

NEW YORK CITY

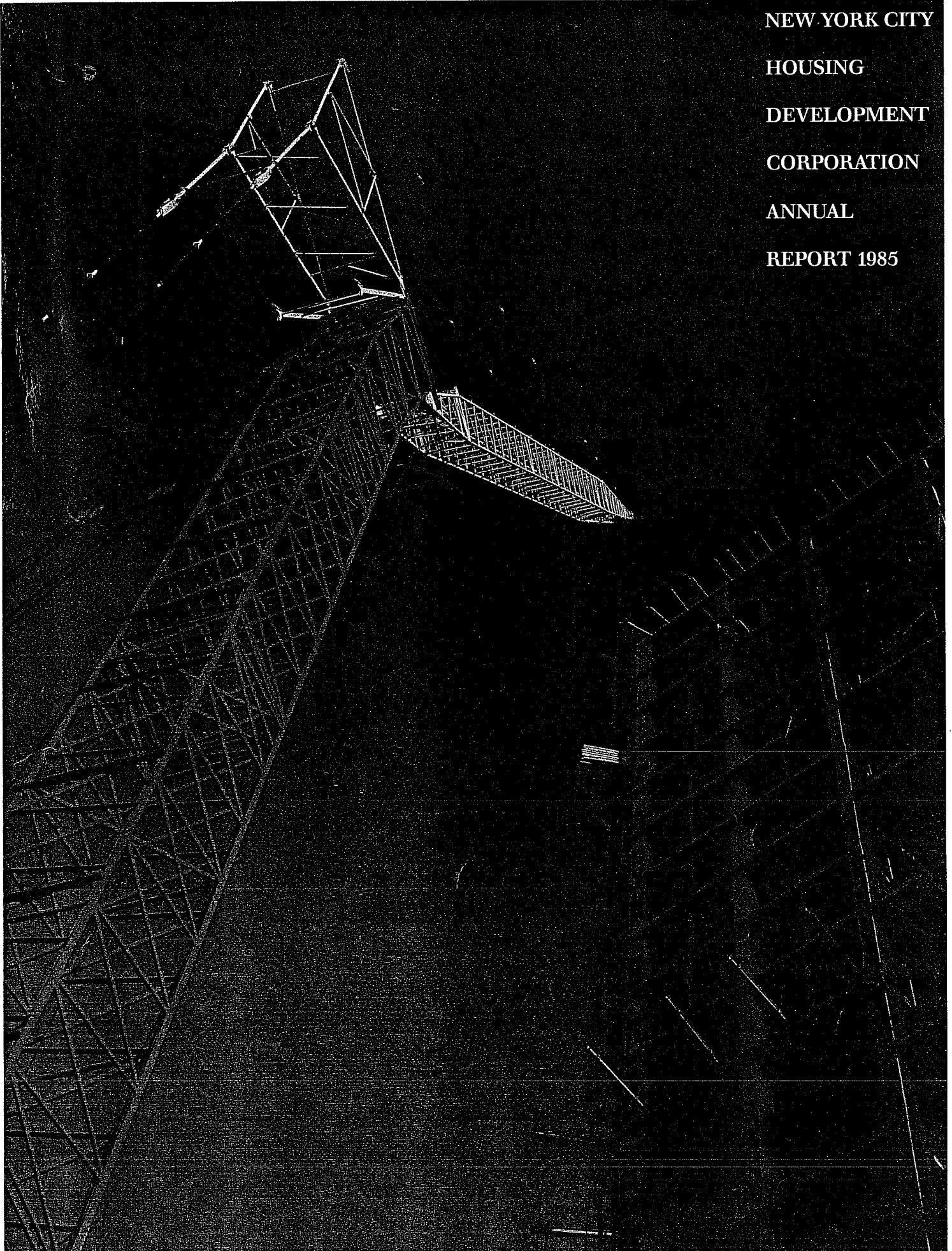
HOUSING

DEVELOPMENT

CORPORATION

ANNUAL

REPORT 1985



## REPORT OF THE CHAIRMAN AND THE PRESIDENT

This Annual Report documents the diverse activities and accomplishments of the New York City Housing Development Corporation during the fiscal year ended October 31, 1985.

1985 can be best characterized as the year in which the Corporation emerged as the most active and innovative multi-family housing finance agency in the nation.

During this time, HDC achieved a record number of financings, accomplishing the sale of nine individual bond issues during the fiscal year. An additional five financings were structured during the fiscal year and completed during November and December, 1985.

Ten of the Corporation's financings, comprising bond issues totalling \$640,000,000, involved its 80/20 program, i.e., developments in which 20% of the units are reserved for low income families, with the remaining 80% to be rented at market rates. With the exception of three projects which will benefit from federal Section 8 payments, the low income units in HDC's 80/20 program are supported solely by internal subsidies generated

from project revenues without further federal or state assistance. In fact, given the absence of a federal deep subsidy program, the 80/20 format is the only available mechanism for providing low and moderate income housing in newly constructed buildings.

The projects financed under these issuances will provide a total of approximately 4,000 rental units, including almost 1,100 residential units for low and moderate income families in an era when funding for affordable newly constructed or rehabilitated housing is limited. Several of the projects are located on urban renewal sites designated for mixed-income housing and represent the successful conclusion of the City's Urban Renewal Program in these areas. Other projects are located on sites that might otherwise have gone exclusively for market rate developments.

Each one of HDC's financings during 1985 required a unique financing structure. Some were variable rate financings with multiple mode changes; some were fixed rate transactions with "put" features; others were structured as long term fixed rate debt. Equally diverse were the range of credit enhancements, which included letters of credit, bond insur-

ance, mortgage insurance and a mortgage purchase agreement. Significantly, the Corporation attracted to its 80/20 program a broad range of developers and financial institutions many of whom had never previously participated in HDC's housing programs or had not done so since the early 1970's—the era which saw the conclusion of the City's last major building effort, the Mitchell-Lama program. These financings were achieved with remarkable speed and efficiency. By the close of the year, the first projects financed under the program less than twelve months earlier were about to begin leasing.

The second major and equally vital area of the Corporation's financing activity involved its role in the City's effort to preserve and rehabilitate the existing housing stock. Two issuances totalling over \$55,000,000 will provide two new prototypes for leveraging the City's Participation Loan Program ("PLP") with HDC's bond proceeds. In one case, insurance provided by the Federal Housing Administration was utilized; in the second, mortgage insurance from the State of New York Mortgage Agency was combined with bond insurance to achieve a AAA rated issuance. These financings were some of the most



LANCE H. WILSON  
PRESIDENT  
ANTHONY GLIEDMAN  
CHAIRMAN

complex constructed by the Corporation, requiring the synchronization of a number of projects and participants. The models devised permitted both construction and permanent loans, or permanent financings only. Important links were forged between the State's mortgage insurance program, the New York City Community Preservation Corporation, the City's Department of Housing Preservation and Development, a private bond insurer, and the Corporation. The result will be the moderate rehabilitation of approximately 2,700 apartments, and a substantial savings of City and federal subsidy funds.

Finally, the Corporation initiated a major new construction and rehabilitation program for low and moderate income families with the issuance of \$40,000,000 in bonds in August, 1985 to formally inaugurate the Corporation's role in the Moderate Income Rental Housing Program. Surplus revenues generated by the Municipal Assistance Corporation for the City of New York ("MAC") have been conveyed to the Housing Assistance Corporation, a newly formed public benefit corporation and subsidiary of HDC, and dedicated as a source of subsidies for

tenants in projects developed under this innovative program. This "MAC" program, initially targeted at families earning between \$15,000 and \$48,000 a year, will be the City's first rental production program for low, moderate and middle income families since the fiscal crisis, complementing the City's innovative moderate income home ownership initiatives. HDC's bonds are secured by Government National Mortgage Association mortgage backed securities and represent the Corporation's first involvement with the FHA Coinsurance Program. A second bond financing of \$250,000,000, issued in December, 1985, will provide mortgage proceeds for additional projects to be developed on sites located throughout the five boroughs.

Thus, the year produced an unprecedented number of exciting initiatives. We expect to continue the past year's momentum and use these financing structures for additional new construction and rehabilitation undertakings during the next year. However, just at a time when the Corporation has demonstrated its ability to surmount the curtailment of the federal deep subsidy programs, a new threat has emerged. The current tax reform proposals pending in Congress would severely limit the availability of tax-exempt bond financing for rental

housing projects and would cripple the new mechanisms developed over the past year. The proposals would be particularly devastating because of the severity of the City's housing crisis and the substantial economic gap between the rents affordable by low and moderate income families and the rents necessary to support the construction of desperately needed new housing.

Hence, our enthusiasm over the diversity of the financing models developed by HDC during the past year should be tempered with a note of caution, given the uncertainty as to whether HDC will actually be able to fully utilize these invaluable techniques in the months ahead. Nevertheless, we remain hopeful that the means will be found to finance housing for low and moderate income families. We are optimistic that HDC will continue to play a vital role in addressing one of the City's most critical needs, the provision of decent housing for all its citizens.

LANCE H. WILSON  
President

ANTHONY GLIEDMAN  
Chairman

**THE 80/20 PROGRAM: FROM CONCEPT TO REALITY—A YEAR OF RECORD ACTIVITY**

In 1984, HDC determined that the task of developing the City's major urban renewal sites required an innovative financing program. HDC undertook to develop a program which would be attractive to the development community and which would insulate the Corporation from real estate and credit market risks while ensuring an investment grade rating on HDC's bonds. It was clear that the success of the program would require the participation of major commercial lenders and developers with the sophistication and financial strength to satisfy stringent underwriting requirements. Given the underlying economic fragility of 80/20 projects, HDC entered 1985 uncertain as to its ability to achieve its ambitious financing agenda.

The challenge to HDC in 1985 can be best understood when one examines the nature of the 80/20 program. HDC's 80/20 projects are composed of two distinct tenant components: a market rate segment, comprising 80% of the units, and a 20% low income component, in which tenant incomes cannot exceed 80% of the area median. Since no form of public funds, such as Section 8 assistance, is available to subsidize the low income

rents in the vast majority of projects, the low income units must be internally subsidized by the project, a quite substantial subsidy which requires a strong market rate component. Unlike other geographic areas in which modest construction costs result in comparable low income and market rate rents, the City's high construction costs create a gap between the low income and market rate rents which can reach four hundred percent—a unique economic burden of considerable consequence to 80/20 developers. In essence, the rents paid by the market rate tenants determine the financial feasibility of each development.

In addition to its unique economic characteristics, HDC's 80/20 format offers significant advantages over previous programs in that it eliminates the use of continuing public subsidies while providing a mixed income environment, thus permitting low income tenants to reside in more desirable neighborhoods.

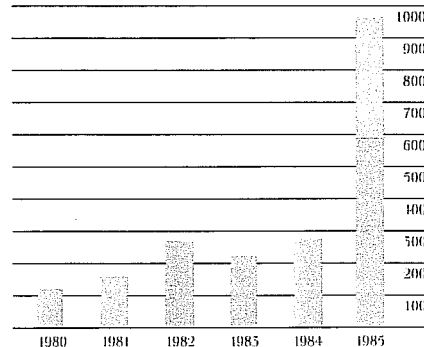
It is gratifying to conclude that the Corporation's 80/20 program, which

was initiated in 1984 with the financing of Carnegie Park, emerged during 1985 as a major rental housing production program, attracting the City's major development organizations and financial institutions as participants. Among the developers participating in HDC's 80/20 program are the Gotham Organization, Rose Associates, The LeFrak Organization, Milstein Properties, Starrett Housing Corporation, Cohen Brothers Realty Corporation, The Related Housing Companies and Jerome Kretchmer Company. Now, as 1985 has ended, the challenges which loomed as 1985 commenced can retrospectively be viewed as having been met, notwithstanding the abundance of new challenges facing HDC as the Corporation seeks to continue and expand the program.

**THE REDEVELOPMENT OF COLUMBUS AVENUE**

During 1985, HDC, working closely with the City's Department of Housing Preservation and Development ("HPD"), financed several major sites in Manhattan's West Side Urban Renewal Area, culminating two decades of efforts to redevelop a once blighted neighborhood in accordance with the goals of the

ANNUAL TOTALS OF NOTES AND BONDS ISSUED FISCAL YEARS 1980-1985 (IN MILLIONS)



ANNUAL TOTALS REFLECT VOLUME ON A FISCAL YEAR BASIS, WITH THE EXCEPTION OF 1985 AS ILLUSTRATED. NOTES AND BONDS NOV/DEC. 1985

City's urban renewal plan. This concentrated effort to consummate the City's Urban Renewal Program would see HDC finance five projects on Columbus Avenue, developments encompassing a ten block span from West 87th to West 97th Streets.

The Corporation's participation in the redevelopment of Columbus Avenue resulted in a series of financings which occurred between February and December, a period of intense HDC staff activity and unprecedented productivity.

The first of the West Side Urban Renewal financings occurred in February, 1985 with HDC's issuance of bonds totalling \$32,497,691 on behalf of Columbus Gardens, a venture whose development team was led by the Gotham Organization, the project's builder. Columbus Gardens, which has since assumed the appellation "Westmont," is located at West 95th Street and Columbus Avenue and will provide 162 rental units, including 52 for low and moderate income families.

