

**MINUTES OF THE
TOBACCO SETTLEMENT FINANCING CORPORATION
GOVERNANCE COMMITTEE MEETING**

**HELD ON THURSDAY, DECEMBER 15, 2022, AT 9:00 A.M.
641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10004**

MEMBERS AND DESIGNEES

PRESENT:

Kenneth G. Adams	Chairman
Jesse Olczak	New York State Division of the Budget, Representing Robert Mujica, Budget Director, Director (via video conference)

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

Ms. Lopez noted that Jesse Olczak, representing Robert Mujica, Director of the Division of the Budget and Christopher Curtis, representing the Commissioner of Taxation and Finance are participating in the meeting via video conference from the New York State Division of Budget conference center at the Capitol Building Room 131 in Albany, and that Andy San Filippo, representing the State Comptroller, is participating from the Agencies' Buffalo regional Office at Electric Tower, 535 Washington Street, Suite 105.

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 also noted that Commissioner Visnauskas is participating in today's meeting under Section 103-a of the Open Meetings Law, under the "extraordinary circumstances" exception. She is on via video, and members of the public have been provided with the link so they can view her participation. Under the law, Commissioner Visnauskas can participate in the meeting and vote, but she does not count for quorum and as such she is not listed as Member in the Member listing.

Ms. Lopez asked for motions and seconds to call to order the Members' and Directors' Governance Committee meetings of the New York State Housing Finance Agency ("HFA"), the New York State Affordable Housing Corporation ("AHC"), the New York State Housing Trust Fund Corporation (the "HTFC"), the State of New York Mortgage Agency ("SONYMA"), the State of New York Municipal Bond Bank Agency ("MBBA"), and the Tobacco Settlement

Financing Corporation (“TSFC”).

Chairman Adams moved to call the HFA, HTFC and AHC Governance Committee meetings to order and Mr. Curtis seconded the motion. Mr. Kapell moved to call the SONYMA meeting to order, and Chairman Adams seconded the motion. Chairman Adams moved to call the MBBA and TSFC meetings to order, and Mr. Olczak seconded the motion.

Ms. Lopez stated that as items were presented to each Committee throughout the meetings, these motions and seconds would be used, unless specific items called for a different vote, or unless any Director wished to record his or her vote differently.

These minutes reflect only those items being considered by the TSFC Governance Committee. A record of items considered by the other Committees is contained in the minutes of each of the Committees.

Chairman Adams wished all present a Happy Holiday and congratulated staff on the production of the voluminous set of materials found in the respective Board books provided to the Board members. On his own, and on behalf of the Board, he expressed his appreciation for all the hard work that goes into the production of the board books for the monthly board meetings.

Ms. Visnauskas then made her President’s report.

Ms. Visnauskas noted the reason for her participation via remote access, noting that she was on her way to a Cabinet meeting scheduled in Albany where the Governor would be present. She then introduced Carrie Torres to the Boards, noting that she has taken over for Wanda Graham in leading the Agencies’ MWBE efforts. She added that later in the agenda Carrie would be presenting the goal plans for the upcoming year for both the MWBE and Service-Disabled programs. The plans outline our strategy to make sure that we are identifying opportunities to procure goods and services from as many MWBE and Service-Disabled partners as possible. But it also includes evidence of our efforts ensure that our development partners include these companies in the construction and professional services portions of their projects. She also noted that our agenda would include a presentation from our Fair Housing department seeking authorization for fair housing outreach and testing services. She stated that this work is done in conjunction with our non-profit partners and provided a quick summary of the work involved. She stated that the Agencies dispatch trained, fair housing testers, who act as potential renters or home seekers to uncover unlawful, discriminatory treatment by sellers, brokers, landlords, appraisers, and lenders. Ms. Visnauskas added that this past year the Legislature appropriated \$2 Million for fair housing testing services. She then noted that agenda would also include requests for approval for various grant awards under HTFC’s Office of Community Renewal.

Ms. Visnauskas then highlighted the efforts of the Agencies and the Governor’s office to get legislation passed at the federal level to revise the “50 percent test” which would allow us to expand our bond issuing authority. She noted that the New York delegation and California Governor Gavin Newsom sent a joint letter to Majority Leader Schumer in support as what might appear to be a small tweak is one that would make a huge difference to our programs: we are advocating for the threshold rather than being 50% of the costs funded by bonds to be changed to

25%. This minor change has the potential to allow us to double our production of affordable housing.

