

**TRANSCRIPT OF THE JANUARY 27, 2022, BOARD MEETINGS OF THE NEW YORK STATE HOUSING FINANCE AGENCY, THE STATE OF NEW YORK MORTGAGE AGENCY, THE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MORTGAGE AGENCY MORTGAGE INSURANCE COMMITTEE, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT CORPORATION**

Alejandro J. Valella, Vice President and Deputy Counsel to the Agencies stated that he will now open the January 27, 2022 meeting of the Boards of the New York State Housing Finance Agency, the State of New York Mortgage Agency, the Affordable Housing Corporation, the State of New York Mortgage Agency Mortgage Insurance Committee, the State of New York Municipal Bond Bank Agency, and the Tobacco Settlement Financing Corporation and noted that legislation signed by the Governor on January 14, 2022 in response to the continuing impact of COVID-19, extends the exemption to the Open Meetings law that provides that public bodies may meet to take actions without permitting in public in-person access to such meetings and authorizes meetings to be held remotely by conference call, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed.

Mr. Valella also stated that the Board meeting would be held by conference call instead of as a public meeting open for the public to attend in person, and that a call-in number was made public for the public to listen to the proceedings.

Mr. Valella noted that because of these special features a change in voting procedures would be put in place for this meeting and he would be asking each Board member to record their votes individually.

Mr. Valella asked for a motion to call the meeting of the HFA and AHC Boards to order. Chairman Adams made the motion and Mr. Curtis seconded. Mr. Olczak voted aye; Ms. Visnauskas voted aye; Ms. Miller voted aye; Justice Sconiers voted aye. Ms. Gonzalez voted aye; Ms. McKeown voted aye. Mr. Valella noted the presence of a quorum for HFA and AHC.

Mr. Valella asked for a motion to call the meeting of the SONYMA Board to order. Chairman Adams made the motion and Mr. Kapell seconded. Ms. Visnauskas voted aye; Mr. Rodriguez voted aye; Mr. Olczak voted aye; Ms. Miller voted aye; Ms. Gonzalez voted aye. Mr. Valella noted the presence of a quorum for SONYMA.

Mr. Valella asked for a motion to call the meeting of the SONYMA Mortgage Insurance Committee to order. Chairman Adams made the motion and Mr. Kapell seconded the motion. Mr. Olczak voted aye; Ms. Visnauskas voted aye; Ms. Miller voted aye. Mr. Valella noted the presence of a quorum for the MIF.

Mr. Valella asked for a motion to call the meeting of the MBBA and TSFC Boards to order. Chairman Adams made the motion and Mr. Olczak seconded the motion. Ms. Baldwin voted

aye; Mr. SanFilippo voted aye; Ms. Miller voted aye. Mr. Valella noted the presence of a quorum for the MBBA and TSFC.

Ms. Visnauskas then made her monthly President's report. She started out by noting the departure of Linda Manley who has accepted a position at Enterprise to be the general counsel. She noted that staff had the opportunity to thank Linda for all her work over the last few years and wish Linda the best. She stated that Lauren McGill had been named as acting counsel in Linda's absence and stated that Lauren's experience would be an asset during the transition.

She noted that today's agenda, includes a large number of administrative items for the Boards and committees to consider. The Mortgage Insurance Committee will consider insurance for 80-units of affordable housing at *The Woods at Pawling* in Dutchess County and HFA members will be presented with an AHC resolution for just over \$3 million to help fund the construction of 109-units all of which are located outside of NYC.

Ms. Visnauskas noted that in addition she would also like to update the Boards on several important matters that touch the Agencies:

- the Governor's 2022 budget proposal
- the current state of President Biden's *Build It Back Better* legislation,
- and an overview and update on HCR's response to the tragic fire at Twin Parks (also known as Bronx Park Phase III North West.)

Starting on Twin Parks, she stated that this Mitchell Lama project was built in 1974 in the Fordham neighborhood of the Bronx. The 331-unit development consists of three 9-story buildings and one 19-story building. HFA refinanced and extended the regulatory agreement for Twin Parks NW/Bronx Park III in 2013, and the transaction included building system and apartment renovations. The renovations included new bathrooms, kitchens and closet doors in apartment interiors; new energy efficiency lighting and security cameras, and painting for hallways and lobbies; and new building boiler. Most recently, the Agency approved a transfer of ownership from the Schoner Family to the current owner Camber Property Group in 2019.

