New York City Housing Development Corporation 1991 Annual Report

20th Anniversary

Submitted to:

Honorable David N. Dinkins, Mayor

Honorable Elizabeth Holtzman, Comptroller

Honorable Philip R. Michael, Director of Management and Budget

Submitted by:

The Chairman and Members

of the New York City Housing

Development Corporation

NYCHDC 1971–1991

20th Anniversary

uring 1991, the New York City Housing Development Corporation celebrated its twentieth anniversary. This Annual Report consequently highlights the Corporation's two decades of service to New Yorkers. At the same time, this past year was one of special recognition and continued accomplishment. Through the expansion of our innovative Development Services Program – which received acclaim from the National Council of State Housing Agencies – HDC provided critical financial support for a variety of affordable housing developments through such creative mechanisms as working capital and seed money loans for not-for-profit housing companies and bridge lending for Low Income Housing Tax Credit projects. Finally, HDC also successfully assisted The City of New York in its current fiscal crisis, thereby providing yet another service to New Yorkers.

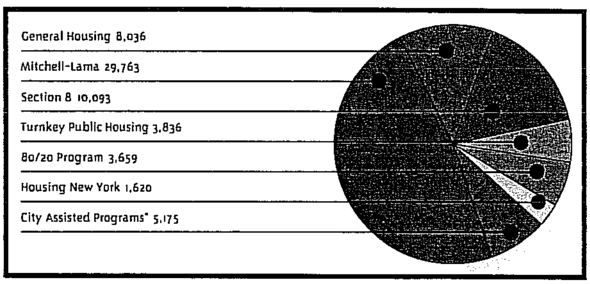
The Award Winning Development Services Program

In 1991, the Corporation was honored by the National Council of State Housing Agencies which recognized HDC's Development Services Program as the "most outstanding" program in the nation serving low income families through the provision of special needs housing. Over the course of the year, the Corporation continued to build upon this recognized achievement by expanding existing Development Services Program strategies as well as creating new ones to assist the City in its efforts to produce housing for homeless and other low income families.

Specifically, in 1991, the Corporation dramatically expanded its successful Working Capital Loan Program for not-for-profit sponsors of homeless housing in three different ways. First, the Corporation committed $2.7 million of its reserves to provide loans to the sponsors of 42 Special Initiatives Program ("SIP") projects developed by the City's Department of Housing Preservation and Development ("HPD"). Under SIP, vacant City-owned buildings are completely rebuilt by HPD and then are transferred to not-for-profits to house a mix of homeless and other low income families. The $2.7 million of HDC Working Capital Loans provided critically needed funds to enable not-for-profits to both lease the 42 projects' 1,235 apartments and provide social services to the homeless families.

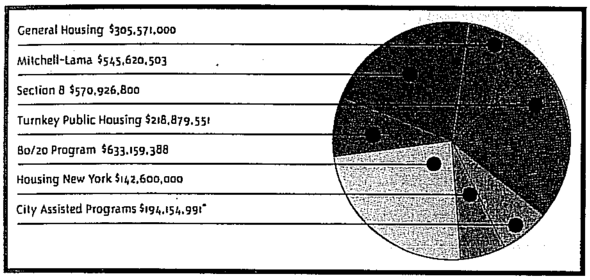
The Corporation also established two completely new Working Capital Loan programs this past summer to complement our SIP initiative. First, the Corporation committed $4 million to sixteen not-for-profit groups selected to renovate and manage occupied City-owned housing through HPD's Community Management Program. This well-established Program's very existence had been threatened by budgetary cutbacks. However, the availability of HDC Working Capital Loan funds enabled the not-for-profits to maintain their vital efforts without interruption while HPD restruc-

Units by Program—62,182 Total
1971 - 1991



* Includes Moderate Rehabilitation, Middle Income Rental Housing, Housing Development Grant, Vacant Building and Limited Equity Coop Programs

Mortgage Dollars by Program—$2,610,912,233 Total
1971 - 1991



* Includes Moderate Rehabilitation, Middle Income Rental Housing, Housing Development Grant, Vacant Building and Limited Equity Coop Programs

tured the program, allowing the groups to earn fees for the provision of rehabilitation and management services for over 2,000 units of housing. Secondly, the Corporation developed a Working Capital Loan Program for two long-established neighborhood organizations which are creating innovative mutual housing associations to renovate, manage and acquire occupied City-owned housing in two Manhattan neighborhoods. These organizations are being trained by HPD while preparing to assume ownership of over 500 units of affordable housing which they have committed to preserve for community residents in perpetuity.