In April, the Corporation issued bonds in the amount of \$24,600,000 to provide financing for Columbus

Apartments, a joint venture of Jerome Kretchmer and Company and the real estate affiliate of First Nationwide Savings, a Federal Savings and Loan Association. The project, renamed "600 Columbus Avenue," is situated between West 89th and West 90th Streets, and will provide 166 rental units, including 55 low income units.

In July, HDC issued bonds totalling \$29,998,461 to finance The LeFrak Organization's James Tower Development, located on Columbus Avenue between West 90th and West 91st Streets. The project will provide 201 rental units, including 40 units for low and moderate income families.

In November, the Corporation financed, through a \$14,500,000 bond issue, the 95-unit Columbus Green project, an undertaking of The Related Companies. The development, located at West 87th Street, will provide 19 low and moderate income units.

Finally, HDC's "Year of Columbus Avenue" was culminated in December with the financing of another Gotham Organization development, Parkgate Tower, occupying the Columbus Avenue blockfront between West 96th and West 97th Streets. HDC's bonds, issued in the amount of \$49,000,000, will finance the construction of 207 rental units. In addition to providing 41 units for low and moderate income families, Parkgate Tower will also include a not-for-

profit health center, a long awaited and vitally needed community facility.

The Upper West Side area in which the projects are situated has undergone a renaissance which few planners would have dared predict when the urban renewal plan was introduced. As a result, it is remarkable that HDC and the City have been able to achieve a mixed income development plan, securing a place for low and moderate income tenants in a neighborhood where rents have risen dramatically during the past decade.

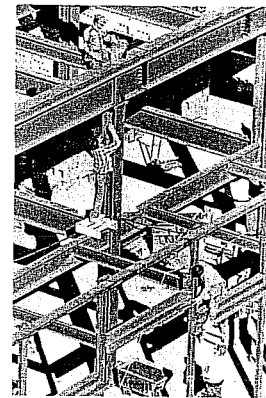
## NEW PROJECTS; NEW TECHNIQUES

The Columbus Gardens, James Tower, Columbus Green and Parkgate Tower project financings each utilize an internal subsidy mechanism to support the low and moderate income units for minimum periods of ten to fifteen years. The Columbus Apartments project secured a twenty year Section 8 assistance contract for its low and moderate income tenants.

The bond financings employed a variety of credit enhancements and bond

### AN OVERVIEW: CUMULATIVE PROGRAM ACTIVITY (thru 12/31/85)

	NOTES AND BONDS ISSUED (IN MILLIONS)	DWELLING UNITS
FHA INSURED SECTION 8 HOUSING PROGRAM	572	10,095
SECTION 225(f) REFINANCING PROGRAM	486	28,057
GENERAL HOUSING PROGRAM	506	8,056
TURNKEY PUBLIC HOUSING PROGRAM	249	4,555
80/20 PROGRAM	962	10,402
TOTAL ACTIVITY	2,575	61,125



THE CITY'S ECONOMY HAS BENEFITED FROM THE SURGE IN RESIDENTIAL CONSTRUCTION, AS EVIDENCED BY ACTIVITY AT AN HDC PROJECT IN THE WEST SIDE URBAN RENEWAL AREA.

underwriting techniques. Columbus Gardens, the initial Westside financing involved twenty-two year bonds with fixed interest rates for the initial twelve years and is secured by a twelve year direct pay letter of credit provided by Citibank, N.A. James Tower utilized a similar structure with a twelve year fixed interest rate term and a Citibank letter of credit. After the expiration of the initial letter of credit, the bonds may convert to a variable or fixed rate structure. Columbus Apartments involved 30 year bonds with an initial fixed rate of ten years and a letter of credit of corresponding term. In this case, however, the letter of credit, provided by First Nationwide Savings, was further backed by a surety bond issued by Industrial Indemnity Company.

HDC's remaining two Columbus Avenue projects, Columbus Green and Parkgate Tower, employed letters of credit issued by Bankers Trust Company and Citibank, N.A., respec-



UPACA 6, A NEW CONSTRUCTION PROJECT IN EAST HARLEM, FINANCED UNDER HDC'S PUBLIC HOUSING TURNKEY PROGRAM, PROVIDES 150 LOW-INCOME UNITS.

tively, as a credit enhancement. In both transactions the bonds were issued as seven day demand paper with the option of converting to other variable rate modes or to fixed rate securities. This variable rate demand technique was also utilized during 1984 in the Corporation's inaugural 80/20 financing—the bond issue which financed the development of Carnegie Park, a major urban renewal project.

### ROOSEVELT ISLAND AND BATTERY PARK CITY

Another significant facet of the Corporation's 80/20 program during 1985 was its provision of long term fixed rate financing for two major FHA insured rental developments. The first FHA insured financing occurred in February, 1985 with HDC's issuance of bonds in the amount of \$163,118,204 to enable the construction of a 1,100 unit project on Roosevelt Island. The "Northtown II" phase of Roosevelt Island is being developed by a joint venture of Starrett Housing and Cohen Brothers Realty. In May, HDC issued bonds totalling \$124,999,215 to finance the construction of two projects in Battery Park City in lower Manhattan, being developed by a joint venture comprised of Milstein Properties, Goodstein Construction and Cara Associates. The Roosevelt Island and Battery Park City projects represent residential segments of two highly acclaimed waterfront developments initiated by the New York State Urban Development Corporation and the Battery Park City Authority, respectively. The 221 low income units in the Roosevelt Island project will be subsidized by a 20 year Section 8 assistance contract; the Battery Park City projects will rely on internal subsidies generated by the market rate units.

### ROSLINGATE: A MILESTONE FINANCING

In December, 1985, HDC issued bonds in the amount of \$53,910,000 to finance the development of Roslingate—a 216 unit development in Manhattan at Eighth Avenue and 52nd Street. Roslingate was sponsored by a partnership led by Rose Associates, a major New York builder, inactive in government-assisted housing since the demise of the Mitchell-Lama program. The project will provide 44 low income units, which are expected to be occupied by the low income elderly.

The financing was a milestone in HDC's 80/20 program. It was the first unsubsidized 80/20 project to be financed by HDC involving a privately owned site. Previous 80/20 projects have been located in urban renewal areas or on land owned by public authorities and leased by the developer. The Roslingate financing represents the first 80/20 project in which Chase Manhattan Bank, N.A. provided a unique credit enhancement in the form of a mortgage purchase agreement. Additionally, as a result of Chase's commitment to provide a credit enhancement for HDC's bonds, HDC was able to utilize previously unused portions of HDC's statute enacted by the Legislature in 1982 (Section 65-k, Subsection 25-C(3)(b) of Article XII of the Private Housing Finance Law) permitting the issuance of unrated bonds if the underlying loan is fully secured by the general credit of a bank or financial institution. The interest rate on the bonds is



A NORTHERLY VIEW ON COLUMBUS AVENUE IN THE WEST SIDE URBAN RENEWAL AREA PROVIDES A CONSTRUCTION PERSPECTIVE OF "JAMES TOWER" AND "600 COLUMBUS" FINANCED IN 1985 UNDER HDC'S 80/20 PROGRAM.

fixed for the first ten years with the option to reset the interest rate for another ten years in 1995 or to determine a shorter period in accordance with a prearranged formula.

Finally, 1985's 80/20 program was marked by HDC's participation in a quite unusual financing, a mixed-use structure developed by an affiliate of The Society of the New York Hospital, a leading New York City medical institution. The building, located on York Avenue and East 70th Street within the Hospital's campus, was financed in March by HDC's issuance of bonds totalling \$96,021,640, and will provide housing for medical personnel. Over 75% of the residential units will be reserved at below market rents for nurses and similar hospital staff who have great difficulty in obtaining affordable housing in the Hospital's neighborhood. The 32 year fixed rate transaction marked the Corporation's first use of bond insurance, in this case provided by the Municipal Bond Insurance Association ("MBIA").

### THE MODERATE INCOME RENTAL HOUSING PROGRAM INITIATIVE

The past year saw the development of the City's first low, moderate and middle income rental housing production program since the early 1970's and the end of the Section 236 and Mitchell-Lama Programs. Since that time, HDC has been able to provide financing for low income housing through the Section 8 and Turnkey Public Housing Programs and through the Corporation's 80/20 Program in which HDC is able to provide one low and moderate income unit for every four market rate units. However, as a

result of new construction development costs, the market rate units in the 80/20 program are only affordable by tenants who are able to pay rents in excess of \$2.00 per square foot per month. Such rents, unfortunately, are not affordable by most New Yorkers of moderate income.

In the fall of 1985, the Municipal Assistance Corporation for the City of New York ("MAC") announced the availability of \$1 billion in surplus funds which it anticipates accumulating over the next four years and which would be available for economic development projects within the City. These monies will be provided by MAC from excess earnings on various MAC reserve funds and from excess funds generated by MAC financings. The availability of these monies is, in itself, a reflection of the breadth of the City's economic revitalization in that MAC, which was established to rescue the City from bankruptcy, is now generating surplus revenues to be used for economic development projects.

After considerable analysis, the City, State and MAC agreed to develop, with a portion of MAC's surplus revenues, a program intended to stimulate the development of newly constructed and substantially rehabilitated rental housing affordable to low, moderate and middle income families, allocating \$100 million in surplus

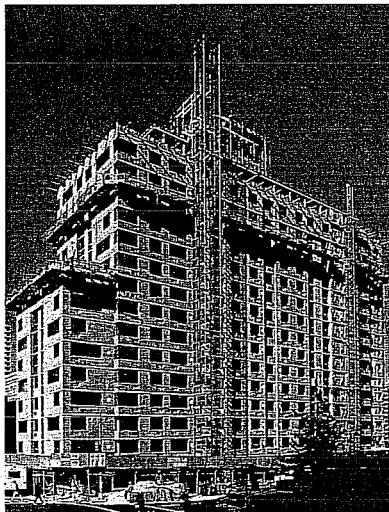
MAC funds to an initiative which would become the "Moderate Income Rental Housing Program."

The decision to develop a rental housing production program was predicated upon the acute shortage of rental apartments which affects all current and prospective New Yorkers seeking decent and affordable housing, a factor which impacts upon the City's ability to maintain its position as a leading center of commerce. The City's most recent housing survey revealed that the rental housing vacancy rate is currently only 2.04%. Housing economists generally consider that a 5% vacancy rate reflects a healthy market in which supply and demand are in



LANCE H. WILSON, HDC'S PRESIDENT, AND JAMES M. YASSER, HDC'S EXECUTIVE VICE PRESIDENT, REVIEW ARCHITECTURAL PLANS AT WESTMONT WITH ANN F. KAPLAN, VICE PRESIDENT OF GOLDMAN, SACHS & CO. AND JOEL I. PICKET, CHIEF EXECUTIVE OFFICER OF GOTHAM ORGANIZATION, THE PROJECT'S BUILDER.

WESTMONT, AN 80/20 PROJECT AT COLUMBUS AVENUE AND WEST 95TH STREET, IS SCHEDULED FOR COMPLETION IN JUNE, 1986.





balance. Such a vacancy rate would be high enough to allow for freedom of movement among existing residents, as well as to provide for the ability to absorb new households into the community. Thus, an effective housing production effort is vital to the City's ability to maintain and attract moderate and middle income families, and the businesses which employ them, enabling the City to strengthen its tax base and enhance its prospects for long term fiscal stability.

During the past year, HDC worked diligently with the City's Department of Housing Preservation and Development ("HPD"), the private sector and other government agencies in an effort to develop a program which would result in the maximum leveraging of available subsidy funds and the greatest production of units, while also attracting capable developers and feasible projects. In addition, while seeking to maximize program productivity, HDC sought to minimize the various risks to the Corporation and the City which are associated with real estate development, including the insulation of the subsidy fund from construction period risks.

After examining various alternatives for use of the MAC surplus funds, as well as different credit enhancements available for projects of this type, HDC selected the FHA Coinsurance Program as the primary financing vehicle for projects selected for inclusion in the Moderate Income Rental Hous-

ing Program. Through the Coinsurance Program, FHA delegates to a coinsurer the responsibility for performing the normal FHA underwriting functions. The coinsurer shares the risk of default with FHA. The Coinsurance Program is designed to speed processing and enable developers to obtain mortgage insurance commitments in an expeditious manner.

HDC obtained the services of Puller Mortgage Associates, Inc. ("Puller") of Indianapolis to act as the FHA Coinsurer. Puller is one of the first private companies approved by FHA to coinsure mortgages under Sections 221(d)3 and 4 of the National Housing Act.

In October of 1984, HDC and HPD jointly issued a Request for Proposals ("RFP") for the development of newly constructed and substantially rehabilitated rental housing on privately owned sites. The RFP offered long term rental assistance payments to owners who would set-aside units for low, moderate and middle income households at restricted rent levels set by the City. By the submission deadline, the City received nearly 60 responses which proposed the development of 7,500 rental units. After carefully reviewing the proposals, the City selected seven projects for inclusion in the first phase of the program.