Ms. Visnauskas stated that the tragic fire that has been much in the news occurred in the 19-story building, which has 120 total units. 76 of these units are subsidized by a project-based Section 8 contract. There is 1 resident with a HCR tenant base voucher. There are 12 residents that have tenant base vouchers and there are 2 residents who had HPD tenant -based vouchers.

She noted that the Agencies have oversight of both the section 8 compliance as well as the tax credit compliance. When HFA undertook the transaction in 2013 it was a bond deal which included tax credits, meaning that HFA has regulatory oversight of those tax credits.

Ms. Visnauskas clarified that the Agencies are not responsible for the day-to-day operations of the building. It is privately owned and privately managed and in New York City, as with other municipalities around the state the local municipality is responsible for our violations of local building codes. In this case the city of New York and HPD are responsible for violations of housing maintenance codes, which provides for heat, hot water, fire safety, and other issues. She added that the Agencies are working very closely with HPD and with our partners and with the emergency service agencies as well.

Ms. Visnauskas noted that, in the wake of this horrifying event, HCR is doing everything possible to help all those impacted. As an example, she noted that just yesterday, she and Becky Koepnick, along with our partner CVR, joined a meeting organized by Representative Ritchie Torres and Borough President Vanessa Gibson with multiple community-based organizations that are on the ground providing direct assistance to tenants.

Ms. Visnauskas added that as has been reported in the news, there is a very big non-English speaking, African population concentrated in the project. She added that we are working very, closely to make sure that they do not get lost in the shuffle as can happen with an event as challenging like this and something that obviously impacts everybody's housing. As we all know, just because somebody has a fire in their house, doesn't necessarily mean they don't have to go to work the next day. This is a very challenging time for those people who have been displaced and who are living in hotels.

Since the day of the fire, HCR has partnered with OTDA and the City of New York to actively engage tenants, the property owner, and the affordable housing community to ensure the building's residents received immediate emergency assistance, as well as options for long-term relocation if they decide not to return to the development. Ms. Visnauskas provided the following specific examples:

- HCR has engaged CVR Associates, an entity that administers project-based Section 8 vouchers on behalf of HCR in the Bronx, to work with all the residents of Bronx Park who wish to relocate.
- CVR is working with residents who currently have project-based Section 8 from HCR to determine if they want to convert their vouchers to tenant-based vouchers and relocate.
- HCR has also been successful in its request to HUD to allow the approximately 25 families at Bronx Park who do not have Section 8 vouchers to apply for tenant-based vouchers on an expedited basis. CVR is also working with tenants who have HPD or NYCHA vouchers to assist them in finding other housing options if they wish to move.
- HCR is providing funding to help all residents with moving costs including security deposits and other moving expenses drawing on available HTFC administrative funds and reserves.
- The City of New York has identified a newly constructed affordable property in the Bronx (La Central) and the owner is organizing tours of the property for Bronx Park

residents who may be interested in moving to the building. CVR is helping interested tenants fill out applications.

Ms. Visnauskas noted, that as the foregoing suggests, we are moving quickly to help these families during this unbelievably challenging time. This week, CVR has contacted 20 of the 25 families without Section 8 and set up appointments to assist them with their applications. In the weeks since the fire, CVR has engaged 93 families and issued 56 tenant -based vouchers and helped 54 of those families with applications to La Central, the new affordable development about 3 miles away.

She added that, in accordance with the HTFC procurement guidelines and By-Law provisions concerning emergency procurements, at the next HTFC meeting in February, staff will be coming to the Board for approval of the contract with CVR to provide all the aforementioned services to the resident of Bronx Park:

- enhanced mobility services to the tenants including Section 8 vouchers,
- help filling out applications to a nearby affordable housing development
- help finding apartments in the private market.

Ms. Visnauskas then provided a summary of Governor Hochul's proposed FY 2023 budget.

- On the housing side, the budget advances a new \$25 billion, five-year Housing Plan to create and preserve 100,000 affordable homes.
- This includes 10,000 homes with support services for vulnerable populations. Funding includes \$5.7 billion in capital resources, \$8.8 billion in State and Federal tax credits and other federal allocations, \$11 billion to support the operation of shelters and supportive housing units and to provide rental subsidies.