Tax Credit Bridge Lending

At year's end, the Corporation approved a $5 million Bridge Loan to the Corporate Housing Initiative Limited Partnership ("CHILP"). This partnership was created by the Enterprise Social Investment Corporation in order to facilitate corporate investment in special needs housing developments which receive Federal Low Income Housing Tax Credits. CHILP agreed to purchase six developments being rehabilitated through HPD's Single Room Occupancy Loan Program and to provide the equity financing necessary for the not-for-profit managing general partners to establish social service programs for the special needs singles populations which will reside in the renovated buildings. HDC's Bridge Loan will enable the not-for-profit sponsors to fully support these essential facilities immediately since the corporate investors commit their equity over an extended period. The immediate availability of $5 million in HDC Bridge Loans will provide the essential link in ensuring the successful completion of 325 SRO units and studio apartments for low income individuals.

Since the Corporation's Bridge Loan is secured by the notes and pledges of the Federal Home Loan Mortgage Corporation and other corporate investors which obligate them to make the required equity pay-ins, the Bridge Loan Program once again demonstrates the Corporation's commitment to the creative use of its reserves in a fiscally sound manner while, at the same time, HDC helps to produce affordable housing in partnership with The City of New York.

Bradhurst Seed Money to Revitalize a Neighborhood

The Corporation expanded its Seed Money Loan Program in 1991 by approving a $2.4 million loan to the Consortium for Central Harlem Development, Inc., an umbrella group of 59 churches, community and business organizations which have united to undertake the comprehensive redevelopment of a thirty-five block area in Central Harlem. In conjunction with HPD, the Consortium will both ultimately renovate and construct more than 2,200 units of rental and owner-occupied housing in the area

> "In the coming years, HDC will continue to build upon our twenty year record of accomplishment—$2.6 billion in financing for 62,000 affordable apartments"

known as "Bradhurst" in Central Harlem. The HDC Seed Money Loan will specifically provide the newly formed Consortium with pre-development funds to initiate and coordinate planning activities as well as to retain architects to design the first 300 rental units to be developed pursuant to a neighborhood revitalization plan.

Financial Assistance to New York City

Early in 1991, the Corporation's activities yielded more than $40 million to assist The City of New York. First, in February, the Corporation issued $103.5 million in bonds to refund an outstanding 1980 bond issue which had originally refinanced eight City Mitchell-Lama projects. Pursuant to the agreements with the City which governed the original Mitchell-Lama refinancing, the Corporation was able to pass through all of the up-front savings generated from the 1991 refunding to the City – a total of more than $16 million. In addition, the refunding will also realize ongoing savings for the City of $1.3 million per year for the next 30 years.

The Corporation also utilized its unrestricted reserves to purchase the City's interest in a Claim Payment Fund which the City originally established in connection with the refinancing of its Mitchell-Lama portfolio in the late 1970's. In view of the excellent performance of these mortgages, the Corporation agreed to purchase the Fund, permitting the return of $24.7 million to the City.

Summary

Whether by expanding its Development Services Program to assist not-for-profit groups developing homeless housing or by refunding its outstanding bond issues to generate funds for the City's coffers, HDC's activities this past year demonstrate the Corporation's commitment to The City of New York. As we begin our third decade of service, we will continue to nurture our partnership, both with the City, and the not-for-profit and for profit development community, in order to continue to support and initiate new and innovative programs to finance affordable housing for New Yorkers.