Ms. Visnauskas closed her remarks by providing a quick summary of the Agencies' efforts during the last year, noting that the year was significant in that it marked the end of the first five (5) year plan, where all the goals were met. She also noted that it marked the beginning of the next plan with the goal of providing an additional 100,000 units of affordable housing. She then noted the recent efforts to pass flexible rules around converting under-utilized hotels with commercial spaces in New York City into permanent housing. She noted that the Governor spoke yesterday on the importance of conversions of commercial buildings into housing as a way to increase the supply of housing in New York City.

Ms. Visnauskas also mentioned the Governor's remarks in her speech before the NYSAFA housing conference two weeks ago, as well as yesterday, on the need for approximately 800,000 new homes over the next to 10 years to make up for decades of under production. She added that while we lead the nation in funding for affordable housing, and you all see that each month, we also lead the nation in barriers that limit housing. As a result, the Agencies are shifting our focus from just funding housing to trying to remove obstacles that restrict supply. This means focusing on developments that focus on commercial conversions as well as legalizing basement apartments in New York . This will not be easy, but the Agencies are excited to be able to play a role in these changes, which will make New York a place where families have more access to affordable housing. She thanked the boards and staff for the hours and the time and the commitment and the dedication to everything we do.

Ms. McKeown and Ms. Miller thanked Ms. Visnauskas for her work and leadership, noting the extraordinary work done by the Agencies under her leadership.

The first item on the agenda was the adoption of the minutes of the TSFC Governance Committee meeting held on September 8, 2022. There being no objections, or corrections from the Members, the minutes were deemed approved.

The next item on the agenda was a resolution recommending approval of the OGS Goal Plans. Chairman Adams led the Board in a discussion of the OGS Goal Plan, as well as of the SVDOB Goal Plan. Both plans were considered as one item. During the discussion, staff summarized the salient parts of the Goal Plans and fielded questions from the Board members.

Ms. Torres presented the plans, noting that she was new to the position and that she looked forward to leading the Agencies' MWBE efforts with guidance from senior staff and the Boards. She noted that MWBE utilization across the Agencies, spanning the three major "spend" categories—procurement, indirect spends and bond issuances—exceed the State's overall goal when measured during the last year. She provided a summary of the results over the last three

years, showing how the numbers showed the Agencies consistently exceeding the 30% MWBE goals throughout the period.

Professor Ford, a SONYMA Board member, requested interim reports, either monthly or quarterly, to be sent to the Boards detailing performance under the Plans. Ms. Torres noted that the reports were prepared during said time frames and agreed to look into which approach would work best.

Professor Ford noted that he had some very preliminary discussions with the President and the Chair with respect to a range of areas that we as public benefit corporations can assess in terms of utilizing attorneys or banking firms and other service providers as well as when we bring in contractors to do work here at the agency, as in temporary work.

He also focused on outreach: he noted that a number of the activities the Agencies are involved in are not a matter of common knowledge for people who are not attorneys or bankers, and he asked about efforts in other areas of outreach. Ms. Torres noted that, in the short term, she and her staff have attended some conferences to enhance outreach and noted for the Boards that her experience has been just in this kind of engagement with the business community to ensure that they are aware of the opportunities that exist for work in the government sector.

Mr. Freeman, a SONYMA Board member, asked about the web site where his understanding from prior Board meetings is that there has not been any tracking as far as being able to actually see who is receiving Agency funds, in the way of mortgages or rental housing opportunities, particularly based on categories such as union activity or individuals of color. He also asked whether, in the budget, funds are allocated for this, because a number of these contractors are not registered or licensed through the State. How would we be able to increase the activity with these individuals as far as getting them registered and licensed to be able to work with the Agencies. Ms. Torres noted that she has been speaking with the data evaluation team on different processes that we could use to collect more detailed data.

Mr. Freeman then referred to one of the Agency projects in Long Island where he has actual knowledge that they do not have union support or outreach to individuals of color. He asked whether there were repercussions for any Agency that does not meet the required standards. Ms. Torres noted that she would need to review the case and get back to the Board.