The Governor's HCR Budget includes All-Funds Appropriations of \$5.249B and Reappropriations of \$3.8B. Ms. Visnauskas provided the following highlights:

#### **State Operations – \$134.69M**

The Office of Rent Administration (ORA) program appropriations were increased by \$18.49M to right size the Personal Service lines to support current fill levels and provide \$15M for technology upgrades and procurement for services. State Operating Funds for all other programs remain flat and assumes all current spending controls remain in effect.

- HCR's budgeted fill is 625 FTEs.
- Local Assistance - \$430.74M
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The FY23 Executive Budget includes the addition of the following new programs:

- \$1M Community Controlled Affordable Housing

- \$2M Fair Housing Testing
- \$250K Fair Chance Credit Check Program
- \$32M Governor’s Office of Storm Recovery
- \$20M Homeowner Protection Program
- \$35M Legal Representation of Eviction

There is a \$250M increase to the Weatherization program appropriation for the receipt of future federal funds.

Ms. Visnauskas then summarized HCR’s capital budget which reflects a net increase of \$3.816B. The base capital program values remain unchanged.

The increase can be attributed to the following additions:

- \$4.505B for the Housing Plan
- \$77M for the Governor’s Office of Storm Recovery

Ms. Visnauskas noted that the Article VII bills are proposed as follows:

- Release of \$39.82M from the Mortgage Insurance Fund (MIF) reserves. Funds will be used as follows:
  - \$12.83M Neighborhood Preservation Program, unchanged from year-to-year
  - \$5.36M Rural Preservation Program, unchanged year-to-year
  - \$21.63M Rural Rental Assistance Program, unchanged year-to-year
- Creation of Accessory Dwelling Units
- Improve Access to Housing for People with Prior Conviction Records
- Amend New York City's Floor-Area Ratio Limit on Residential Density
- Facilitate the Conversion of Hotel and Commercial Space into Residential Housing
- Encourage Transit-Oriented Development of Housing
- Reform the Use of Credit Checks in Tenant Screenings for Housing
- Codify language access policy
- Enact the Affordable Neighborhoods for New Yorkers Tax Incentive
- Advanced Building Codes
- State Low Income Housing Tax Credit

Ms. Visnauskas then summarized the current state of the Build Back Better federal legislation. While the much-anticipated *Build it Back Better* legislation with its substantial increases in affordable housing resources has been “paused” and next steps are unknown, HCR has still seen a continued flow of affordable housing resources over the last several years.

The American Rescue Plan Act of 2021 and the Infrastructure Investment and Jobs Act (the bipartisan infrastructure bill) and other measures have provided additional resources for our work. Some of these resources include:

- ERAP - Emergency Rental Assistance Program (mention our HCR administered & State funded Rental Assistance Program)
- HAF - Homeowner Assistance Fund
- Emergency Section 8 vouchers (70,000 total, 9,910 NYS & 1,566 NYS HTF\*)
- Funds for Broadband - \$65 billion in the Infrastructure Investment and Jobs Act (IIJA)– 8/2021
- Support for the additional “greening” of multifamily housing (water and other infrastructure provisions in IIJA)
- Restored the Affirmatively Furthering Fair Housing (AFFH) Requirement

Ms. Visnauskas noted that on December 4th Congress passed a Continuing Resolution (CR) funding the federal government through February 18 and giving Congress more time to develop FY 2022 appropriations bills.

In the coming year HCR will continue to work with its government, not for profit and other housing partners to advocate for the *Build it Back Better* legislation and its provisions in whatever form they may take.

Ms. Visnauskas closed her presentation with an update on our Housing Assistance Fund (HAF):

- As of January 26<sup>th</sup> just over 23,000 applications have been received.
- Roughly 75% of applicants are mortgaged borrowers and 25% are non-mortgage (coop, property tax, manufactured homes)
  - 45% identified as a applicants of color (SDI)
  - Close to 12% identify as Latinx
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She noted that the Agencies expect to start approving applications and committing funds as early as next week. That said, the mortgage applications will require negotiating the banks and that will take some time. In this short time, we are already working on modifications for over 5,000 applicants.

Ms. Visnauskas then fielded questions from various Board members on her report.

Mr. SanFilippo asked a general question concerning the cause of the fire. Ms. Visnauskas stated that she was not privy to any other information than what has been in the news. She noted that the understanding is that it was started by 1 or multiple space heaters that were left on in an apartment on the 3rd floor that was a duplex department and that may have been on for multiple days, and when the fire started the apartment door as the family left was left open and that caused much smoke damage in the building and much of the fatalities.