Felice Michetti
Chairman and President

1971–1991

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The [illegible]wing [illegible]story, [illegible]of the sig[illegible] [illegible]

71

The New York City Housing Development Corporation is established by the State legislature with bonding authority of $800 million. The Corporation becomes operational the following year.

Governor Rockefeller visits the Battery Park City site to begin the development of the community whose ultimate financial strength makes Housing New York possible.

"All in the Family", the television situation comedy about the Bunker family of Queens, premiers.

72

Thousands celebrate the first scheduled "Earth Day" in Central Park.

Conditions at Willowbrook and other state institutions are disclosed, leading to the de-institutionalization of many disabled individuals.

73

Abraham Beame defeats Herman Badillo in the Democratic primary and John Marchi in the general election to succeed John Lindsay as Mayor of New York.

The New York Times

LATE CITY EDITION

BEAME DEFEATS BADILLO EASILY IN RUNOFF, WINNING ALL BOROUGHS EXCEPT MANHATTAN

Dean Says Nixon Misled Nation With Watergate Denials; White House Reaffirms Disavowal Made by President

HOUSE AGAIN ACTS TO CURB BOMBING

Medicare Aid Is Extended To Major Kidney Patients

U.S. TRADE IN MAY FELL INTO DEFICIT

Dean Says Ziegler Didn't Know 'Truth' of Watergate Cover-Up

Metropolitan Will Ease Secrecy On Sales From Art Collections

HDC

Having successfully sold its first series of General Housing Bonds in 1972 for three Mitchell-Lama projects including, Waterside Apartments in Manhattan, the Corporation sells its second and third series in order to finance two additional housing developments containing 2,785 units.

The New York Knicks defeat the Los Angeles Lakers to win their second NBA title in four years.

Philippe Petit tightropes across the World Trade Center.

Richard Nixon resigns as President and is replaced by Gerald Ford who selects Governor Rockefeller as his Vice President.

Brooklyn Congressman Hugh Carey is elected Governor, defeating interim Governor Malcolm Wilson.

75

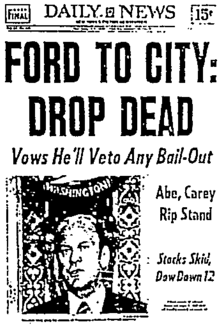
Despite the City's deepening Fiscal Crisis, the Corporation completes financings for the remaining new construction projects in the City's Mitchell-Lama pipeline, including the last 900 units of federally subsidized Section 236 low-income housing.

In total, in its first four years of existence, HDC provides over $300,000,000 in financing to fund the new construction and rehabilitation of 8,036 units of low, moderate and middle income housing.

75

Plans to complete the restoration of a block of 19th century buildings and to erect a modern 4-story building containing stores and restaurants at the South Street Seaport are unveiled.

75



FINAL DAILY NEWS 15¢

FORD TO CITY: DROP DEAD

Vows He'll Veto Any Bail-Out

Abe, Carey Rip Stand

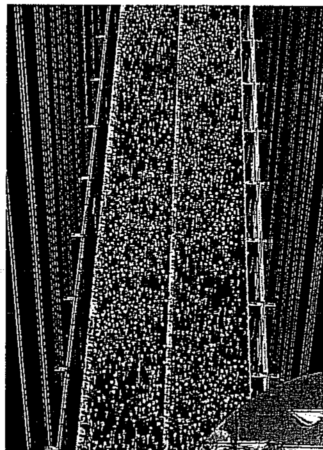
Stocks Skid, Dow Down 12

(c) 1992 New York Daily News reprinted with permission

The Municipal Assistance Corporation is formed. Congress agrees to guarantee $2.3 billion of City bonds, despite President Ford's veto threat.

76

The first New York City Marathon is run in October.



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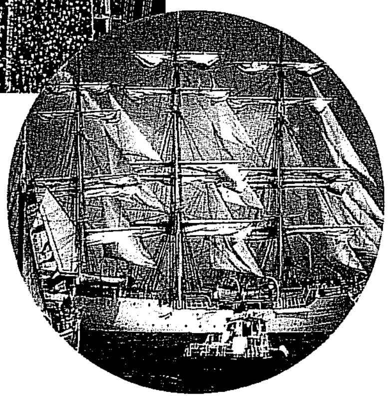
An armada of "Tall Ships" sails up New York Harbor as the City celebrates the nation's bicentennial.