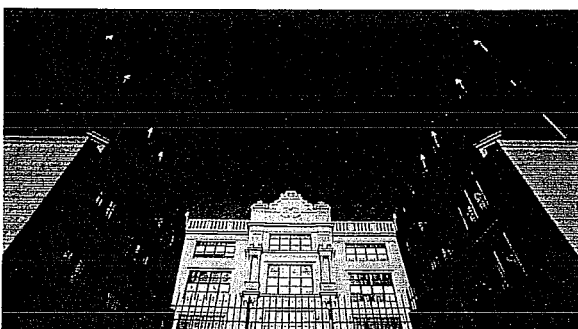
During the Spring and Summer of 1985, HDC proceeded on two tracks. The first involved assisting the designated developers in processing applications for mortgage insurance. The second was the final development of the financing structure for the bond issue which involved the first use of FHA Coinsurance in a

multi-project format and in which construction advances were to be fully insured. Additionally, in order to secure a AAA bond rating, HDC structured the financing so that the payment of principal and interest on each mortgage loan would be guaranteed by the Government National Mortgage Association ("GNMA") through the issuance of a mortgage backed security.

Preparation of the final bond documents required the completion of intensive negotiations with GNMA and FHA. These efforts resulted in the nation's first multi-project issue to utilize the Coinsurance Program for both construction and permanent financing. In a transaction which was cited in the *Bond Buyer* as "Deal of the Week," and in *Institutional Investor* as a "Deal of the Year," HDC issued \$40,000,000 in 30 year securities to finance the seven projects selected for inclusion in the program. By the end of the year, HDC had received mortgage insurance commitments from Puller for three projects which were preparing to commence construction.



CUNNINGHAM HEIGHTS, LOCATED IN HOLLIS, QUEENS, A GARDEN APARTMENT COMPLEX UNDERGOING MODERATE REHABILITATION CONTAINING 1,056 DWELLING UNITS, IS REPRESENTATIVE OF HDC'S EFFORTS TO PRESERVE THE CITY'S EXISTING HOUSING STOCK.



VILLA ALEJANDRINA, LOCATED ON ST. ANN'S AVENUE AT EAST 145TH STREET FORMERLY SERVED THE SOUTH BRONX COMMUNITY AS A PUBLIC SCHOOL. THIS HISTORIC PROPERTY, REHABILITATED UNDER THE SECTION 8 SUBSTANTIAL REHABILITATION PROGRAM, NOW PROVIDES 71 LOW-INCOME UNITS.



In April, 1985, HPD issued a second RFP offering sites owned by the City for development in ensuing program phases. The result of that RFP is expected to yield an additional 2,500-5,500 affordable rental housing units. In December, 1985, the Corporation completed financing arrangements for a \$250,000,000 bond issue, the proceeds of which will provide financing for qualified developments selected under the second round of the City's Moderate Income Rental Housing Program. The bond issue was structured to allow the inclusion of other projects, such as private site 80/20's, urban renewal projects and those assisted by federal Housing Development Action Grants ("HoDAGs"). The bonds were initially marketed as seven day variable rate demand bonds, which will be converted to long term fixed rate securities as mortgage financing commitments are received. Payment of principal and interest during the variable rate period is guaranteed through an irrevocable direct pay letter of credit issued by The Bank of Tokyo, Ltd.

**PRESERVING THE EXISTING HOUSING STOCK: PROTOTYPES EMERGE**

During the past year, in addition to its initiatives designed to finance newly constructed and substantially rehabilitated housing, HDC successfully developed two major new programs to assist the City in its efforts to preserve the existing stock and maintain the supply of affordable housing in neighborhoods throughout the City. Both efforts blended Participation Loan Program ("PLP") funds with HDC bond proceeds, significantly broadening the City's rehabilitation options. Working with city, state and federal agencies, as well as with private financial institutions, HDC was able to forge a series of unique partnerships to provide financing for occupied properties badly in need of renovation in order to extend their useful lives for future generations of New Yorkers.

The need for HDC to expand its efforts in the area of housing rehabilitation is a function of the age of the City's housing stock. Over half the occupied rental units in the City were constructed prior to World War II. Typically, these buildings are in need of systems replacement and repair. The preservation of these structures is made more essential by the scarcity of public subsidies to produce newly constructed and substantially rehabilitated housing for low and moderate income New Yorkers. Given the current costs of development, and the resulting impossibility of reproducing new housing at rents affordable to average New Yorkers, the City continues to seek mechanisms to encourage investment in and preserve the aging, yet irreplaceable pre-World War II housing stock. Importantly, the renovation of moderate rehabilitation projects is usually undertaken with tenants in occupancy, avoiding temporary relocation or dislocation of a building's residents.

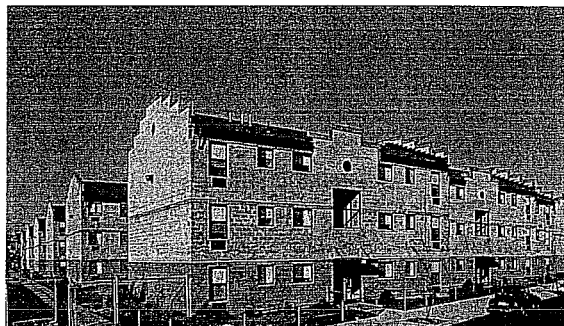
In 1985, HDC successfully marketed two bond issues which will provide over \$35,000,000 in construction and/or permanent financing for more than 2,600 units of occupied property throughout the City. In both undertakings, the proceeds of HDC's tax-exempt bond proceeds were combined with PLP funds made available to the projects through HPD. Through

PLP, the City lends funds for moderate rehabilitation at an interest rate of 1% for a term of up to 30 years. The availability of this below-market rate financing enables building owners to replace heating, plumbing and electrical systems. Rent increases are kept to a minimum in order to ensure that such renovations do not result in the displacement of existing tenants. In addition, to encourage building owners to renovate their property, the City provides real estate tax exemptions and abatements through its J-51 Program.



THIS PRE-WORLD WAR II MULTIPLE DWELLING, LOCATED ON HARRISON AVENUE IN THE WEST BRONX, IS PART OF A FIVE BUILDING COMPLEX REHABILITATED UNDER HDC'S PUBLIC HOUSING TURNKEY PROGRAM.

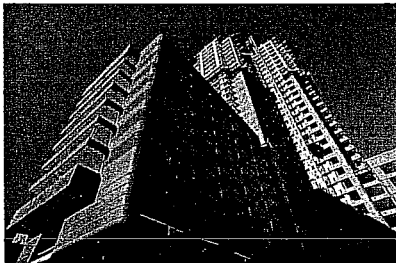
FULTON PARK, A NEW CONSTRUCTION PROJECT LOCATED IN THE BEDFORD-STUYVESANT SECTION OF BROOKLYN, PROVIDES 209 LOW-INCOME UNITS.



By leveraging its PLP funds with HDC's tax-exempt bond proceeds, instead of conventional long-term monies at interest rates 3-4% higher than HDC's, the City is able to expand its limited PLP budget which is funded from federal Community Development Block Grant monies. In the two financings undertaken in 1985, HDC saved the City over \$6,000,000 in PLP monies. Given the City's intensive efforts to expand programs designed to preserve its existing housing stock, HDC hopes to replicate this financing model in the future years. The moderate rehabilitation prototypes developed during 1985 involved two basic programmatic approaches, utilizing FHA insurance and for the first time in HDC's history, mortgage insurance provided by the State of New York Mortgage Agency ("SONYMA").

### FHA INSURANCE MODEL

In HDC's first moderate rehabilitation financing of April, 1985, the Corporation issued \$17,425,000 in bonds to provide construction and permanent financing for three projects, prin-



A VIEW OF THE DISTINGUISHED FACADE OF CARNEGIE PARK, THE DEVELOPMENT WHICH INAUGURATED HDC'S 80/20 PROGRAM. PROJECTED FOR OCCUPANCY IN MAY OF 1986, CARNEGIE PARK WILL PROVIDE 462 RENTAL UNITS, INCLUDING 92 UNITS FOR LOW-INCOME FAMILIES.

cipal among them being Cunningham Heights Apartments in Hollis, Queens, a garden apartment complex containing 1,056 units. In this model financing, HDC's bond proceeds were combined with PLP funds to provide construction and permanent first mortgage loans fully insured by FHA. Through this financing mechanism, HDC and the City share an equal interest in the FHA insured loan. HDC services the mortgage, utilizing loan repayments to make payments on its bonds and to pay debt service on the PLP funded mortgage component.

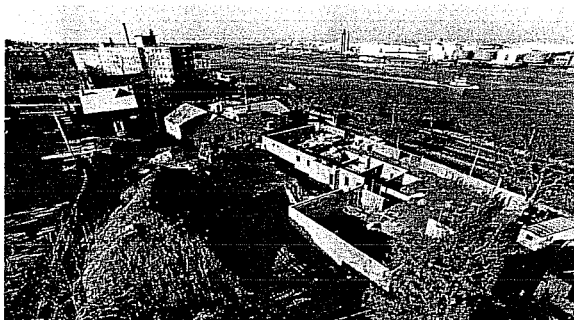
### SONYMA INSURANCE MODEL

While FHA insurance provides an excellent source of credit enhancement for HDC's bonds, the process of obtaining FHA insurance is often too lengthy and costly for the many owners seeking to upgrade smaller buildings. In an effort to expand the Corporation's role in assisting the City to better leverage its PLP budget, HDC developed a financing program which was easily adaptable to the PLP program, while ensuring that HDC and its bondholders are insulated from real estate and credit market risks.

During the first half of 1985, HDC worked with SONYMA and municipal bond insurance companies to design a program which would provide permanent first mortgages for moderate rehabilitation projects which were expected to receive PLP funding. The City agreed to accept a second, uninsured mortgage as security for its PLP contribution. The program was designed so that the borrowers would receive conventional construction loans from lenders such as the Community Preservation Corporation and Citibank. Upon comple-

tion of construction, HDC purchases the construction loan from the interim lender. Thus, HDC is able to provide a guaranteed source of long-term, low-cost, fixed-rate permanent financing, obviating a persistent program void and achieving significant savings in PLP funds.

SONYMA's agreement to accept the assignment of a defaulted mortgage enabled the Corporation to obtain bond insurance from the Financial Guaranty Insurance Company ("FGIC"). As a result, HDC's first financing utilizing SONYMA mortgage insurance was accomplished in December of 1985 through a bond issuance of \$17,675,000, providing permanent financing for seven PLP projects containing over 1,500 units. Among those projects is the Allerton "Coops," considered a property of strategic importance in the Pelham Parkway section of the Bronx. The rehabilitation of the Coops will preserve 698 units of affordable rental housing, and is intended to contribute to the long-term stability of this vital neighborhood. Other projects assisted through this financing are located in Washington Heights in Manhattan, Sunnyside in Queens and East Flatbush and Crown Heights in Brooklyn.



WATERFRONT VISTAS ARE ENJOYED BY HARBOUR VIEW, IN STATEN ISLAND, ONE OF THE FIRST DEVELOPMENTS SELECTED FOR INCLUSION IN THE MODERATE INCOME RENTAL HOUSING PROGRAM.

## MEMBERS AND OFFICERS

The Members of the New York City Housing Development Corporation, by law, consist of the Commissioner of the Department of Housing Preservation and Development of the City of New York, who is designated by the Corporation's enabling legislation as its Chairman ex-officio; the Director of Management and Budget of the City of New York, serving as ex-officio; the Finance Commissioner of the City of New York, serving ex-officio; and four public members, two appointed by the City's Mayor and two appointed by the Governor of the State of New York. The action of a minimum of four Members is required to exercise the Corporation's powers.

### MEMBERS

**ANTHONY GLIEDMAN**, Chairman and Member ex-officio. Mr. Gliedman, an attorney, and member of the New York Bar, was appointed to the position of Commissioner of the Department of Housing Preservation and Development of the City effective September 17, 1979. He also serves as Chairman of the Mayor's Housing Policy Board and Chairman of the New York City Rehabilitation Mortgage Insurance Corporation. Mr. Gliedman has served the City as Commissioner of Ports and Terminals, Assistant to the Deputy Mayor for Labor Relations, Director of Agency Analysis for the Emergency Financial Control Board for the City, Deputy General Counsel of the Housing and Development Administration, the predecessor to the Department of Housing Preservation and Development, Housing Ombudsman to the Housing and Development Administration and as an Assistant Corporation Counsel in the City's Law Department.

**THOMAS E. DEWEY, JR.**, Vice Chairman and Member, term expires January 1, 1987. Mr. Dewey is President of Thomas E. Dewey, Jr. & Co., Inc., a firm specializing in financial advisory services. He is also Chairman of the Board of Lenox Hill Hospital, Director and Chairman of the Investment and Loan Committee of Apple Bank for Savings and Director of GULL, Inc. Formerly, Mr. Dewey was a General Partner in the investment banking firm of Kuhn, Loeb & Co.

**PAUL A. CROTTY**, Member ex-officio. Mr. Crotty, an attorney and member of the New York Bar, is Commissioner of Finance of the City of New York. He also serves as Chairman of the Board of Trustees of the New York City Employees Retirement System. Mr. Crotty served as Commissioner of the Office of Financial Services of the City

from February, 1984 until his appointment as Commissioner of Finance in December, 1984. From 1976 until entering government service, Mr. Crotty was a partner in the law firm of Donovan Leisure Newton & Irvine.