But Ms. Visnauskas cautioned that this summary is based on what has reported in the media and that there is still an ongoing investigation.

Mr. Kapell noted that the fact that they were using a set of electric space heaters raises a red flag about the adequacy of the heating system in the building and he assumed that's being looked at.

Ms. Visnauskas replied that, based on what she has read, since these issues are being reviewed by other entities, and not by the Agencies, it probably is not unusual in a high rise building that in some apartments people have their windows open and other apartments are too cold and the tenants have space heaters on. She added that the Agency has no knowledge of the heat situation in the building, as we are not responsible for that. But she noted that in the wake of this incident there are a series of legislative initiatives at the federal level and the city level being considered about daytime and nighttime minimum and maximum heat levels.

Ms. Miller noted that this might also be a cultural problem, as buildings like this with a concentrated population of tenants from warm climate countries might necessitate a different approach to heating levels.

Chairman Adams noted that in 2019, there was a new local order or regulation dealing with doors in multifamily buildings to make sure that the door was always closed if someone was exiting in the case of a fire because, as is well known, you want to contain the smoke and the heat for safety reasons. Chairman Adams wondered whether the self-closing device had been installed in accordance with these new regulations. And if it had been installed was working properly, did it fail? He noted that this was all being investigated still but was a reminder that it is likely that there is a fairly high level of non-compliance with this regulation city-wide. He agreed with Ms. Visnauskas that responsibility for these issues lies with the City of New York and HPD, not the State or our agencies.

Ms. McKeown asked Ms. Visnauskas if from her experience there was precedent around prioritizing homeless people due to displacement from a fire through the HPD marketing process so that in the building that's being marketed at Central, while we are for sure following all IRS rules, as would be required for any type of projects like that, we are working with HPD as it relates to vouchers to make sure that we can get everybody who needs to be prioritized to go there, prioritized or along the lines of what you're talking about. She added that from her experience, it can take a long time so it would be great if you could push those people to the top of the queue.

Ms. Visnauskas stated that Becky Koepnick has been working wonders with HUD and with the city of New York to get everybody to the top of the line who needs to get to the top of the line.

Chairman Adams addressed Ms. Visnauskas on a separate topic. He noted that about 10 days ago housing court reopened in New York state and on Saturday, the 15th, the eviction moratorium expired and was not renewed. He noted that there's a backlog of about 200,000

eviction cases in New York City, 400,000 New Yorkers behind in their rent by about \$1.4 Billion dollars according to reports. He asked about what the State is doing at this point on this topic.

Ms. Visnauskas replied that Chairman Adams probably saw that the State reopened the emergency rental assistance portal that is run by OTDA. It is a really important tool for renters. She added that after it reopened an additional 2,000 people applied. As it relates to the overall agenda, Ms. Visnauskas stated that the Governor has a very strong proposal around building new housing, around addressing market rate supply of housing to get the pressures down across the state and some policy issues around access to housing.

Mr. Olczak added that a lot of other things are being done via the budget process, adding that the Governor worked with the legislature in the current year to put aside \$25 Million for legal assistance to help tenants being evicted as well as in the executive budget where that number has been increased to \$35 Million in the coming year. He added that there's a lot of a lot of action, and a lot of effort acknowledging this issue and trying to find the path forward to get tenants in stable homes.

With that, Chairman Adams asked Mr. Valella to approve the transcripts of the last meetings.

Mr. Valella proceeded to present the various board and committee transcripts of the December Board meetings and noting that there were no comments from Board members, he stated that the transcript was deemed approved. The transcripts, until the Boards commence their regular Board meetings, would be adopted in lieu of Minutes.

Chairman Adams noted that the first item on the agenda was a **Resolution approving the selection of a panel of underwriters to serve as underwriters on Agency bond issues.**

