

FOR CONSIDERATION

December 14, 2011

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Annual New York State Division of Housing and Community Renewal (“DHCR”) Mortgage Servicing Fee

REQUEST FOR: Authorization to Transfer, Pursuant to New York State Law, the Annual DHCR Mortgage Servicing Fee

BACKGROUND

Pursuant to Section 26-b of the Private Housing Finance Law, residential housing projects financed by New York State Urban Development Corporation (“UDC”, “ESDC”, “ESD” or the “Corporation”) are subject to the regulation and control of the Commissioner of Housing and the New York State Division of Housing and Community Renewal (“DHCR”). By a Memorandum of Understanding dated 8/29/1979, DHCR, UDC, the New York State Mortgage Loan Enforcement and Administration Corporation (“MLC”) and the New York State Project Finance Agency (“PFA”) agreed on the division of responsibilities and confirmed DHCR’s regulatory authority and supervisory responsibilities for UDC’s residential mortgage portfolio.

Every Fiscal Year, pursuant to State Law, UDC has been directed to pay up to \$2,838,000 as an annual fee to DHCR, an agency of New York State Homes and Community Renewal (“HCR”), for the supervision of the ESD financed residential housing projects. For Fiscal Year 2011-2012, HCR has submitted a letter to ESD requesting payment of the mortgage servicing fee in the amount of \$2,838,000 to DHCR for supervising these ESD financed projects.

FUNDING SOURCE: Corporate Cash (Housing Repair Fund)

REQUESTED ACTION

The Directors are requested to authorize ESD to transfer, pursuant to New York State Law, up to \$2,838,000 to DHCR in payment of the mortgage servicing fee for Fiscal Year 2011-12.

ENVIRONMENTAL REVIEW

ESD staff has determined that the authorization to transfer the annual DHCR mortgage servicing fee does not constitute an action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.

ATTACHMENT
Resolution

December 14, 2011

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorization to Transfer, Pursuant to New York State Law, the Annual DHCR Mortgage Servicing Fee.

WHEREAS, pursuant to Section 26-b of the Private Housing Finance Law, residential projects financed by UDC are subject to the regulation and control of the Commissioner of Housing and the New York State Division of Housing and Community Renewal (“DHCR”); and

WHEREAS, the regulatory authority and responsibility of DHCR was confirmed in a Memorandum of Understanding dated August 29, 1979 among DHCR, the Corporation, MLC and PFA; and

WHEREAS, pursuant to appropriations authorized in Chapter 60 of the laws of 2011, the State directed UDC to pay up to \$2,838,000 to DHCR for the supervision of ESD financed residential housing projects; and

WHEREAS, pursuant to appropriations authorized in Chapter 60 of the laws of 2011, HCR has sent a letter requesting that a payment of \$2,838,000 be made to DHCR for the supervision of the ESD financed residential housing projects for the 2011-12 State Fiscal Year;

NOW THEREFORE, the Corporation hereby resolves as follows:

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) is authorized to take all steps necessary to effectuate payment of up to \$2,838,000, which amount shall not be repaid, as further outlined in the materials presented to this meeting and filed with records of the Corporation; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s), and each of them hereby is, authorized to take such actions or execute on behalf of the Corporation such agreements, instruments and resolutions as he or she may consider necessary or appropriate in connection with the foregoing.