76

Jimmy Carter is elected President following his nomination at the Democratic Convention in New York City in July.

77

The Corporation assists The City of New York in extricating itself from the Fiscal Crisis by refinancing the City's existing Mitchell-Lama mortgages. In order to accomplish this task, the Corporation receives federal mortgage insurance commitments pursuant to Section 223(f) of the National Housing Act for the Mitchell-Lama mortgages. The federally insured mortgage loans for the first six projects are sold at public auction. Later, HDC privately places $300,000,000 in tax-exempt bonds to refinance additional projects.

Edward Koch defeats numerous aspirants, including incumbent Abraham Beame, Mario Cuomo and Bella Abzug to become Mayor.

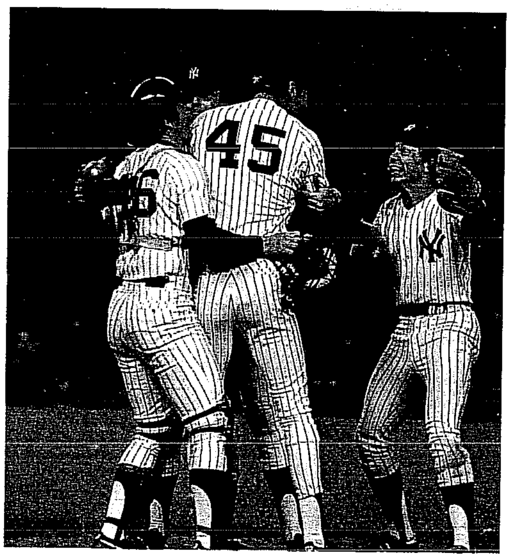
77

President Carter visits Charlotte Street in the South Bronx and promises Federal aid to redevelop the area.

To help the City avoid bankruptcy, President Carter signs a bill giving New York $1.65 billion of additional Federal loan guarantees.

78

The New York Yankees come back from a 14-game deficit in August to win their third straight American league pennant and then defeat the Dodgers for their second straight World Series victory.



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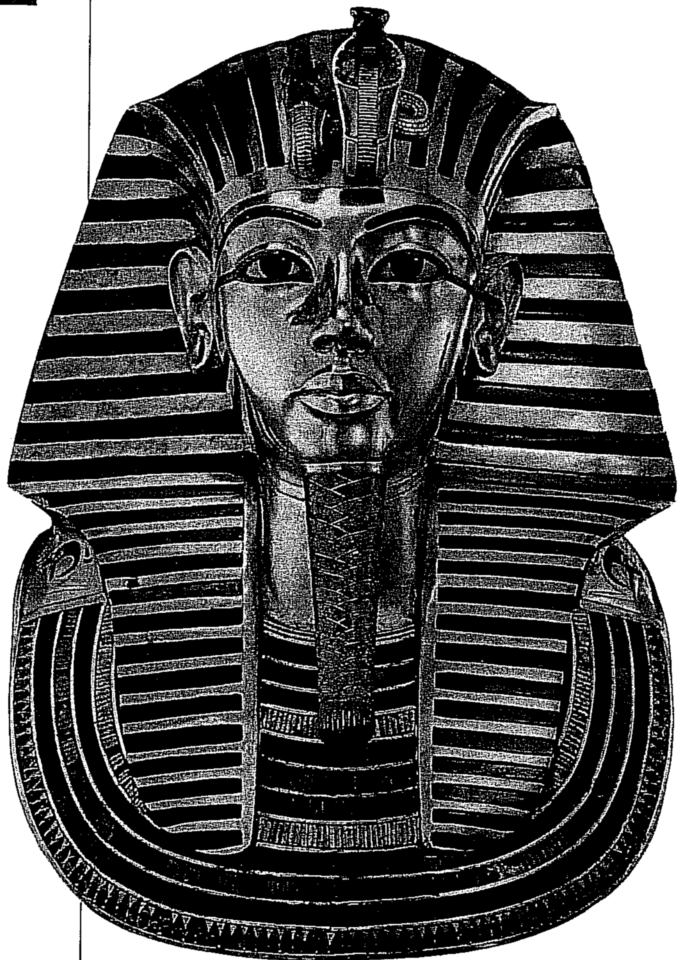
The "Treasures of Tutankhamen" Exhibit opens at the Metropolitan Museum of Art and is viewed by 1.3 million people over four months.