Ms. Ng presented the item noting that the Agencies issued the RFP on May 3, 2021 to solicit proposals from investment banking firms interested in serving as either senior or co-manager for the Agencies' single-family housing, multifamily housing, local government and/or tobacco issues. The Agencies received the 34 responses indicated below, 13 of which were submitted by MWBEs (*four of which were not certified by NYS*) and six by SDVOBs. The Agencies' review committee, which consisted of the Vice President of Bond Finance & Debt Issuance, Assistant Vice President/Deputy Treasurer, Associate Counsel, Senior Vice President/Chief Financial Officer and Assistant Vice President of Bond Finance & Debt Issuance met on August 16, 2021 to discuss the experience, qualifications and capacity of the firms. Because of the evolving financial market and regulatory landscape, the Committee heavily weighted creative ideas and innovative structures as well as firm and team experience senior managing transactions with par amounts and credits similar to Agency transactions. The Committee sought to select those firms who, through their ideas and experience, could help the Agencies meet their mission and be responsive to market conditions. Price was not a consideration because the Agencies negotiate underwriter compensation at the time of a financing based on size, structure, complexity and market conditions. To assure access to the best banking talent and underwriting experience for

each of the sectors in which the Agencies participate, the Committee selected 34 firms to provide coverage for the Agencies' expected single family, multifamily, pooled local government, and tobacco debt issuances. The panel was sized to provide broad access to firms based on our prior and expected future bond issuance levels in each sector and to provide access to a wide range of firms. Staff recommendations for firms to be appointed to the senior manager panel include a range of national, regional, specialty and minority firms. The panel includes firms that have successfully served the Agencies as senior manager since the current panel was established and some that haven't served but clearly demonstrated their capacity to do so in the future. The Committee also recommends the following NYS certified minority-owned business enterprises ("MBEs") to be included as part of the senior manager panel: (a) Samuel A. Ramirez & Co. and (b) Siebert Williams Shank & Co. Each of these firms has demonstrated their support of the Agencies' bond issues through solid distribution performance, value-added marketing suggestions and substantive program suggestions.

The primary criteria used for selection of co-managing underwriters were distribution capacity and relevant experience. The firms were selected based on their ability to complement the skill sets of the other panel members and the distribution networks, to result in the broadest distribution for the Agencies' bonds. The Committee selected the 34 firms listed in the board resolution for the co-manager panel. The proposed term for senior manager and co-manager firms shall be for a five-year term. Although staff evaluates the performance of underwriters at the completion of each transaction, staff will conduct an annual review and make suggestions concerning panel composition based on this review process.

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the HFA, SONYMA, MBBA and TSFC, Mr. Valella asked all Board members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

Chairman Adams noted that the next item **was a resolution approving bond counsel services for the Agencies.**

Mr. Valella presented the item. He noted that the Agencies issued a request for proposals ("RFP") on January 11, 2021 to establish a prequalified list of law firms to serve as bond counsel. He noted that the Agencies received responses from 18 firms. He noted that the Agencies' review committee was comprised of the Senior Vice President and Counsel, Senior Vice President and Chief Financial Officer, Vice President and Deputy Counsel, Vice President and Counsel to SONYMA's MIF, Vice President of Bond Finance and Debt Issuance, Associate Counsel, and Procurement Compliance Specialist of the Office of Economic Opportunity and Partnership Development. He noted that the Review Committee met several times during the review process to discuss the proposals. The Review Committee recommended inviting 13 of the firms for oral interviews. After the round of interviews the Review Committee met again to discuss the

proposals and factor in the interview presentations. As relates to SONYMA, the Review Committee concluded that Hawkins should continue to serve as bond counsel. They have served the Agency as bond counsel for many years with outstanding services. In contrast to SONYMA, HFA's bonds are issued under both a common indenture as well as separate resolutions and therefore, a panel of law firms has been used to provide bond counsel services. The Review Committee concluded that a bond counsel panel and a co-bond counsel panel should continue to be established which would comprise the firms listed in the accompanying resolution. The panel comprises eight (8) firms, which is the same number as the Agencies' past panel. The Committee concluded that decreasing the size of the panel did not make sense in light of the strength of the responses and determined that increasing the number of bond counsel eligible to serve in Affordable transactions would help in ensuring that the work was spread more efficiently among panel members. Two of the eight bond counsel firms are new additions to the panel. The Committee in particular was pleased to be able to include these two firms on the panel, as they are new to HFA and will be able to bring to the Agency its experiences with other housing agencies. The panel features joint representation by majority firms and MWBE firms selected by the majority firms. The fact that every firm on the panel is acting jointly with MWBE firms is a first for the Agencies and attests to the importance of diversity in the panel selection. The Committee determined to include Orrick as one of the firms eligible to participate as bond counsel on the HFA Affordable Resolution transactions. Orrick's broad experience not only in housing but in other legal disciplines relevant to the multi-family housing work, as well as its work as disclosure counsel on Affordable transactions particularly impressed the Committee. The Committee also determined to add one of the two new firms on the panel to replace Orrick as disclosure counsel.

