



Homes and Community Renewal

KATHY HOCHUL
Governor

RUTHANNE VISNAUSKAS
Commissioner/CEO

November 28, 2022

NYS Commission on Ethics & Lobbying in Government
540 Broadway
Albany, NY 12207

Subject: Authorization to engage a HFA Consultant position

Dear Sir and/or Madam:

I am seeking authorization to establish a short-term consultant contract with [REDACTED] pursuant to Public Officers Law § 73(8-b) for [REDACTED] to advise New York State Homes and Community Renewal (“HCR” or “Agency”) which includes the New York State Housing Finance Agency (“HFA”). [REDACTED] retired from [REDACTED] position as [REDACTED] effective [REDACTED] 2022, after 28 years of service. As [REDACTED], [REDACTED] was responsible for the overall supervision and management of the HFA/SONYMA legal team. [REDACTED] particular area of expertise, developed over 28 years with HFA, is in the legal department’s transactional practice including the negotiation, documentation and closing of the HFA bond financed multi-family housing projects and the post-closing asset management issues related to those projects.

We would like [REDACTED] to provide the Agency with consulting services and remain involved in providing legal services to HFA for a six (6) month period of transition. In particular, we would like [REDACTED] to focus on [REDACTED] area of expertise with HFA bond financed multi-family housing projects in order to support junior attorneys with five transactions that were under negotiation at the time of [REDACTED] retirement and are scheduled to close in December 2022, as well as in the negotiation of transactions anticipated to close in March 2023. These sophisticated and complex real estate financing transactions will include the closing of a Vital Brooklyn project, part of a multi-phase initiative for development of sites in Brooklyn with which [REDACTED] has played a critical role. In addition, [REDACTED] would be involved in the training of [REDACTED] replacement as [REDACTED] and the training of new HFA transactional attorneys.

We are seeking to engage [REDACTED] for a contract amount not to exceed \$70,000, for a period of six (6) months with a possible renewal subject to NYS Commission on Ethics & Lobbying in Government approval. The Agency will pay [REDACTED] an hourly rate of One Hundred Five Dollars and Thirteen Cents (\$105.13). [REDACTED] annual compensation at retirement was Two Hundred Five Thousand Dollars (\$205,000) which computes to One Hundred Five Dollars and Thirteen Cents (\$105.13) hourly. [REDACTED] is anticipated to work 3 days or 22.5 hours per week. [REDACTED] is uniquely qualified for this role with the experience necessary to assist with HFA’s bond financing work. The compensation requested is based upon the level of experience [REDACTED] brings as a consultant and the level of pay [REDACTED] earned as a [REDACTED] at the Agency. I certify that [REDACTED] has

the unique combination of expertise, knowledge, and experience with respect to the HFA bond financed multi-family housing projects that meets the critical need of the Agency and is otherwise unavailable at a comparable cost.

██████████ involvement in and support of the HFA's ongoing transactional work and in legal issues related to the management of projects in the Agency's portfolio is critical to meeting the immediate goals of the Agency to finance affordable multi-family housing projects and to facilitate the transition to new leadership. This legal team is essential to meet the demands of the new Housing Plan, adopted in March 2022, providing the investment to fund over 100,000 units of affordable housing over the next five years. HCR is currently recruiting for ██████████ position and for five additional attorneys who will fill recently vacated positions and new hires to meet the demands of the Housing Plan.

Although the Agency was aware that ██████████ was of retirement age, ██████████ announced in July ██████████ intention to retire at the end of September. As soon as we were notified, we began to aggressively pursue hiring ██████████ replacement including postings on our website. During the same time period, three other lawyers, including two Associate Counsels in supervisory positions, left the Agency for early retirement and other opportunities within state government. With these unexpected departures, this transactional legal unit lost four of eight attorneys, or 50% of its legal staff, including ██████████, its ██████████, with a significant impact on the ability of the Office of Legal Affairs to support HFA financed projects scheduled for closing in the fourth quarter of 2022 and the first quarter of 2023. We could not have anticipated all of these departures within such a compressed period of time. Additionally, during 2020 and 2021, HCR was under a hiring freeze that severely limited its ability to fill vacancies, hire new attorneys or otherwise be prepared for further departures in the normal course.

With the lifting of the hiring freeze and the adoption of the Governor's ambitious five-year Housing Plan in March 2022, HCR began actively recruiting to fill vacancies and hire new attorneys. A new attorney will join this team in November with two additional candidates advancing in the hiring process. We are actively posting all open positions, including the ██████████ position, on our website, on additional sites, such as bar associations and law schools, and reaching out to law firms who practice in our skill areas to make them aware of these open positions.

Given current market conditions, as well as the competition we face in terms of salary levels for comparable senior attorney roles, we foresee that hiring of ██████████ replacement may take some time. That is the primary reason we seek the consulting arrangement with ██████████: to allow ██████████ to continue to provide the expert legal assistance and the institutional knowledge ██████████ has accumulated over ██████████ 28 years at the Agency to support critical transactional legal functions. As noted above, we also expect ██████████ to actively assist in the training of ██████████ successor.

We have made every effort to research any possible alternatives to this approach: we have looked within our organization to determine whether other attorneys can assume some or all of ██████████ duties. Our remaining skeletal staff and senior attorneys in related areas of practice are taking on additional administrative responsibilities that fall under the ██████████ role. However, we do not see an alternative to providing the expertise and experience with the Agency's bond financed multi-family projects and training that ██████████ can

provide as a consultant during this transitional period. Our path forward is to aggressively pursue new hires. We are moving to fill all positions as expeditiously as possible.

As noted previously, [REDACTED] contract will be for a period of six (6) months at a not to exceed amount of \$70,000. Given [REDACTED] expertise, knowledge and experience with respect to bond financed multi-family housing projects, [REDACTED] 28 years of experience with the HFA financing programs and portfolio and with implementing programs under the previous Housing Plan, we believe retaining [REDACTED] as a consultant is critical to our future success.

Thank you for your consideration.

Sincerely,

RuthAnne Visnauskas
Commissioner/CEO