**PAUL DICKSTEIN**, Member, ex-officio. Mr. Dickstein is Director of Management and Budget of The City of New York, to which office he was appointed on February 16, 1985. He was formerly Deputy Director of the Office of Management and Budget of The City of New York and Deputy Commissioner of the New York City Police Department.

**GEORGE GLEE, JR.**, Member, term expires January 1, 1989. Mr. Glee is Executive Director of the Vanguard Urban Improvement Assn., Inc., a Brooklyn, New York based not-for-profit corporation that administers a wide range of economic development, commercial and residential rehabilitation and youth programs. Prior to that Mr. Glee served as consultant to the John Hay Whitney Foundation and was Vice President for Economic Development with the Bedford-Stuyvesant Restoration Corporation for nine years.

**HARRY E. GOULD, JR.**, Member, serving pursuant to law. Mr. Gould is Chairman, President and Chief Executive Officer of Gould Paper Corporation. He is also Chairman and President of Cinema Group, Inc., a major independent film financing company. Mr. Gould is a member of Colgate University's Board of Trustees and a National Trustee of the National Symphony Orchestra, Washington, D. C., also serving as a member of its Executive Committee.

**PAZEL G. JACKSON, JR.**, Member, serving pursuant to law. Mr. Jackson is Senior Vice President of The Bowery Savings Bank of New York. He is also Vice Chairman of the Battery Park City Authority and a director of the National Corporation for Housing Partnerships. Mr. Jackson was formerly Assistant Commissioner of the City Department of Buildings and Chief of Design of the New York World's Fair Corporation.

### OFFICERS

**LANCE H. WILSON**, President. Mr. Wilson, an attorney and member of the New York Bar, assumed the office of President in June, 1984. His immediate prior position was Executive Assistant to the Secretary, United States Department of Housing and Urban Development. Before entering government service, Mr. Wilson held legal positions with The Equitable Life Assurance Society of the United States and the law firm of Mudge Rose Guthrie Alexander & Ferdon. Among his civic and charitable activities, Mr. Wilson is a Public Member of the Administrative Conference of the United States, a Director of the Visiting Nurse Service of New York and a Trustee of the St. Lukes-Roosevelt Hospital Center.

**JAMES M. YASSER**, Executive Vice President. Mr. Yasser, an attorney and member of the New York Bar, joined the Corporation in November, 1982. In addition to his responsibilities as Executive Vice President, Mr. Yasser serves as the Corporation's Chief Development Officer. Prior to joining the Corporation, he was an independent real estate consultant. Previously, Mr. Yasser was associated with the P.J. Carlin Construction Company and Carlin-Atlas Corporation as Vice President for Development Finance and served as an investment banker specializing in housing finance with Matthews and Wright, Inc.

**ABRAHAM J. GREENSTEIN**, Senior Vice President for Finance. Mr. Greenstein joined the Corporation in January, 1985 and was appointed Vice President-Treasurer of the Corporation in April, 1985 and appointed Senior Vice-President for Finance in February 1985. Mr. Greenstein, an accountant, served in the New York State Comptroller's Office for 10 years reviewing New York City's fiscal operations. Prior to joining the Corporation Mr. Greenstein was in charge of financial analysis for the Office of the Special Deputy Comptroller, the State agency responsible for the monitoring of New York City's finances for the Financial Control Board and the Municipal Assistance Corporation for the City of New York.

**BABETTE E. KROLIK**, General Counsel and Vice President. Ms. Krolik was appointed General Counsel in October, 1982 and Vice President in March, 1985. She previously was Assistant General Counsel to the National Corporation for Housing Partnerships, a national developer and syndicator of multi-family housing. Prior to that, she held legal and policy positions with the United States Department of Housing and Urban Development. Ms. Krolik is admitted to practice before the Bars of Connecticut, Massachusetts and New York.

**MARTIN I. SIROKA**, Secretary. Mr. Siroka, an attorney and member of the New York Bar, was appointed Secretary in March, 1985. He joined the Corporation in November, 1982 as Deputy General Counsel, a position he continues to hold in addition to his role as Secretary. Prior to joining the Corporation Mr. Siroka held various legal positions with the New York City Department of Housing Preservation and Development.



ABRAHAM J.  
GREENSTEIN

PAUL A.  
CROTTY

LANCE H.  
WILSON

ANTHONY  
GLEIDMAN

JAMES M.  
YASSER

HARRY E.  
GOULD, JR.

THOMAS E.  
DEWEY, JR.

MARTIN I.  
SIROKA

PAUL  
DICKSTEIN

PAZEL G.  
JACKSON, JR.

BABETTE E.  
KROLIK

GEORGE  
GLEE, JR.

PROJECTS FINANCED BY THE CORPORATION

CONSTRUCTION AND PERMANENT LOANS

PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS	NEW CONSTRUCTION/ REHABILITATION	HDC PROGRAM/ISSUE
<b>BRONX</b>				
Academy Gardens	\$ 18,120,500	471	Rehabilitation	FHA-insured/Sec. 8/1979 Series A Bonds
Alexander A. Corprew	4,580,500	78	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Brookhaven I	5,675,500	95	Rehabilitation	FHA-insured/Sec. 8/1985 Series A Bonds
Clinton Arms	4,962,700	86	Rehabilitation	FHA-insured/Sec. 8/1985 Series B Bonds
Faile Street Rehab. Aldus I	5,240,600	95	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Fairmont Place Apartments	1,586,400	28	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Felisa Rincon de Gautier Houses	7,540,700	109	New Construction	FHA-insured/Sec. 8/1985 Series B Bonds
Hunts Point I	7,769,000	125	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Lewis Morris Apartments	10,098,700	271	Moderate Rehabilitation	FHA-insured/Sec. 8/1985 Series A, C Bonds
Macombs Village	10,075,600	172	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
McGee Hill Apartments	3,695,600	59	Rehabilitation	FHA-insured/Sec. 8/1985 Series B Bonds
McKinley Manor	3,738,100	60	Rehabilitation	FHA-insured/Sec. 8/1985 Series B Bonds
Mid-Bronx Development II	8,835,500	159	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Mid-Bronx Development III	4,215,000	75	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Miramar Court	4,895,900	90	Rehabilitation and New Construction	FHA-insured/Sec. 8/1979 Series A Bonds
Rainbow Plaza	9,221,700	127	New Construction	FHA-insured/Sec. 8/1985 Series B Bonds
Sebco IV	4,077,600	71	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Sebco/Banana Kelly Restoration	4,510,200	65	Rehabilitation	FHA-insured/Sec. 8/1985 Series B Bonds
Southern Boulevard IV	4,999,200	89	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Target V—Phase I	5,026,000	85	Rehabilitation	FHA-insured/Sec. 8/1985 Series B Bonds
Thessalonica Court	14,018,900	192	New Construction	FHA-insured/Sec. 8/1985 Series A Bonds
2402, 2412, 2416 Crotona Ave.	3,222,800	74	Rehabilitation	FHA-insured/Sec. 8/1979 Series A Bonds
Villa Alejandrina	4,112,500	71	Rehabilitation	FHA-insured/Sec. 8/1985 Series A Bonds
Washington Plaza	4,954,000	75	Rehabilitation	FHA-insured/Sec. 8/1985 Series B Bonds
Woodycrest Courts Apartments	6,551,800	115	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Woodycrest Court II	3,295,500	58	Rehabilitation	FHA-insured/Sec. 8/1985 Series A Bonds
<b>Total</b>	<b>\$164,792,500</b>	<b>2,995</b>		
<b>BROOKLYN</b>				
Ambassador Terrace Apartments	2,990,100	66	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Boro Park Courts	8,459,100	131	Rehabilitation	FHA-insured/Sec. 8/1985 Series A Bonds
Crown Heights Development #1	2,197,400	36	Rehabilitation	FHA-insured/Sec. 8/1985 Series B Bonds
Crown Heights Development #2	1,744,700	52	Rehabilitation	FHA-insured/Sec. 8/1985 Series B Bonds
Ditmas Arms	1,495,000	66	Rehabilitation	Moderate Rehabilitation Program FHA-insured/1985 First Series
1596 Development	845,700	17	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
1451 Development	1,850,400	54	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Fulton Park Site 7 & 8	14,155,800	209	New Construction	FHA-insured/Sec. 8/1985 Series A Bonds
La Cabana	9,603,700	167	New Construction	FHA-insured/Sec. 8/1985 Series A Bonds
Linden Plaza	50,551,000	1,527	New Construction	General Housing Bonds
Penn Gardens I	4,183,500	90	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
President Arms Apts.	1,526,500	52	Rehabilitation	FHA-insured/Sec. 8/1979 Series A Bonds
Prospect Arms Apts.	3,505,700	91	Rehabilitation	FHA-insured/Sec. 8/1979 Series A Bonds
Pulaski Manor	3,519,400	65	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Rose Gardens	6,855,500	155	New Construction	FHA-insured/Sec. 8/1982 Series A Bonds
Sallie Mathis Gardens	10,788,900	162	New Construction	FHA-insured/Sec. 8/1982 Series A Bonds
1650 President Street	2,411,200	48	Rehabilitation	FHA-insured/Sec. 8/1979 Series A Bonds
Sunset Park NSA I	9,582,900	187	New Construction	FHA-insured/Sec. 8/1979 Series A Bonds
Sutter Gardens	15,800,500	258	New Construction	FHA-insured/Sec. 8/1982 Series A Bonds
1010 Development	919,800E	16	Rehabilitation	Moderate Income Rental Housing Program/ FHA Coinsured GNMA Mortgage-Backed Securities/ 1985 Series A

PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS	NEW CONSTRUCTION/REHABILITATION	HDC PROGRAM/ISSUE
TriBlock	4,815,100	96	New Construction	FHA-insured/Sec. 8/1982 Series A Bonds
<b>Total</b>	<b>\$155,157,500</b>	<b>5,465</b>		
<b>MANHATTAN</b>				
Carnegie Park	68,000,000	462	New Construction	80/20 Program/Variable Rate Demand Bonds/1984 Series A Bonds
Caparra La Nueva	5,956,600	84	New Construction	FHA-insured/Sec. 8/1985 Series A Bonds
Charles Hill Towers	7,475,400	101	New Construction	FHA-insured/Sec. 8/1985 Series B Bonds
Columbus Apartments	25,500,000	166	New Construction	80/20 Program/First Nationwide Savings/1985 Issue A
Columbus Gardens	29,500,000	162	New Construction	80/20 Program/FHA-insured/1985 Series A
Columbus Green	15,500,000	95	New Construction	80/20 Program/Variable Rate Demand Bonds/1985 Series A
Cooper Square	10,726,100	146	New Construction	FHA-insured/Sec. 8/1985 Series A Bonds
Ennis Francis	16,794,100	250	New Construction	FHA-insured/Sec. 8/1985 Series A Bonds
Hamilton Heights Terrace	8,654,500	152	New Construction	FHA-insured/Sec. 8/1985 Series A Bonds
Independence Plaza North	64,595,000	1,552	New Construction	General Housing Notes and Bonds
James Tower Development	29,400,000	201	New Construction	80/20 Program/Multi-Family Development Bonds/1985 Issue 1
Knickerbocker Plaza	24,844,000	578	New Construction	General Housing Notes Multi-Family Housing Bonds
Lenoxville	5,584,700	118	Rehabilitation	FHA-insured/Sec. 8/1979 Series A Bonds
Lexington Gardens	7,786,900	108	New Construction	FHA-insured/Sec. 8/1985 Series A Bonds
Lower East Side Phase II	5,665,000	100	Rehabilitation	FHA-insured/Sec. 8/1979 Series A Bonds
Malcolm X-II Phase A	4,958,600	91	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
McKenna Square Houses	5,817,500	104	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Metrop North Court	6,065,500	91	New Construction	FHA-insured/Sec. 8/1985 Series B Bonds
Mother Zion-McMurray	4,651,200	76	New Construction	FHA-insured/Sec. 8/1982 Series A Bonds
New York Hospital Royal Charter Properties--East, Inc.	85,422,000	520	New Construction	80/20 Program/MBIA-insured/1985 Series 1
North Waterside	12,859,000	570	New Construction	General Housing Notes Multi-Family Variable Rate Bonds
Parkgate Tower	47,500,000	207	New Construction	80/20 Program/Variable Rate Demand Bonds/1985 Resolution 1
Paul Robeson Houses	4,605,000	81	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Pueblo Nuevo	9,940,500	172	New Construction	FHA-insured/Sec. 8/1982 Series A Bonds
Renaissance Courts	2,568,400	49	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Revive 105	4,518,000	60	Rehabilitation	FHA-insured/Sec. 8/1985 Series B Bonds
Roslingate Development	52,961,000	216	New Construction	80/20 Program/Multi-Family Development Bonds/1985 Issue 1
Waterside	61,577,000	1,100	New Construction	General Housing Notes and Bonds
Will'A View Apartments	5,777,500	55	Rehabilitation	FHA-insured/Sec. 8/1985 Series B Bonds
Yorkville Towers	62,712,000	1,258	New Construction	General Housing Bonds
<b>Total</b>	<b>\$671,470,500</b>	<b>8,465</b>		
<b>QUEENS</b>				
Cunningham Heights	12,265,000	1,056	Rehabilitation	Moderate Rehabilitation Program FHA-insured/1985 First Series
Kew Gardens Hills	10,567,000	1,269	Rehabilitation	General Housing Bonds
Ocean Park	18,266,000	602	New Construction	General Housing Bonds
<b>Total</b>	<b>\$40,898,000</b>	<b>2,927</b>		
<b>STATEN ISLAND</b>				
Richmond Gardens	7,557,000	141	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
<b>Total</b>	<b>\$1,059,675,500</b>	<b>17,991</b>		