Ms. Gonzalez asked whether the Agencies had a formal process to let firms who are not successful in their submissions know how to improve their presentations in the future. Mr. Valella noted that such a process is required for State agencies, but that the public authorities did not have a formal process. He added that the Agencies were reviewing their policies and would consider some sort of outreach in the future.

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the HFA, SONYMA, MBBA and TSFC, Mr. Valella asked all Board members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

**Chairman Adams noted that THE NEXT TEN (10) ITEMS ARE CONSENT ITEMS. He stated that there would be no discussions on these items unless Board members requested. He added that a number of these items were discussed earlier at the Audit and Governance Committee meetings.**

#### **ITEM 4. Resolution reviewing and approving Mission Statements of the Agencies.**

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the HFA, AHC, SONYMA, MBBA

and TSFC, Mr. Valella asked all Board members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

**ITEM 5: Approval of Board Self-Evaluation.**

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the HFA, AHC, SONYMA, MBBA and TSFC, Mr. Valella asked all Board members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

**ITEM 6. Resolution approving the Agencies' Financial Statements for Fiscal Year 2021.** Chairman Adams noted that earlier today, at the Audit Committee meetings a detailed presentation was made in connection with this item. It is now before the Boards. Unless Board members have questions or comments we will move to the vote.

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the HFA, AHC, SONYMA, MBBA and TSFC, Mr. Valella asked all Board members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

**ITEM 7. Resolution approving the Annual Investment Report and Quarterly Investment Report.**

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the HFA, AHC, SONYMA, MBBA and TSFC, Mr. Valella asked all Board members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

**ITEM 8. Resolution approving the Agencies' Annual Procurement Report for fiscal year 2020-21 and review of the Agencies' 4th Quarterly Procurement Report.**

Mr. Valella noted in connection with this item the statistics around MWBE procurements, which show an extraordinary increase in MWBE expenditures, with levels now at 70% of MWBE eligible contract expenditures.

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the HFA, AHC, SONYMA, MBBA and TSFC, Mr. Valella asked all Board members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

**ITEM 9. Resolution approving the Agencies' Public Authorities Reporting Information Systems (PARIS) Filing Report. (11/1/20-10/31/21).**

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the HFA, AHC, SONYMA, MBBA

and TSFC, Mr. Valella asked all Board members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

**ITEM 10. Resolution approving Acquisition/Disposition and Inventory Guidelines and Reports.**

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the HFA, SONYMA, and MBBA, Mr. Valella asked all Board members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

**ITEM 11: Approval of Program Budgets.**

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the HFA and MBBA, Mr. Valella asked all Board members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

**ITEM 12. Budget and Financial Plan Results for the FY ending 2021.**

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the SONYMA, HFA, AHC TSFC and MBBA Boards, Mr. Valella asked all Board members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

**ITEM 13. Approval of the 2021 HFA Audited Supplementary Financial Information (Other Financial Information or "OFI") Report.**

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for HFA, Mr. Valella asked all HFA Board members voting to approve to signify by saying aye. The motion was carried, and the resolution adopted unanimously.

Chairman Adams noted that there being no further business for the MBBA and TSFC Boards he would ask for a motion and a second to adjourn those meetings. Mr. Valella noted that, assuming the first and second previously entered for the MBBA and TSFC Boards, all in favor of adjourning, please signify by saying Aye. The motions were carried. The meetings were adjourned. Mr. Valella noted that the next MBBA and TSFC Board meetings are scheduled for Thursday, April 14, at 9:00 a.m.

Chairman Adams noted that the next two items would be for Mortgage Insurance Committee action.

**ITEM 14: Resolution of the SONYMA Mortgage Insurance Committee approving 75% mortgage insurance on a \$5,700,000 CPC permanent first mortgage loan for The Woods Project, Pawling, Dutchess County.**

Mr. Friedman presented on this item. After Mr. Friedman's presentation, Chairman Adams stated that Board member Ms. Gross could not attend today's meeting, but that she had provided Board members with the results of her Fair Housing scorecard on this and the following MIF project and he urged Committee members to address those results if they saw fit. Commissioner Visnauskas noted that the results had not been sent to her and asked if they could be forwarded so she could share them with staff. Mr. Kapell forwarded the materials.

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the SONYMA Mortgage Insurance Committee, Mr. Valella asked all Committee members voting to approve to signify by saying aye. The motion was carried, and the resolution adopted unanimously.