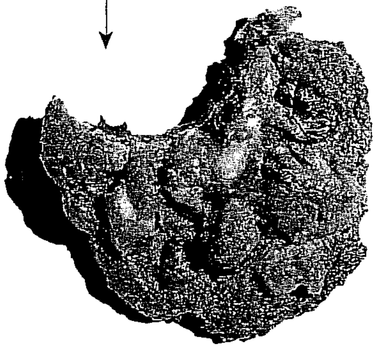
HDC

79

Pope John Paul II visits New York.

79

The first David's Cookies store opens on Second Avenue.



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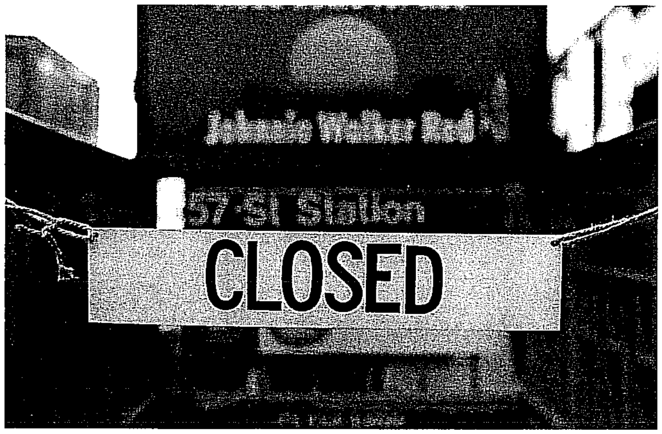
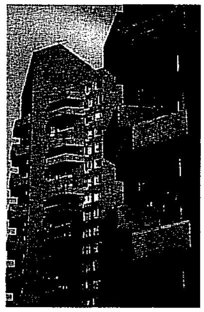
Some 33,000 subway and bus workers strike, shutting down mass transit in New York City.



80

Completing the refinancing of the City's Mitchell-Lama portfolio, the Corporation issues $108,975,000 in 40-year bonds for eight projects including 1199 Plaza in East Harlem. In total, the Corporation refinances 88 Mitchell-Lama mortgages, raising $500,000,000 in proceeds for the City.



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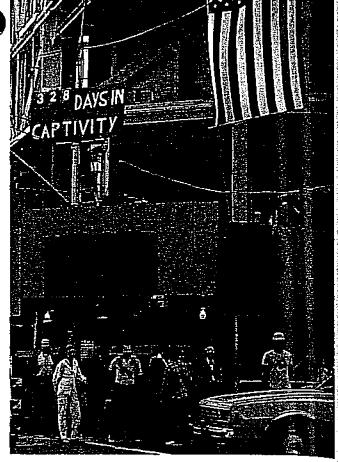
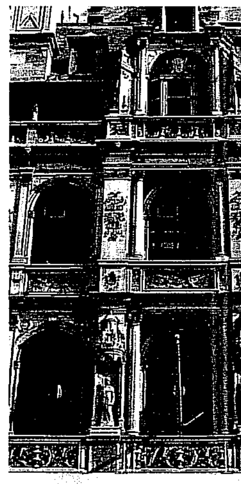


Ronald Reagan is elected President following rapid inflation of the late 1970's, the second "oil shock" of the decade and the seizure of American hostages in Iran. The Reagan Revolution results in the virtual elimination of most Federally subsidized housing programs, costing the City over $1.6 billion in Federal housing aid during the 1980's.



