proceeded to summarize the changes incorporated into the current draft now before the Board and thanked Mr. McIntyre for assisting staff in attempting to capture the Boards' comments. She opened the floor for discussion.

A discussion ensued.

Professor Ford noted that the document discusses geographic diversity and raised the issue again about including mention of racial diversity. He stated that the overall mission of New York state government, which he would hope would be true for the City of New York as well, is to address racial diversity concerns. He stated that he was not quite sure where that would be included in the Mission Statements, but he added that in his view it should be so noted. Population diversity, in his mind, was as important as geographic diversity.

Ms. Lopez noted that the concept could be included in the Means to Achieve Mission section of the SONYMA and the HFA Mission Statements where the text states that the Agencies should "implement policies and target our resources to address these imbalances while providing safe and affordable homeownership opportunities". There's a little opening right there. Chairman Adams pointed to the same section and focused on the sentence that states that the Agencies should "leverage our positions to create an expand meaningful economic opportunity for minority and women-owned businesses.

Professor Ford stated that the sentence referenced by Chairman Adams was targeted to procurement activity, and he is concerned with a broader concept. Chairman Adams recommend that staff be given the opportunity to rework the text to include the concept of racial diversity and bring the Mission Statements back to the Boards for a final review. The recommendation was to include both geographic and racial diversity.

Mr. Kapell suggested that social and ethnic diversity also be considered, including gay and transgender communities. Professor Ford reiterated that given the history of the nation it was primarily racial discrimination that he was concerned with. His concern was that if other social issues are included, the tendency will be for racial diversity concerns to be diluted.

Ms. McKeown stated that the idea of renewable initiatives should be included, because so many of the concerns in that area have to do with what gets built and how. With that, the discussion ended, and the item was reserved for a future meeting.

The next item on the agenda was a report on Agency Procurements in the Lobbying Restricted Period.

There being no unfinished business, Ms. Lopez asked for a motion to adjourn the HFA Board meeting. Considering the first and second motions previously entered, the motions were carried, and the meeting was adjourned.

Ms. Lopez informed the Members that the next HFA Board meeting is scheduled for Thursday, March 9, 2023 at 9:00 a.m.

Diana Villarnovo Lopez, Secretary