**ITEM 15: Resolution of the SONYMA Mortgage Insurance Committee approving 100% mortgage insurance on a \$2,510,000 CPC permanent first mortgage loan for 104-10 and 104-12 Project in Corona, Queens County.**

Mr. Friedman presented this item.

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the SONYMA Mortgage Insurance Committee, Mr. Valella asked all Committee members voting to approve to signify by saying aye. The motion was carried, and the resolution adopted unanimously.

Chairman Adams noted that the next two (2) items were Information Items.

**ITEM 16. MIF December 2021 Activity Report.**

**ITEM 17. Current Agency Procurements/Contracts in Lobbying Restricted Period**

Chairman Adams noted that the next item was an HFA item:

**ITEM 18: Resolution reviewing and approving Environmental Determination for Vital Brooklyn Kingsbrook (Sites E-H & K).**

Ms. Spitzberg presented the item. She stated that HFA is considering providing tax-exempt bonds with a 4% tax credit allocation and subsidy loan to finance Vital Brooklyn Kingsbrook (Sites E-H & K). Phase 1-A of the overall project has already been approved by the HFA Members at its November 2021 meeting. The project involves the new construction of four buildings containing a total of 655 units, with 450 units for very low, low, and moderate-income families (inclusive of 96 units designated for senior citizens), 150 supportive units for Disabled Military Veterans and frail elderly, and 3 superintendent units. The project will be constructed on multiple sites totaling 4.75 acres at Rutland Road between Schenectady Ave and Utica Ave in the City of New York, Kings

County. To enable the development of the project, Empire State Development must override the current New York City Zoning Resolution and other local laws and requirements as applicable, in accordance with the New York State Urban Development Corporation Act. The necessary overrides are secured through Empire State Development's approval of a General Project Plan (GPP), which requires a determination, led by New York State Housing Finance Agency, under the State Environmental Quality Review Act (SEQRA) and its implementing regulations set forth in 6 NYCRR Part 617. This is a request for a SEQRA Type I classification and Negative Declaration determination, only. No Agency resources will be committed to the Project until the Project is approved for financing.

Chairman Adams noted that it was not surprising that this site would need to have substantial environmental determinations. He noted that the site, along with other large formerly industrial sites in New York City now considered for re-development as affordable housing, has history of environmental damage due to the industrial component. Ms. Miller...

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for HFA, Mr. Valella asked all HFA members voting to approve to signify by saying aye. The motion was carried, and the resolution adopted unanimously.

Chairman Adams noted that the next item was a SONYMA item:

**ITEM 19: Resolution authorizing consultant services contract for SONYMA Express.**

Ms. Pagnozzi presented the item. She stated that on April 6, 2010, the Agency issued a request for proposal seeking a firm to create an automated underwriting and IRS compliance system for all of its mortgage programs ("SONYMA Express®"). As a result of the RFP process, on July 15, 2010, the Directors authorized a contract with Overture Technologies ("Overture") for the development and implementation of the system together with maintenance and hosting services. SONYMA Express® became operational in April 2014. Due to performance issues with Overture and a significant increase in price proposed during contract renegotiations, in September 2015, the Agency purchased the Overture software outright and brought the development and administration in-house, thus providing the Agency with accountability in resolution of outstanding items and enabling the Agency to complete significant system enhancements without paying additional costs.

As a result of this decision, in September 2015, the Agency entered into consultant services contracts with Alice Chen and Bela Vizy ("Vizy"), for the provision of consultant services necessary to successfully onboard and manage the SONYMA Express® system until such time that SONYMA employees can be adequately trained. Vizy serves as the software developer and Chen serves as the project manager.

The consultant contracts are both sole source contracts as both Chen and Vizy were part of the original team at Overture involved in the initial system design and development of SONYMA Express®. Vizy and Chen, former Overture employees specifically assigned by Overture to the SONYMA Express® project, possess substantial knowledge of the system to operate SONYMA Express®. The costs for each consultant totaled \$152,500 for the first year and \$150,000 annually for each consultant during each subsequent year (*i.e., years two through six*).