**PROJECTS FINANCED BY THE CORPORATION**

**CONSTRUCTION LOANS**

PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS	NEW CONSTRUCTION/ REHABILITATION	HDC PROGRAM/ISSUE
<b>BRONX</b>				
Beck Street Rehab	\$ 4,361,000	81	Rehabilitation	FHA-insured/Sec. 8/GNMA/1982 Issue I Notes
Claremont Community Board #4, Group #4	7,924,000	150	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
Claremont Parkway/ Franklin Avenue*	9,720,000E	188	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
East 173rd Street-Vyse	9,601,200E	168	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
East 165th Street	6,745,500E	111	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Harrison Avenue	10,452,000	184	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
Highbridge Concourse-Phase II	9,403,700	175	New Construction	FHA-insured/Sec. 8/GNMA/1981 Issue B Notes
Jerome Terrace Apartments	3,875,400	79	Rehabilitation	FHA-insured/Sec. 8/GNMA/1981 Issue A Notes
Kingbridge-Decatur I	4,290,500	80	Rehabilitation	FHA-insured/Sec. 8/GNMA/1981 Issue A Notes
Morris Heights	15,458,400E	315	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
Morris Heights Mews	6,146,500	110	Rehabilitation	FHA-insured/Sec. 8/GNMA/1981 Issue B Notes
Morrisania IV	10,932,900	211	Rehabilitation	FHA-insured/Sec. 8/GNMA/1981 Issue A Notes
1988 Davidson Avenue	2,606,400	48	Rehabilitation	FHA-insured/Sec. 8/GNMA/1981 Issue B Notes
Pueblo de Mayaguez Section I	4,103,700	76	Rehabilitation	FHA-insured/Sec. 8/GNMA/1981 Issue A Notes
South Bronx-Site 402	6,970,500E	144	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Stebbins-Hewitt	6,985,800E	120	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Union Avenue/East 166th Street*	7,020,000E	120	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
University Avenue	13,000,000	250	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
West Farms Road	9,640,800E	208	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
West Tremont Infill	4,095,000E	115	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
<b>Total</b>	<b>\$153,313,100</b>	<b>2,911</b>		
<b>BROOKLYN</b>				
Belmont-Sutter	4,400,000	72	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Bushwick	17,544,600E	300	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Crown Heights	5,950,800E	121	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
80-86 Houses	5,153,600	97	New Construction	FHA-insured/Sec. 8/GNMA/1981 Issue A Notes
Howard-Grafton	8,539,200E	150	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Lenox Road-Rockaway Parkway	3,915,000	74	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
Newport Gardens	17,893,300	240	New Construction	FHA-insured/Sec. 8/GNMA/1984 Issue 1 Notes
Norgate Plaza	10,608,500	214	Rehabilitation	FHA-insured/Sec. 8/GNMA/1981 Issue A Notes
Park Rock	7,000,000	134	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
Prospect Heights Rehab	5,469,000	63	Rehabilitation	FHA-insured/Sec. 8/GNMA/1981 Issue B Notes
Prospect Heights 510-Phase I	1,709,100	32	Rehabilitation	FHA-insured/Sec. 8/GNMA/1982 Issue 1 Notes
St. Johns Phase I	9,134,400	192	New Construction	FHA-insured/Sec. 8/GNMA/1981 Issue B Notes
Sunset Park NSA Group II	6,920,800	148	Rehabilitation/ New Construction	FHA-insured/Sec. 8/GNMA/1982 Issue 1 Notes
Tapscott Street	7,638,300E	155	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
Union Gardens I	3,335,500	61	Rehabilitation	FHA-insured/Sec. 8/GNMA/1981 Issue B Notes
Williamsburg Triangle	8,300,700E	150	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
<b>Total</b>	<b>\$121,512,800</b>	<b>2,203</b>		
<b>MANHATTAN</b>				
Audubon Apartments	4,773,000	88	Rehabilitation	FHA-insured/Sec. 8/GNMA/1981 Issue B Notes
East 6th Street/Avenue C*	15,000,000E	200	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Harlem Gateway II	5,229,700	91	Rehabilitation	FHA-insured/Sec. 8/GNMA/1982 Issue 1 Notes
Hudson Piers II	4,333,000	83	Rehabilitation	FHA-insured/Sec. 8/GNMA/1982 Issue 1 Notes
Icarus	2,125,600	41	Rehabilitation	FHA-insured/Sec. 8/GNMA/1982 Issue 1 Notes
IMPAC Houses	6,808,400	120	New Construction	FHA-insured/Sec. 8/GNMA/1981 Issue A Notes
L.I.R.A.	9,475,200	152	New Construction	FHA-insured/Sec. 8/GNMA/1981 Issue A Notes
Lower East Side Group 5	3,400,000	55	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes



PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS	NEW CONSTRUCTION/ REHABILITATION	HDC PROGRAM/ISSUE
Lower East Side I	10,772,100E	180	New Construction	Housing Authority Turnkey/1985, 1984 Series A Notes
Macombs Avenue Rehab	8,950,000	156	Rehabilitation	Housing Authority Turnkey/1985, 1984 Series A Notes
Malcolm X-II Phase B	2,710,100	47	Rehabilitation	FHA-insured/Sec. 8/GNMA/1982 Issue 1 Notes
Manhattan Avenue Apartments	4,124,900	81	Rehabilitation	FHA-insured/Sec. 8/GNMA/1982 Issue 1 Notes
Manhattanville Phase II	5,989,500E	100	Rehabilitation	Housing Authority Turnkey/1985, 1984 Series A Notes
MS Houses	7,714,400	151	New Construction	FHA-insured/Sec. 8/GNMA/1982 Issue 1 Notes
North Park	6,856,500	125	Rehabilitation	FHA-insured/Sec. 8/GNMA/1982 Issue 1 Notes
Nueva Era Apartments	1,761,400	54	Rehabilitation	FHA-insured/Sec. 8/GNMA/1981 Issue A Notes
P.S. 159*	6,120,000E	125	Rehabilitation	Housing Authority Turnkey/1985, 1984 Series A Notes
St. Nicholas Manor Apartments	5,680,400	112	Rehabilitation	FHA-insured/Sec. 8/GNMA/1981 Issue A Notes
Site A—Washington Heights	6,598,800	110	New Construction	FHA-insured/Sec. 8/GNMA/1981 Issue B Notes
UPACA—Site 5	11,200,000	200	New Construction	Housing Authority Turnkey/1985, 1984 Series A Notes
UPACA—Site 6	8,679,000	150	New Construction	Housing Authority Turnkey/1985, 1984 Series A Notes
Valley Apartments a.k.a. Roberto Clemente Houses	6,470,700	126	Rehabilitation	FHA-insured/Sec. 8/GNMA/1981 Issue A Notes
Washington Heights URA—Site B	10,200,000	180	New Construction	Housing Authority Turnkey/1985, 1984 Series A Notes
West 107th Street	3,194,900	61	Rehabilitation	FHA-insured/Sec. 8/GNMA/1982 Issue 1 Notes
<b>Total</b>	<b>\$156,167,400</b>	<b>2,746</b>		
<b>Total</b>	<b>\$430,995,500</b>	<b>7,860</b>		

E = Estimate \* = Possible Additions

### 225(f) REFINANCINGS (MULTI-FAMILY HOUSING LIMITED OBLIGATION BONDS/ MULTI-UNIT MORTGAGE BONDS 1980 SERIES A)

PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS	TYPE	PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS	TYPE
<b>BRONX</b>				<b>BROOKLYN</b>			
Albert Einstein Staff Housing	\$ 8,779,982	654	Rental	Atlantic Plaza Towers	5,375,400	716	Rental
Allerville Arms	2,251,100	212	Rental	Atlantic Terminal 2C*	4,666,776	200	Cooperative
Boulevard Towers I	3,299,300	529	Rental	Atlantic Terminal 4A*	6,935,501	504	Cooperative
Boulevard Towers II*	6,762,925	556	Rental	Brighton House	1,477,000	191	Cooperative
Bruckner Towers	2,656,500	208	Rental	Cadman Plaza North	2,081,500	250	Cooperative
Candia House	1,405,095	103	Rental	Cadman Towers	9,487,100	421	Cooperative
Carol Gardens	3,330,000	514	Rental	Contello III	1,277,900	160	Cooperative
Delos House	1,555,451	124	Rental	Crown Gardens*	5,882,600	238	Cooperative
Fordham Towers	1,296,100	168	Rental	Essex Terrace*	1,749,150	104	Rental
Janel Towers*	5,914,254	229	Rental	Middagh Street Studio Apts.	1,008,800	45	Rental
Keith Plaza*	6,816,400	501	Rental	Prospect Towers	2,195,800	153	Rental
Kelly Towers*	4,526,500	501	Rental	Tivoli Towers*	8,098,200	502	Rental
Kingsbridge Apartments*	1,997,998	90	Rental	<b>Total</b>	<b>\$ 50,251,507</b>	<b>3,082</b>	
Kingsbridge Arms	769,700	105	Cooperative	<b>MANHATTAN</b>			
Montefiore Hospital Housing Section II	7,662,400	598	Rental	Beekman Staff Residence	1,226,500	90	Rental
Noble Mansion	2,618,800	256	Rental	Bethune Towers	1,518,400	133	Rental
Robert Fulton Terrace	2,357,900	520	Rental				
Scott Towers	2,748,700	351	Cooperative				
Stevenson Commons*	25,000,000	947	Rental				
University River View*	5,797,364	225	Rental				
Woodstock Terrace	2,215,400	319	Cooperative				
<b>Total</b>	<b>\$ 97,759,847</b>	<b>6,270</b>					

**PROJECTS FINANCED BY THE CORPORATION**

PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS	TYPE	PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS	TYPE
Clinton Towers*	10,288,191	396	Rental	Tower West*	3,985,859	216	Rental
Columbus House	3,502,500	248	Rental	Town House West*	1,100,000	47	Rental
Columbus Manor*	2,500,000	202	Rental	Tri-Faith House	1,494,800	147	Cooperative
Columbus Park	1,467,900	162	Cooperative	Trinity House	2,540,500	199	Rental
Confucius Plaza*	23,266,455	760	Cooperative	Washington Sq. Southeast	1,905,200	174	Cooperative
Cooper-Gramercy	4,764,408	167	Rental	West Side Manor	3,147,200	245	Rental
Corlear Gardens	972,100	117	Cooperative	Westview Apartments	1,656,000	157	Rental
East Midtown Plaza	17,157,400	746	Cooperative	West Village	12,034,500	420	Rental
Esplanade Gardens	14,437,500	1,870	Cooperative	Westwood House*	1,498,878	124	Rental
Glenn Gardens*	8,196,000	266	Rental	<b>Total</b>	<b>\$274,659,496</b>	<b>14,675</b>	
Goddard Towers	2,381,600	195	Cooperative	<b>QUEENS</b>			
Goodwill Terrace*	3,596,881	207	Rental	Bay Towers*	5,475,544	374	Rental
Gouveneur Gardens	5,995,600	778	Cooperative	Bridgeview III	1,950,907	170	Rental
Heywood Towers*	5,396,763	188	Rental	Court Plaza	5,368,893	246	Rental
Hudsonview Terrace*	11,546,500	395	Rental	Dayton Towers	14,871,800	1,752	Cooperative
Jefferson Towers	1,619,000	189	Cooperative	Forest Park Crescent	1,756,976	240	Cooperative
Lands End I*	7,206,404	250	Rental	Seaview Towers*	15,264,700	461	Rental
Leader House*	6,267,800	279	Rental	Sky View Towers	3,910,900	232	Rental
Lincoln-Amsterdam*	6,028,500	186	Cooperative	<b>Total</b>	<b>\$ 46,599,720</b>	<b>3,475</b>	
New Amsterdam House*	6,459,700	228	Rental	<b>STATEN ISLAND</b>			
1199 Plaza*	39,708,979	1,586	Cooperative	North Shore Plaza*	17,112,240	535	Rental
Polyclinic Apartments	1,323,100	139	Rental	<b>Total</b>	<b>\$486,562,810</b>	<b>28,037</b>	
Riverbend	8,267,900	622	Cooperative				
Riverside Park Community*	26,021,800	1,190	Rental				
RNA House	1,841,600	207	Cooperative				
Rosalie Manning Apts.	903,100	108	Cooperative				
Ruppert House*	16,778,000	652	Cooperative				
St. Martin's Tower	2,865,500	179	Cooperative				
Strycker's Bay	1,792,700	253	Cooperative				

\*Section 236 subsidized projects

TOTAL ALL PROGRAMS	ORIGINAL MORTGAGE	NUMBER OF UNITS
BRONX	\$ 415,865,247	12,174
BROOKLYN	326,901,807	8,750
MANHATTAN	1,102,297,396	25,886
QUEENS	87,497,720	6,902
STATEN ISLAND	24,469,240	676
<b>GRAND TOTAL</b>	<b>\$1,957,031,410</b>	<b>53,888</b>