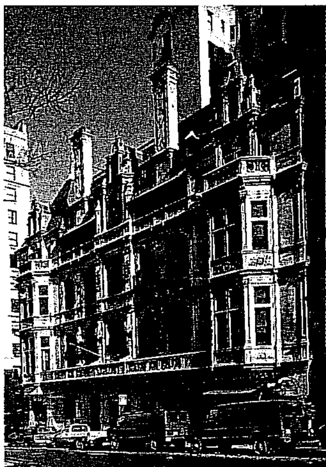
The Center for Disease Control identifies the first cases of a disease which comes to be known as AIDS.

81

Simon and Garfunkel perform a "reunion" concert in Central Park before an estimated crowd of 750,000.

81

The New York City Landmarks Preservation Commission confers landmark status on 1,044 buildings on almost every block between 61st and 79th Streets from 5th Avenue to Lexington Avenue.



82

Mario M. Cuomo is elected Governor of New York State.

82

A study finds that the average selling price of a 4.5 room "luxury" Manhattan coop apartment has nearly quadrupled in the last 8 years while average rents for similar apartments increased from $525 to $2,000/month.

82

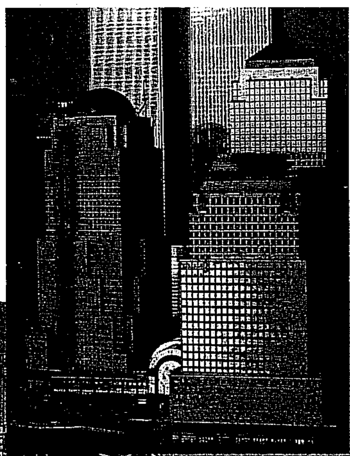
The Corporation continues its ambitious effort, begun in 1979, to finance federally subsidized Section 8 housing. Faced with the highest interest rates in the post-World War II period, HDC markets over $240 million in tax-exempt obligations to provide financing for 41 developments containing over 4,200 low income units.

By 1984, the Corporation provides $570,000,000 in financing for over 10,000 units of Section 8 housing which the City had been awarded prior to the Federal government's 1981 withdrawal from its historical role in providing affordable housing for low and moderate income families. During this period, HDC also provides $218,000,000 in construction financing for over 3,800 units of Public Housing.

As the phenomenon of homelessness gains increasing attention, the City is reported to house more than 700 families in temporary shelters and hotels.