At their September 10, 2015 meeting, the Directors approved consultant services agreements with both Chen and Vizy, for a three-year term with costs under both contracts totaling \$305,000 for year one, and \$300,000 annually in years two and three with total expenditures capped at \$452,500 for each contract. In June 2018, SONYMA's Governance Committee authorized an amendment to the Chen contract for a one-year period in an annual amount of \$150,000, and in September 2018, the Committee authorized an amendment to the contract with Vizy for a one-year period in an annual amount of \$150,000 with total expenditures under each contract capped at \$602,500. Subsequent amendments for additional one-year periods were approved by the Committees in September of 2019 and 2020 in an annual amount of \$150,000 for each contract with expenditures for each contract capped at \$902,500. At their meetings held in January of 2019, 2020 and March of 2021, the Directors also approved and reviewed the contracts as part of the approval of the Agency's Annual Report on Procurement Contracts.

Most recently, at their September 9, 2021 meeting, the Directors authorized extending the consulting services contracts with Chen and Vizy for a seven-month period (from October 12, 2021 to May 11, 2022), each in an amount not to exceed \$87,500 for this seven-month period, with each contract capped in an amount not to exceed \$990,000 for total expenditures under each of the respective contracts.

After May 11, 2022, the consultant services provided by Vizy will no longer be required as these consultant services will be provided by Agency staff; however, the consultant services performed by Chen are needed to successfully maintain SONYMA Express® as Chen's knowledge of the system is not available from Agency staff. SONYMA Express® is proprietary and the company from which it was purchased is now defunct. The legacy knowledge and experience possessed by Chen is irreplaceable and critical to the continued successful use of SONYMA Express®. Chen is a sole source provider in the most absolute sense and is the only individual known to SONYMA, with direct experience and substantial knowledge of the system.

SONYMA will be seeking a new third party vendor to migrate the SONYMA Express® to a non-proprietary new system architecture more widely supported and commonplace in the mortgage origination space. This technology migration will enable SONYMA to hire internal staff to support and maintain our system. This proposed vendor will also provide ongoing support and maintenance after the migration. Agency staff is requesting to minimally increase the annual

amount paid to Chen by \$10,000. Based on the foregoing, the consultant services contract with Chen is being presented to the Board for approval to extend the term of the agreement for a two-year period with one optional renewal, in an annual amount not to exceed \$160,000 and a total contract amount not to exceed \$1,310,000. If the amendment is approved by the SONYMA Directors, SONYMA will submit the contract amendment to the Office of the State Comptroller (OSC) for approval.

The reason for OSC approval is that Section 206.2(d) of New York Codes, Rules and Regulations and the written notice from OSC to the Agencies dated October 25, 2010 requires OSC to approve *Eligible Contract Amendments*. An *Eligible Contract Amendment* is defined as any modification to a contract executed by the Agency where such modification was executed on or after March 1, 2010, and where the aggregate consideration under the contract as amended is valued in excess of one million dollars and the contract was originally awarded on a noncompetitive basis.

If the SONYMA Directors amend the Agency's contract with Chen as requested, the contract becomes, as amended, an *Eligible Contract Amendment* and will subsequently be submitted to OSC for approval.

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for SONYMA, Mr. Valella asked all SONYMA Directors voting to approve to signify by saying aye. The motion was carried, and the resolution adopted unanimously.

Chairman Adams noted that there being no further business for the SONYMA Board he would ask for a motion and a second to adjourn those meetings. Mr. Valella noted that, assuming the first and second previously entered for the SONYMA, all in favor of adjourning, please signify by saying Aye. The motion was carried. The meetings were adjourned. Mr. Valella noted that the next SONYMA Board meeting is scheduled for Thursday, February 17, at 9:00 a.m

Chairman Adams moved to the next item, which is an **AHC Consent item**.

**ITEM 20: Resolution authorizing award of grant funds for certain projects.**

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for AHC, Mr. Valella asked all AHC members voting to approve to signify by saying aye. The motion was carried, and the resolution adopted unanimously.

Chairman Adams noted that there being no further business for the HFA and AHC Boards he would ask for a motion and a second to adjourn those meetings. Prior to adjourning, Chairman Adams informed Board members that staff would reach out to them to canvass views on moving the meetings up to begin at 8:30 a.m. going forward, to take into account the additional time needed to go through the HTFC agenda. Mr. Valella noted that, assuming the first and second

previously entered for the SONYMA, all in favor of adjourning, please signify by saying Aye. The motion was carried. The meetings were adjourned at 10:59 am. Mr. Valella noted that the next HFA and AHC Board meeting is scheduled for Thursday, February 17, at 9:00 a.m.