**REPORT OF PEAT, MARWICK,  
MITCHELL & CO.  
INDEPENDENT CERTIFIED  
PUBLIC ACCOUNTANTS**

To the Members of the  
New York City Housing Development Corporation:

We have examined the combined balance sheet of the New York City Housing Development Corporation as of October 31, 1985 and the related combined statements of revenues and expenses, changes in fund balances and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned combined financial statements present fairly the financial position of the New York City Housing Development Corporation at October 31, 1985 and the results of its operations, the changes in its fund balances and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Peat, Marwick, Mitchell & Co.*

New York, New York  
January 30, 1986

**COMBINED BALANCE SHEET**

October 31, 1985 (with comparative combined total as of October 31, 1984)

(in thousands)

	MULTI-FAMILY BOND PROGRAMS	CONSTRUCTION LOAN NOTE PROGRAMS	CORPORATE SERVICES FUND	COMBINED TOTAL	
				1985	1984
<b>ASSETS:</b>					
Cash	\$ 1,065	1	245	1,311	598
Investments	812,569	156,645	51,417	1,000,651	557,807
Total cash and investments	813,634	156,646	51,662	1,001,942	558,405
Receivables:					
Mortgage loans (note 4)	1,239,755	15,479	—	1,255,234	1,103,699
Loans to lenders (note 4)	—	127,679	—	127,679	103,860
Accrued interest	8,590	4,094	—	12,684	12,308
Deferred mortgage income	1,632	—	—	1,632	1,617
Other	8,735	—	—	8,735	897
Total receivables	1,258,712	147,252	—	1,405,964	1,222,381
Unamortized issuance costs	19,485	2,568	—	22,051	10,298
Due from (to) other funds	1,047	(577)	(470)	—	—
Fixed assets	—	—	675	675	581
Other assets	285	148	66	499	160
<b>Total assets</b>	<b>\$2,093,161</b>	<b>286,037</b>	<b>51,933</b>	<b>2,431,131</b>	<b>1,771,825</b>
<b>LIABILITIES and FUND BALANCES:</b>					
Bonds and notes payable (note 5)	\$1,806,029	271,210	—	2,077,239	1,543,041
Discount on bonds payable	(3,459)	—	—	(3,459)	(3,471)
Accrued interest payable	55,821	5,706	—	61,527	46,855
Payable to the City of New York (note 7)	83,463	—	3	83,466	32,653
Payable to mortgagors	47,102	—	1	47,103	44,433
Restricted earnings on investments	2,264	—	—	2,264	—
Accounts and other payables	644	—	394	1,038	525
Deferred fee and mortgage income	27,493	27	—	27,520	8,701
Due to HUD (note 9)	9,524	—	—	9,524	8,508
Total liabilities	2,028,881	276,943	398	2,306,222	1,681,245
Fund balances:					
Restricted	57,812	9,094	—	66,906	51,442
Unrestricted	6,468	—	51,535	58,003	39,138
Total fund balances	64,280	9,094	51,535	124,909	90,580
Commitments (note 11)					
<b>Total liabilities and fund balances</b>	<b>\$2,093,161</b>	<b>286,037</b>	<b>51,933</b>	<b>2,431,131</b>	<b>1,771,825</b>

See accompanying notes to the combined financial statements.

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION  
**COMBINED STATEMENT OF REVENUES AND EXPENSES**  
 October 31, 1985 (with comparative combined total as of October 31, 1984)  
 (in thousands)

	MULTI-FAMILY BOND PROGRAMS	CONSTRUCTION LOAN NOTE PROGRAMS	CORPORATE SERVICES FUND	COMBINED TOTAL	
				1985	1984
<b>REVENUES:</b>					
Interest on loans	\$104,156	11,814	23	115,993	100,931
Earnings on investments	47,423	18,616	4,347	70,386	46,033
Fees and charges	3,581	258	1,268	5,107	4,909
Gain on early retirement of debt	59	—	—	59	150
Other	1	—	5	6	11
<b>Total revenues</b>	<b>155,220</b>	<b>30,688</b>	<b>5,645</b>	<b>191,551</b>	<b>152,034</b>
<b>EXPENSES:</b>					
Interest and amortization	125,875	20,781	—	146,656	117,864
Salaries and related expenses	—	—	2,303	2,303	1,874
Services of New York City Department of Housing Preservation and Development	335	78	—	413	335
Trustees' and other fees	831	77	—	908	446
Debt issuance costs	785	1,634	—	2,419	1,595
Corporate operating expenses	—	—	984	984	966
Non-operating expenses (note 7)	3,539	—	—	3,539	3,477
<b>Total expenses</b>	<b>131,365</b>	<b>22,570</b>	<b>3,287</b>	<b>157,222</b>	<b>126,557</b>
<b>Excess of revenues over expenses before operating transfers</b>	<b>23,855</b>	<b>8,118</b>	<b>2,356</b>	<b>34,329</b>	<b>25,477</b>
Operating transfers to Corporate Services Fund	(3,590)	(855)	4,445	—	—
<b>Excess of revenues over expenses after operating transfers</b>	<b>\$ 20,265</b>	<b>7,263</b>	<b>6,801</b>	<b>34,329</b>	<b>25,477</b>
<b>ALLOCATION OF EXCESS OF REVENUES OVER EXPENSES AFTER OPERATING TRANSFERS:</b>					
Restricted fund balance	\$ 19,560	7,263	—	26,823	21,506
Unrestricted fund balance	705	—	6,801	7,506	4,171
	<b>\$ 20,265</b>	<b>7,263</b>	<b>6,801</b>	<b>34,329</b>	<b>25,477</b>

See accompanying notes to the combined financial statements.



NEW YORK CITY HOUSING DEVELOPMENT CORPORATION  
**COMBINED STATEMENT OF CHANGES IN FUND BALANCES**

October 31, 1985 (with comparative combined total as of October 31, 1984)  
 (in thousands)

	MULTI-FAMILY BOND PROGRAMS	CONSTRUCTION LOAN NOTE PROGRAMS	CORPORATE SERVICES FUND	COMBINED TOTAL	
				1985	1984
<b>RESTRICTED:</b>					
Balance at beginning of year	\$44,135	7,307	—	51,442	38,705
Excess of revenues over expenses after operating transfers	19,560	7,265	—	26,825	21,306
Net transfers from (to) unrestricted fund balances	(5,883)	(5,476)	—	(11,359)	(8,567)
Balance at end of year	57,812	9,094	—	66,906	51,442
<b>UNRESTRICTED:</b>					
Balance at beginning of year	12,694	—	26,444	39,138	26,400
Excess of revenues over expenses after operating transfers	705	—	6,801	7,506	4,171
Net transfers from (to) restricted fund balances	(6,931)	—	18,290	11,359	8,567
Balance at end of year	6,468	—	51,555	58,005	39,138
<b>Total fund balances at end of year</b>	<b>\$64,280</b>	<b>9,094</b>	<b>51,555</b>	<b>124,909</b>	<b>90,580</b>

See accompanying notes to the combined financial statements.

**COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION**

October 31, 1985 (with comparative combined total as of October 31, 1984)

(in thousands)

	MULTI-FAMILY BOND PROGRAMS	CONSTRUCTION LOAN NOTE PROGRAMS	CORPORATE SERVICES FUND	COMBINED TOTAL	
				1985	1984
<b>FUNDS PROVIDED:</b>					
From operations:					
Excess of revenues over expenses after operating transfers	\$ 20,265	7,265	6,801	54,329	25,477
Add (deduct) net adjustment for noncash items	20,557	2,477	(1,520)	21,514	12,347
Funds provided from operations	40,822	9,740	5,281	55,845	37,824
Sale of investments, at cost	2,452,175	185,444	459,516	3,076,955	1,930,973
Sale of mortgage loans	—	51,267	9,692	40,959	42,199
Proceeds from sale of bonds and notes	596,660	—	—	596,660	275,710
Loan principal payments received	5,510	—	—	5,510	5,217
Restricted earnings on investments	2,264	—	—	2,264	—
Receipt of mortgagor and other escrows	77,668	—	—	77,668	20,925
Transfers between programs	520	3,034	3,849	7,405	11,598
Sale of fixed assets	—	—	12	12	9
Deferred commitment and financing fees	8,711	—	—	8,711	2,795
Other, net	6	—	—	6	201
Total funds provided	3,164,536	229,485	478,150	3,871,971	2,325,449
<b>FUNDS APPLIED:</b>					
Retirement of bonds and notes	17,512	45,150	—	62,462	151,228
Purchase of investments	2,907,954	145,995	477,462	5,529,411	1,862,170
Mortgage and loan advances	181,150	40,048	379	221,577	259,226
Disbursement of escrows to mortgagors	29,729	5	—	29,734	19,490
Disbursements to the City of New York	5,719	226	—	5,945	16,459
Transfers between programs	7,403	—	—	7,405	11,598
Issuance costs	14,381	61	—	14,442	4,907
Purchase of fixed assets	—	—	284	284	134
Total funds applied	3,163,648	229,485	478,125	3,871,258	2,325,212
Increase in cash	688	—	25	715	237
Cash at beginning of year	377	1	220	598	361
Cash at end of year	\$ 1,065	1	245	1,311	598

See accompanying notes to the combined financial statements.



## (1) ORGANIZATION

The New York City Housing Development Corporation (the "Corporation") is a corporate governmental agency constituted as a public benefit corporation. The Corporation was established in 1971 under the provisions of Article XII of the Private Housing Finance Law (the "Act") of the State of New York and is to continue in existence for at least as long as bonds, notes or other obligations of the Corporation are outstanding.

The Corporation was created to encourage the investment of private capital through low-interest mortgage loans and to provide safe and sanitary dwelling accommodations for families and persons whose need for housing accommodations cannot be provided by unassisted private enterprise.

To accomplish its objectives, the Corporation is empowered to finance new construction and housing rehabilitation, to provide construction financing for multifamily projects to be permanently financed by others, and to provide permanent financing for multifamily residential housing. The Corporation participates in the federal government's housing assistance programs, principally those established by Sections 223(f) and 236 of the National Housing Act of 1934, as amended, and Section 8 of the United States Housing Act of 1937, as amended.

The Corporation finances most of its activities through the issuance of bonds and notes.

Pursuant to section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards, the financial activities of the Housing Assistance Corporation ("HAC") have been included in the Corporation's combined financial statements (see note 10). Additionally, pursuant to the same section, the Corporation's combined financial statements are included in the City of New York's (the "City") financial statements as a component unit for financial reporting purposes. The Corporation is included within the City's Housing and Economic Development Enterprise Funds.

## (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Corporation follows the principles of fund accounting in that each program's assets, liabilities and fund balances

are accounted for as a separate entity. The Corporate Services Fund accounts for the financial and administrative transactions of the Corporation's programs and activities. Each program and the Corporate Services Fund utilize the accrual basis of accounting wherein revenues are recognized when earned and expenses when incurred. Other significant accounting policies are:

### (a) Investments

Investments, which consist principally of securities of the United States and its agencies, certificates of deposit and open time deposits, are carried at cost, which approximates market, plus accrued interest. Investment earnings on monies held for the City, HAC investments, and reserves for replacement are not included in the Corporation's revenues rather they are reported in the balance sheet accounts as payable to the City of New York and payable to mortgagors.

### (b) Debt Issuance Costs and Bond Discount

Debt issuance costs and bond discount are amortized over the life of the related bond and note issues using the effective yield method. For debt issued prior to 1983, the issuance costs and discount were recognized as expenses when the related bonds or notes were issued.

### (c) Operating Transfers

Transfers from the various programs to the Corporate Services Fund represent (i) fees earned by the Corporation for administering the respective programs and (ii) escrow funds and excess investment earnings neither required by the programs nor returnable to the mortgagors.

### (d) Mortgage Loan and Loans to Lenders Interest Income

Mortgage loan and loans to lenders interest are recognized on the accrual basis. Deferred interest attributable to the loans made in 1977 discussed in note 4, including interest on the amounts deferred, is recognized as income as cash is received.

### (e) Restricted Earnings on Investments

Restricted earnings on investments represent the cumulative amount by which pass-through program revenues exceeded expenses. Such amount is recorded as a restricted liability since it represents accumulated excess investment earnings that, under the terms of the bond resolutions and mortgage loan documents, is expected to be credited to the mortgagor. This occurs in the following programs: 1984 Series A (Carnegie Park) Variable Rate Demand Bonds, 1985 Series A (Columbus Gardens Project) Multi-Family Development Bonds, 1985 Series 1 (Royal Charter Properties-East, Inc. Project) MBIA Insured Residential Revenue Bonds, 1985 Issue A (First Nationwide Savings-Columbus Apartments Project) Multifamily Mortgage Revenue Bonds, 1985 Issue 1 (James Tower Development) Multi-Family Development Bonds and 1985 Series A and 1985 Resolution 3 Multi-Family Mortgage Revenue Bonds.

**(f) Amortization of Leasehold Improvements**

Leasehold improvements, included as other assets of the Corporate Services Fund, are amortized over the life of the lease, using the straight-line method.

**(g) Fees and Charges**

Subsequent to 1982, the Corporation adopted the policy of recognizing commitment and financing fees on the accrual basis over the life of the related mortgage. Programs commencing prior to 1983 recognized these fees as collected through the final endorsement date of the respective mortgages.