Chairman Adams noted that this is a project previously discussed at the Board level and noted that his understanding was that the failure to meet our standards had serious repercussions for our project partners, particularly in terms of liquidated damages. Chairman Adams then led the Board through a detailed discussion of a hypothetical project to show how the Agencies use their existing procedures to monitor the use of contractors at the project to ensure that MWBE participation, as set forth in the specific goals for such a project, would be monitored and if not met, how sanctions, for example in the form of liquidated damages, would be levied. He summarized the two main categories of work where the goals are not applied: those areas that are deemed as “exempted” from the goals and those where there are findings of “exclusions”.

Mr. McIntyre, an HFA Board member, highlighted one area where the Agencies, in his view, played an extraordinary role and were leaders in the industry. He focused on the “fellows”

program that the Agencies have been running for many years to provide opportunities to recent college graduates who are members of the minority community to work in the finance activities of the Agencies. He noted that these programs provide that the fellows work at the Agencies and then at major banks for the second part of the internship. He added that many of the graduates of the program are now working on Wall Street and have been for many years. Ms. Hiwot and Mr. Valella took the opportunity to list a number of current and former fellows, all of whom have passed through or are in the program.

The discussion then moved to the topic of how to increase the pool of minority developers. Ms. Hiwot noted that the Agencies have updated two of our term sheets for New York City, where the Agencies typically limit our investments to supportive housing and senior housing, to provide incentives for the use of minority contractors.

Mr. Freeman stressed that even though 31% participation numbers for MWBEs is a good number, the harsh reality is that this means that 69% of the work is not going to MWBEs and that therefore there is much work to be done. Professor Ford asked whether when the Agencies issue RFPs for banking or legal services they have included in their outreach organizations such as the National Association of Securities professionals and the Metropolitan Black Bar Association.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND TOBACCO SETTLEMENT FINANCING CORPORATION RECOMMENDING THE APPROVAL OF THE ANNUAL UPDATED AND CONSOLIDATED EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION 2023-2024 MASTER GOAL PLAN

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND TOBACCO SETTLEMENT FINANCING CORPORATION RECOMMENDING THE APPROVAL OF THE ANNUAL UPDATED AND CONSOLIDATED SERVICE-DISABLED 2023-2024 ARTICLE 17-B MASTER GOAL PLAN

Chairman Adams noted that the next items on the agenda are consent items, and that there would be no discussion on these items unless the Committee Directors/Members so requested.

The next item on the agenda was a resolution approving Salary Ranges for Senior Officers.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND TOBACCO SETTLEMENT FINANCING CORPORATION ADOPTING SALARY RANGES FOR SENIOR OFFICERS

The next item on the agenda was authorization to enter into a Purchase Order written against an OGS contract for SAP Support and Maintenance Services.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING A PURCHASE ORDER CONTRACT FOR SAP SUPPORT AND MAINTENANCE SERVICES

The next item on the agenda was authorization to amend an information technology security consultant services contract with SecureWorks, Inc.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE CONTINUED RETENTION OF AN INFORMATION TECHNOLOGY SECURITY CONSULTANT SERVICES CONTRACT WITH SECUREWORKS, INC.

The next item on the agenda was authorization to extend the term of the financial advisor services contracts with the firms on the Agencies' prequalified panel including Swap advisor contracts.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE CONTINUED RETENTION OF FINANCIAL ADVISORY AND SWAP ADVISORY CONTRACT SERVICES

Chairman Adams noted that the next six (6) items on the agenda are informational items, and that there would be no discussion on these items unless the Committee Directors/Members so requested.

- ITEM 9.** Annual review of the contract with BondLink Inc. for website investor relations services.
- ITEM 10.** Annual review of a contract with Digital Assurance Certification LLC to serve as a dissemination agent and provide compliance disclosure services.
- ITEM 11.** Report on Salary Adjustments (Management Confidential).
- ITEM 12.** Ethics Report.
- ITEM 13.** Annual review of the contracts with cfX Incorporated, Inc. and Caine Mitter & Associates, Incorporated for computational analytic services.
- ITEM 14.** Annual review of the multifamily computational advisory services contract with Caine Mitter & Associates, Incorporated.

There being no unfinished business, Ms. Lopez asked for a motion to adjourn the TSFC Governance Committee 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 Board meeting is scheduled for Thursday, January 26, 2023, at 9:00 a.m.

Diana Villarnovo Lopez, Secretary

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