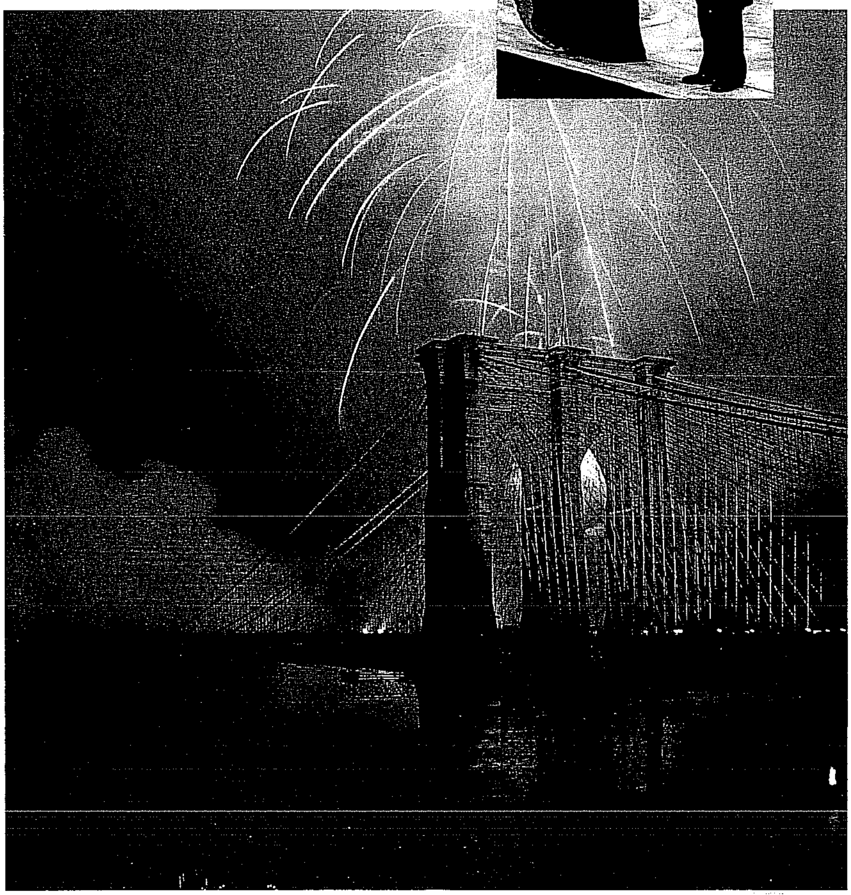
83

As symbols of the City's resurging economy, ground is broken for the construction of four commercial office towers comprising the World Financial Center complex in Battery Park City, and Phase I of the South Street Seaport redevelopment project opens.



83

The City celebrates the 100th anniversary of the Brooklyn Bridge and the Metropolitan Opera.



84

The Corporation inaugurates its 80/20 mixed-income rental housing program with the issuance of variable rate bonds, backed by a commercial bank letter of credit, to provide financing for the 460-unit Carnegie Park development in the Ruppert Brewery Urban Renewal Area of Manhattan.

The financing is made possible by passage of State legislation which authorizes the Corporation to issue bonds to make "loans to lenders" or provide direct loans to finance housing in blighted areas or for families not served by private enterprise. The financing also symbolizes the City's resurgence, as the provision of the low income units in 80/20 projects is made possible by the rent levels paid by the market rate tenants.

84

85

In a year of unprecedented activity, the Corporation finances seven 80/20 developments containing 2,150 units. Five of the projects, spanning a ten-block area from West 87th to 97th Streets on Columbus Avenue, permit the City to substantially complete the West Side Urban Renewal Area.

The Corporation, in conjunction with the City's Department of Housing Preservation and Development, also finances 2,640 units of moderately rehabilitated housing and over 400 units of newly constructed moderate income rental housing subsidized by the City with surplus funds of the Municipal Assistance Corporation.

"Crack",
a potent, smokeable derivative of cocaine invades the city.

John O'Connor is appointed Archbishop of New York.

85

Leontyne Price gives her farewell performance at the Metropolitan Opera.

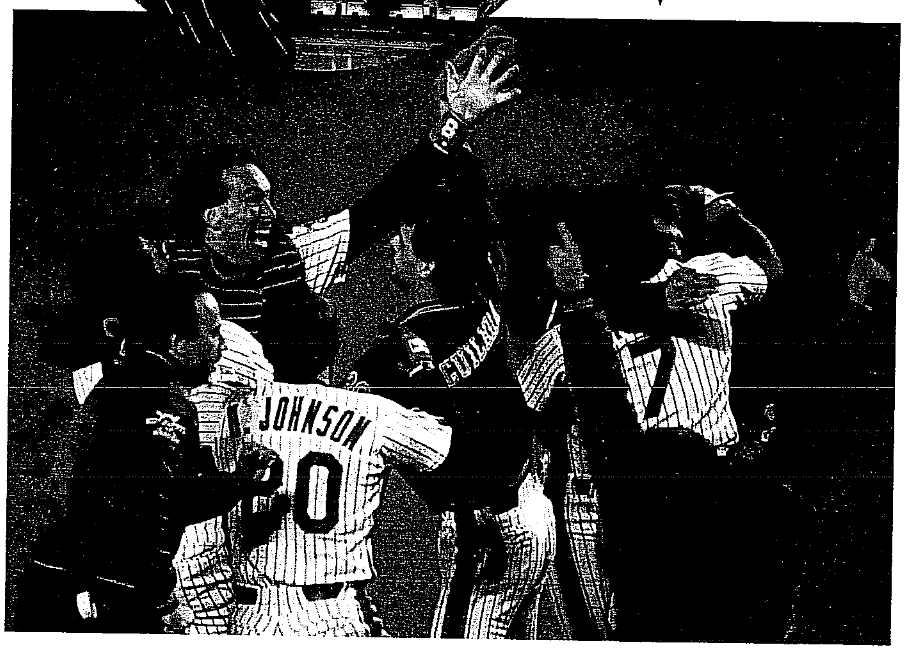
86

New York celebrates the centennial of the restored Statue of Liberty.