Servicing fees are recognized on the accrual basis in accordance with the mortgage documents.

**(h) Combined Financial Presentation**

For purposes of financial statement presentation, the accounts of certain programs have been combined as follows:

*(i) Multi-Family Bond Programs:*

General Housing Bond Program,  
1982 Multi-Family Housing Bond Program,  
Section 223(f) Multifamily Housing Bond Program,  
Section 223(f) Multi-Unit Housing Bond Program,  
1979 Series A, 1982 Series A, 1983 Series A, B, and C, 1985 Series A, and 1985 Resolution 3 Multi-Family Mortgage Revenue Bond Programs,  
1984 Series A (Carnegie Park) Variable Rate Demand Bond Program,  
1985 Series A (Columbus Gardens Project) Multi-Family Development Bond Program,  
1985 Series 1 (Royal Charter Properties-East, Inc. Project) MBIA Insured Residential Revenue Bond Program,  
1985 First Series Multi-Family Housing Bond Program,  
1985 Issue A (First Nationwide Savings-Columbus Apartments Project) Multifamily Mortgage Revenue Bond Program,  
1985 Issue 1 (James Tower Development) Multi-Family Development Bond Program,  
1985 Series A (GNMA Mortgage-Backed Securities) Multi-Family Mortgage Revenue Bond Program, and  
the Housing Assistance Corporation.

*(ii) Construction Loan Note Programs:*

Construction Loan Note 1982 Issue 1 Program,  
Loan to Lender Construction Loan Note 1985 Series A Program,  
Construction Loan Note 1984 Issue 1 Program, and  
Turnkey Construction Loan Note 1984 Series A Program.

**(i) Combined Total**

The combined total data is the aggregate of the programs and the Corporate Services Fund. No consolidations or other eliminations were made in arriving at the totals; thus, they do not present consolidated information.

**(j) Reclassifications**

Certain amounts in the 1984 Combined Total column have been reclassified to conform to the 1985 financial statement presentation.

**(3) DESCRIPTION OF PROGRAMS AND CORPORATE SERVICES FUND**

The Corporation operates three separate major programs which are governed by their respective bond and note resolutions. A description of the programs follows:

**(a) Multi-Family Bond Programs:**

*(i) General Housing*

The General Housing Bond Program was established when the Corporation was created and accounts for the construction and permanent financing of six multifamily projects.

The 1982 Multi-Family Housing Bond Program was established in fiscal year 1985 in connection with the refinancing of the Multi-Family Variable Rate Bonds which financed two projects. Upon refinancing, the mortgages were transferred to this program from the Multi-Family Variable Rate Program, which then ceased to exist.

A capital reserve fund for these programs was established as additional security for the bondholders. The capital reserve fund is required to maintain cash and investments in an amount as defined in the Act and by the respective bond resolutions. Should the fund fall below the required amount the City has a moral obligation to restore the fund to the minimum requirement. These monies would constitute interest free loans and would then be repaid to the City from future collections.

*(ii) Section 223(f)*

The Multifamily and Multi-Unit Housing Bond Programs were established in 1977 and 1980 respectively, in connection with the refinancing of 81 existing multifamily housing projects which were Mitchell-Lama mortgage loans payable to the City.

*(iii) Section 8*

The 1979 Series A, 1982 Series A, 1985 Series A, 1985 Series B, and 1985 Series C Bonds were issued to provide funds for the construction and permanent financing of 62 multifamily housing projects. These projects are to be occupied by tenants who qualify for Section 8 housing assistance payments made pursuant to the United States Housing Act of 1957, as amended.

*(iv) 80/20*

The 1984 Series A (Carnegie Park) Variable Rate Demand Bonds, 1985 Series A (Columbus Gardens Project) Multi-Family Development Bonds, 1985 Series A Multi-Family Mortgage Revenue Bonds, 1985 First Series Multi-Family Housing Bonds, 1985 Issue A (First Nationwide Savings-Columbus Apartments Project) Multifamily Mortgage Revenue Bonds, 1985 Resolution 5 Multi-Family Mortgage Revenue Bonds, 1985 Issue 1 (James Tower Development) Multi-Family Development Bonds, and the 1985 Series A (GNMA Mortgage-Backed Securities) Mortgage Revenue Bonds were issued to provide the funds for the construction and permanent financing for eleven multifamily housing projects. The projects will provide a mixture of market rate apartments (80 percent) and apartments for low and moderate income tenants (20 percent) as required by Section 105(b) (4) (A) of the Internal Revenue Code of 1954, as amended, and as authorized by Chapter 514 of the New York State Laws of 1985.

*(v) Hospital Residence*

The 1985 Series 1 (Royal Charter Properties-East, Inc. Project) MBIA Residential Revenue Bonds were issued to provide funds for the construction and permanent financing of a multi-purpose residential facility for the benefit and utilization of The Society of the New York Hospital.

All Multi-Family Bonds are secured through one or more of the following mechanisms: pledged receipts of the scheduled mortgage payments and investments, letters of credit from national banking associations, Federal Housing Administration ("FHA") mortgage insurance, bond insurance, or GNMA mortgage-backed securities, each as specified in the bond resolutions.

**(b) Construction Loan Note Programs:**

*(i) Loan Notes*

The 1982 Issue 1 and 1984 Issue 1 notes were issued to provide funds for the new construction or substantial rehabilitation of 15 multifamily housing projects.

*(ii) Loans to Lenders*

The 1985 Series A notes were issued to provide a loan to Citicorp Real Estate, Inc. ("CREI"), enabling CREI to finance the construction of approximately 15 multifamily housing projects.

The 1984 Series A notes were issued to provide monies for the construction or substantial rehabilitation of approximately twelve multifamily projects. The monies will be distributed to Chemical Bank (the underwriter and servicer of the construction loans), solely for the purpose of providing loans to selected developers.

**(c) Corporate Services Fund:**

This fund accounts for (i) fees and earnings transferred from the programs described above; (ii) Section 8 administrative fees (see note 9); (iii) income from Corporate Services Fund investments; and (iv) the payment of the Corporation's operating expenses.

**(4) MORTGAGE LOANS**

A general description of the mortgages in each of the programs follows:

**(a) Multi-Family Bond Programs:**

*(i) General Housing*

The mortgages are first liens on the respective properties. Five of the eight projects receive interest subsidies under Section 256 of the National Housing Act of 1954, as amended, from the U.S. Department of Housing and Urban Development ("HUD"). To the extent that the projects do not generate sufficient funds to meet the annual debt service requirements, payments may be made first from the general reserve fund, to the extent available, and then from the capital reserve fund. Except as noted below, all mortgage principal and interest payments are current.

In 1977, certain housing companies were unable to obtain sufficient rent increases to offset working capital deficits and increasing operating costs. Loans were made to the housing companies by their owners and were matched by the Corporation through a deferral of mortgage interest payments amounting to \$1,850,000. Repayment of the deferred interest is required over a ten year period which commenced in 1980. The outstanding balance at October 31, 1985 for these deferrals is \$700,068.

*(ii) Section 223(f)*

The mortgages, when assigned to the Corporation by the City, were modified, divided and recast into (a) FHA-insured first mortgages, to be serviced by the Corporation; and (b) subordinate non-insured second mortgages which

were reassigned to the City. The mortgages are first liens on the respective properties. Thirty-two of the eighty-one projects receive interest subsidies under Section 236 from HUD.

In 1981, the City assigned a Mitchell-Lama mortgage loan in the amount of \$5,560,600 to the Corporation. This mortgage was modified in the manner noted above. The insured first mortgage will either be sold on behalf of the City or held to be assigned as collateral for bonds to be issued.

With respect to the Multifamily Program (a) excess of mortgagors' payments over bond debt service payments and servicing fees to the Corporation and (b) the earnings on certain restricted funds, which are excluded from the revenue statement, are payable to the City. With respect to the Multi-Unit Program, the earnings on certain restricted funds, also excluded from revenues, are payable to the City.

*(iii) Section 8*

The mortgage loan advances made to the projects under the five Section 8 bond programs are FHA-insured, and include various construction costs, bond issue costs, and capitalized accrued interest. Upon completion, the projects will receive housing assistance payments on behalf of the tenants pursuant to Section 8.

While the project is under construction, loan advances bear interest at the construction rate. This rate is then reduced to the permanent rate when construction is completed and the project has been finally endorsed by HUD. Both of these rates are dictated by the individual programs. The programs and their interest rates are:

PROGRAM	CONSTRUCTION RATE	PERMANENT RATE
1979 Series A	9.5%	7.5%
1982 Series A	14.5%	12.0-15.25%
1985 Series A	14.0%	9.7-9.9%
1985 Series B	12.5%	10.5%
1985 Series C	1.0%	1.0%

The 1979 Series A projects have all completed construction and have received final endorsement from HUD.

*(iv) 80/20*

The mortgage loan advances made to the projects include various construction costs, bond issue costs, and for all but one of the programs, capitalized accrued interest.

The Corporation is required under four of the programs to have the projects provide a letter of credit delivered to the trustee from a national banking association to secure the payment of bond debt service. The remaining four programs have FHA-insured or FHA-coinsured mortgages, except for a portion of one mortgage, that will be financed through funds received under the Housing Development Grant Program pursuant to Section 17(d) of the United States Housing Act of 1957, as amended.

Certain projects will receive subsidies on behalf of the eligible tenants through either Section 8 housing assistance payments or HAC funds.

*(v) Hospital Residence*

The mortgage loan advances made to the project include various construction costs, bond issue costs, and capitalized accrued interest. The mortgagor is required to provide to the trustee a non-cancellable policy of insurance from the Municipal Bond Insurance Association ("MBIA") which guarantees the payment of bond debt service.

**(b) Construction Loan Note Programs:**

*(i) Loan Notes*

The mortgage loan advances, that are FHA-insured, include various construction costs and capitalized accrued interest. During construction, the loan advances bear interest at a rate dictated by the program as follows: 1982 Issue 1—11.0%; and 1984 Issue 1—10.0%. Upon completion of construction and final endorsement from HUD, it is expected that the mortgages will be purchased by GNMA at a 2.5% discount. The mortgagors have provided irrevocable letters of credit to cover the 2.5% discount.

On April 15, 1985 the 1982 Issue 1 Notes matured and were fully redeemed.

*(ii) Loans to Lenders*

The loans to the banks bear interest at a rate dictated by the respective programs as follows: 1985 Series A—8.06%; and 1984 Series A—10.0%. It is expected that the mortgages will be purchased by the New York City Housing Authority upon completion of construction and final endorsement.

For both the Loan Notes and Loans to Lenders the proceeds from the sale of the mortgage loans will be used to redeem the notes payable.

**(5) BONDS AND NOTES PAYABLE**

The Corporation's authority to issue bonds and notes for any corporate purpose is limited to the extent that (i) the aggregate principal amount outstanding may not exceed \$2.8 billion, exclusive of refunding bonds or notes, and (ii) the maximum capital reserve fund requirement may not currently exceed \$50 million.

Bonds and notes payable comprise the following for the year ended October 31, 1985:



DESCRIPTION	BALANCE AT OCT. 31, 1984	ISSUED	RETIRED	BALANCE AT OCT. 31, 1985	ANNUAL DEBT SERVICE
<b>MULTI-FAMILY BOND PROGRAMS:</b>					
	(in thousands)				
General Housing:					
General Housing Bond Program— 5.75% to 9% Bonds maturing in varying installments through 2025.	\$ 272,980	—	1,995	270,985	19,334
1982 Multi-family Bond Program— 6% to 11.125% Serial and Term Bonds maturing in varying installments through 2012.	54,955	—	425	54,510	3,852
<b>Total General Housing</b>	<b>307,915</b>	<b>—</b>	<b>2,420</b>	<b>305,495</b>	<b>23,186</b>
Section 223(f):					
Multi-family Housing Bond Program— 6.5% to 7.25% Bonds maturing in varying installments through 2019.	368,221	—	2,452	365,789	26,808
Multi-Unit Housing Bond Program— 5% to 9.125% Serial and Term Bonds maturing in varying installments through 2021.	107,465	—	560	106,905	10,175
<b>Total Section 223(f)</b>	<b>475,686</b>	<b>—</b>	<b>2,992</b>	<b>472,694</b>	<b>36,981</b>
Section 8:					
1979 Series A Bond Program— 6% to 7.5% Serial and Term Bonds maturing in level installments through 2021.	49,065	—	455	48,630	3,984
1982 Series A Bond Program— 8.25% to 12.75% Serial and Term Bonds maturing in varying installments through 2024.	173,775	—	10,770	163,005	21,066
1985 Series A Bond Program— 5.75% to 8.875% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2025.	158,600	—	—	158,600	12,681
1985 Series B Bond Program— 6% to 9.5% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2026.	79,140	—	—	79,140	6,511
1985 Series C Bond Program— 1% Term Bonds maturing in varying installments through 2015.	2,500	—	—	2,500	80
<b>Total Section 8</b>	<b>445,080</b>	<b>—</b>	<b>11,205</b>	<b>451,875</b>	<b>44,322</b>

DESCRIPTION	BALANCE AT OCT. 31, 1984	ISSUED	RETIRED	BALANCE AT OCT. 31, 1985	ANNUAL DEBT SERVICE
80/20:			(in thousands)		
1984 Series A Variable Rate Bond Program— Variable Rate Bonds due upon demand through 2016.	—	68,000	—	68,000	5,182
1985 Series A Development Bond Program— 5.4% to 9.125% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2007.	—	52,498	570	52,128	2,855
1985 Series A Bond Program— 5% to 10% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2050.	—	165,118	325	162,793	15,649
1985 First Series Bond Program— 6.75% to 9.875% Serial and Term Bonds maturing in varying installments through 2017.	—	17,425	—	17,425	1,669
1985 Issue A Bond Program— 6.75% to 8.5% Serial and Term Bonds maturing in varying installments through 2015.	—	24,600	—	24,600	2,082
1985 Resolution 3 Bond Program— 5.1% to 9.625% Serial and Term Bonds and Gains Securities maturing in varying installments through 2015.	—	124,999	—	124,999	14,579
1985 Issue 1 Development Bond Program— 4.75% to 8.625% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2005.	—	29,998	—	29,998	2,456
1985 Series A GNMA Mortgage-Backed Securities Bond Program— 5.9% to 8.75% Serial and Term Bonds maturing in varying installments through 2016.	—	40,000	—	40,000	3,406
Total 80/20	—	500,658	695	499,943	45,856
Hospital Residence:					
1985 Series 1 MBIA Insured Bond Program— 6.6% to 10.25% Serial, Term and Capital Appreciation Bonds and Gains Securities maturing in varying installments through 2017.	—	96,022	—	96,022	6,760
Total Hospital Residence	—	96,022	—	96,022	6,760
<b>Total Bonds Payable</b>	<b>\$1,226,681</b>	<b>596,660</b>	<b>17,512</b>	<b>1,806,029</b>	<b>157,105</b>
<b>CONSTRUCTION LOAN NOTE PROGRAMS:</b>					
Loan Notes:					
1982 Issue I—9%, due April 15, 1985	\$ 45,150	—	45,150	—	—
1984 Issue I—7.5%, due November 1, 1987	19,210	—	—	19,210	1,441
Total Loan Notes	64,360	—	45,150	19,210	1,441
Loans to Lenders:					
1983 Series A—6.625%, due December 1, 1986	125,000	—	—	125,000	8,281
1984 Series A—7.25%, due September 1, 1987	127,000	—	—	127,000	9,208
Total Loans to Lenders	252,000	—	—	252,000	17,489
<b>Total Notes Payable</b>	<b>\$ 516,360</b>	<b>—</b>	<b>45,150</b>	<b>271,210</b>	<b>18,930</b>
<b>Total Debt Payable</b>	<b>\$1,545,041</b>	<b>596,660</b>	<b>62,462</b>	<b>2,077,239</b>	<b>176,035</b>

**(a) Mortgage Loan Bond Programs:**

*(i) General Housing*

The bonds of the General Housing and 1982 Multi-Family Housing Bond Programs are general obligations of the Corporation. Substantially all of the programs' assets are pledged as collateral for the bonds.

*(ii) Section 223(f)*

The bonds of the Multifamily Housing Bond Program are special limited obligations of the Corporation. The primary security for the bonds is the federal mortgage insurance obtained at the time the mortgages were assigned from the City. Principal and interest are paid only from the money received for the account of the insured mortgage securing that series, including payments made by, or on behalf of, the mortgagor or HUD.

The bonds of the Multi-Unit Housing Bond Program are special revenue obligations of the Corporation secured solely by a pledge of the FHA-insured mortgage loans and the program's assets, as well as the revenues derived from these loans and assets.

*(iii) Section 8*

The bonds of the 1979 Series A Bond Program are limited obligations of the Corporation. Substantially all of the program's assets are pledged as collateral for the bonds.

The remaining four bond programs are special revenue obligations of the Corporation secured solely by a pledge of the FHA-insured mortgage loans and the programs' assets, as well as the revenues derived from these loans and assets.

The bonds of the 1985 Series C Bond Program were privately placed at an interest rate of 1% with the City, and are not expected to be reissued to the public.

The bonds under the two remaining headings, 80/20 and Hospital Residence, are special revenue obligations of the Corporation secured by a pledge of the mortgage loans and the programs' assets as well as the revenues derived from these loans and assets. In addition, the aforementioned bonds are secured by either a letter of credit, FHA mortgage insurance, bond insurance, or GNMA mortgage-backed securities.

All of the bonds under the Multi-Family Bond Programs are subject to optional redemption by the Corporation. The bonds under the headings, 80/20 and Hospital Residence, are also subject to mandatory redemption. The parameters under which both the optional and mandatory redemptions may occur are set forth in the bond resolutions.

**(b) Construction Loan Note Programs:**

The notes under each of the programs are special revenue obligations of the Corporation collateralized by substantially all of the assets of the programs. Additionally, the Loans to Lenders notes are secured by the banks through either an unconditional guarantee (1985 Series A) or a letter of credit (1984 Series A).

The 1985 Series A Notes are subject to call on June 1, 1986; the 1984 Series A Notes on March 1, 1987; and the 1984 Issue 1 Notes on May 1, 1987.

Required principal payments for all programs for the next five years are as follows:

YEAR ENDING OCTOBER 31	MULTI-FAMILY BOND PROGRAMS	CONSTRUCTION LOAN NOTE PROGRAMS
	(in thousands)	
1986	\$11,996	\$ —
1987	13,650	252,000
1988	14,736	19,210
1989	19,784	—
1990	25,525	—

**(6) CONSULTANT'S FEES**

The fees paid by the Corporation for financial and legal consultants in fiscal 1985 include: \$84,653 to Skaddan, Arps, Slate, Meagher & Flom and \$20,140 to Brownstein Zeidman and Schomer for legal services; \$40,000 to Goldman, Sachs & Co. for financial consulting services; and \$5,306 to four firms for other consulting services.

In addition, the following legal fees were paid: \$895,163 to Hawkins, Delafield & Wood; and \$101,526 to Brownstein Zeidman and Schomer. These expenses were related to bond, note and mortgage closings. The Corporation has collected fees and charges from the respective mortgagors to offset these expenses.

**(7) PAYABLE TO THE CITY OF NEW YORK**

Mortgages in the Section 223(f) Housing Programs were assigned to the Corporation by the City in order to generate monies for the City. The Corporation remits to the City any excess of mortgage interest income and investment earnings over related debt expense, trustee fees and servicing fees. These expenses are considered non-operating and amounted to approximately \$5,520,000 for fiscal 1985.

As of October 31, 1985, all mortgages assigned by the City to the Corporation have been sold or used as security for debt financing, except the assigned mortgage loan of Village East Towers. That mortgage is being held by the Corporation for possible future sale or bonding.

The funds received from the City for HAC as well as any earnings on the funds (see note 10) are also included in this reporting classification.



### (8) RETIREMENT SYSTEM

The Corporation is a participating employer in the New York City Employee's Retirement System (the "System") of which some of the employees of the Corporation are members. The Corporation pays its proportionate share of the System's cost as actuarially computed.

### (9) DUE TO HUD

The Corporation has entered into contracts with HUD to administer housing assistance payment contracts with housing projects occupied or to be occupied by tenants qualifying for Section 8 housing assistance payments. Pursuant to the contracts, HUD makes annual contributions to the Corporation in an amount equal to the annual assistance payments plus an administrative fee, if applicable, for the Corporation. Fees earned during fiscal 1985 amounted to \$1,251,429 and are included in the Corporate Services Fund.

### (10) HOUSING ASSISTANCE CORPORATION (HAC)

The Housing Assistance Corporation is a public benefit corporation established as a wholly-owned subsidiary of the Corporation in 1985 under an amendment to the Private Housing Finance Law. HAC is to continue in existence at least as long as its obligations remain outstanding.

HAC is empowered to receive monies from any source, including but not limited to the Corporation, the City or the State, for the purpose of assisting rental developments to maintain rentals affordable to low and moderate income persons for whom the ordinary operation of private enterprise cannot supply safe, sanitary and affordable housing accommodations. In order to accomplish this objective, HAC may transfer, lend, pledge or assign these monies to any rental development or assist the Corporation in financing such developments.

In August 1985, HAC received \$40 million from the City. As of October 31, 1985 none of the monies had yet been committed to any projects. This contribution plus accrued interest thereon is reported as cash and investments and payable to the City of New York in the accompanying combined balance sheet.

The amount reported at October 31, 1985, is \$40,782,587.

### (11) COMMITMENTS

The Corporation is committed under three operating leases for office space for minimum annual rentals as follows:

#### YEAR ENDING OCTOBER 31

1986	\$ 347,222
1987	347,222
1988	347,222
1989	358,472
1990	358,472
<hr/>	
Total future rents	\$1,758,610

Remaining mortgage commitments at October 31, 1985 are as follows:

#### Multi-Family Bond Programs:

Section 8	\$ 13,440,566
80/20	551,790,985
Hospital Residence	56,274,858

#### Construction Loan Notes:

Loan Notes	2,414,525
Loans to Lenders	107,219,202

Total commitments \$531,159,932

### (12) SUBSEQUENT EVENTS

(a) On November 26, 1985, the Corporation sold \$14.5 million aggregate principal amount of 1985 Series A (Columbus Green Project) Variable Rate Demand Bonds. The bond proceeds will be used to provide construction and permanent financing for the Columbus Green Project, a multifamily rental housing facility.

(b) On December 11, 1985, the Corporation sold \$53.91 million aggregate principal amount of 1985 Issue 1 (Roslingate Development) Multi-Family Development Bonds. The bond proceeds will be used to provide construction and permanent financing for the Roslingate Development, a multifamily rental housing facility.

(c) On December 12, 1985, the Corporation sold \$17.675 million aggregate principal amount of 1985 First Series Insured Multi-Family Mortgage Revenue Bonds. The bond proceeds will be used to provide permanent financing for seven multifamily rental housing facilities.

(d) On December 17, 1985, the Corporation sold \$49 million aggregate principal amount of 1985 Resolution 1 (Parkgate Tower) Variable Rate Demand Bonds. The bond proceeds will be used to provide construction and permanent financing for Parkgate Tower, a multifamily rental housing facility.

(e) On December 30, 1985, the Corporation sold \$250 million aggregate principal amount of 1985 Resolution A Housing Development Bonds. The bond proceeds will be used to provide construction and permanent financing for several multifamily rental housing facilities.

## THE CORPORATION'S STAFF

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Lance H. Wilson  
*President*

James M. Yasser  
*Executive Vice President*

Harriet Mirkin  
*Administrative Assistant  
to the President*

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### DEVELOPMENT

Charles Ciolino  
*Director—Mortgage Finance*

Charles Brass  
*Director—Program Development*

Judith R. Blaylock

Donald Rubenstein

Charlena Lance  
*Manager—Development  
Services*

Maria Arroyo  
*Administrative Assistant*

Carolyn Cottone

Louis DeLuca, Jr.

Stefania Williams

### LEGAL

Babette Krolik  
*Vice President and  
General Counsel*

Martin Siroka  
*Deputy General Counsel  
and Secretary*

### PARALEGALS

Carin Blatt

Lynn O'Connell-Gavin

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### TREASURY

Abraham J. Greenstein  
*Senior Vice President—Finance*

Helen Bojceniuk

Bernard Hecht

Jack Marquardt

### FINANCIAL MANAGEMENT

Frederick S. Dombek  
*Assistant Treasurer*

#### Cash Management

Ann Marie Sweeney,  
*Assistant to the Treasurer*

Anthony Biondo

Diane Denis

Gary Nadeau

Rosa Pecchia

Karyn Raguette

Richard Shammas

Renee Shepperson

### Section 8 Administration

Minnette LeBlanc,  
*Section 8 Administrator*

Elizabeth DeMuro

Theresa Gigliello

Phyllis Iacotino

Christine Jue

Ali Karbo

Wendy Y. Lui

Mary McConnell

John Martiniello

Karen Mattics

Mary Jo Mullin

Shalish Patel

Alice Verme

### Asset Management

Betty Davis,

*Asset Management Administrator*

Kenneth Connaughton

Jay Weiss

### MANAGEMENT INFORMATION AND FINANCIAL ANALYSIS

Eric R. Kaufman

*Director*

Jeffrey DeVito

Michael Hirst

Irene Yau

### Computer Operations

Joan Berkley

Kevin Moore

Sandra Thorpe

### ACCOUNTING

Kenneth Mertz  
*Controller*

Lucille Tufano,  
*Chief Accountant*

Mary Beth Branagan

Shirley Jarvis

Craig McCarville

Mala Maharaj

Danny Satalino

Frieda Stein

Lois Theodorou

Barbara Vacca

Thornton Williams

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### OFFICE MANAGEMENT

Blanche Hodges  
*Office Manager*

Ellie Candelario

Audrey Bright-Greene

Annie Miller

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### IN MEMORY OF MILDRED L. BROWNE

The employees of the Corporation were deeply saddened by the untimely death of Mildred Browne.

Mildred provided dedicated service to HDC for 15 years. She will be remembered warmly by the many HDC employees she touched with her dedication, support and friendship.

**NEW YORK CITY  
HOUSING DEVELOPMENT  
CORPORATION**

75 MAIDEN LANE, 8TH FLOOR  
NEW YORK, N.Y. 10038