86

Congress passes the Tax Reform Act which severely limits the issuance of tax-exempt housing bonds, but creates the Low Income Housing Tax Credit.

The New York Mets defeat the Boston Red Sox to win the World Series.



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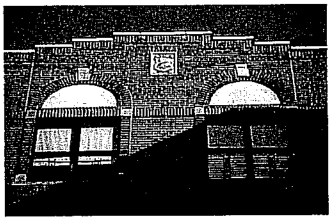
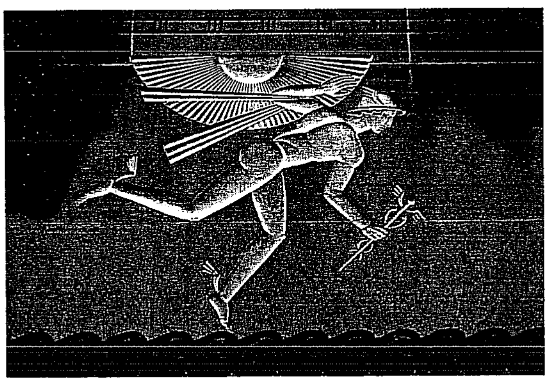


The Housing New York Corporation, an HDC subsidiary, raises $142,600,000 to finance the renovation of 59 vacant City-owned buildings in Harlem and the South Bronx containing 1,620 units of homeless and low income housing. The financing is made possible by State legislation which creates the Housing New York Corporation and authorizes it to issue bonds which are to be repaid from revenues generated by the Battery Park City Authority.

The Housing New York Program symbolizes the City's reliance on its own resources to combat a major crisis in affordable housing resulting from the Federal government's abdication of its historic role. The City incorporates the Housing New York Program into a multi-billion dollar Ten-Year Housing Program to build, rehabilitate and preserve 250,000 affordable housing units, the most comprehensive municipally funded housing program in the nation's history.

NBC reaches agreement with the City to remain at Rockefeller Center, its headquarters for over 50 years.



87

The stock market crash of October 17 sends the Dow Jones Industrial Average down 508 points, the largest one-day decline in history, thus setting the stage for the downturn in New York's economy.

The "Cube", the first cooperative residence in the nation for the homeless, opens on the Lower East Side. 22 families from NYC shelters move in.

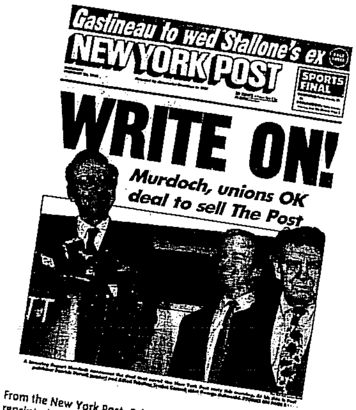
88

The Corporation commences its Development Services Program by committing its reserves to fund loans to not-for-profit corporations developing homeless and low income housing under various City programs. In its first effort, HDC provides $2,500,000 in interest free Seed Money Loans to 18 not-for-profit sponsors of HPD's Capital Budget Homeless Housing Program projects permitting them to fund various pre-development expenses. The HDC loans leverage $71,700,000 in funds which rehabilitate 874 units for homeless individuals with special needs.

Through 1991, the Corporation commits over $13,000,000 in seed money for projects containing over 3,600 units of homeless and low income housing.

88

Real estate developer Peter Kalikow buys the New York Post from Rupert Murdock as unions make $22 million in concessions to save the nation's oldest daily newspaper.



From the New York Post, February 20, 1988
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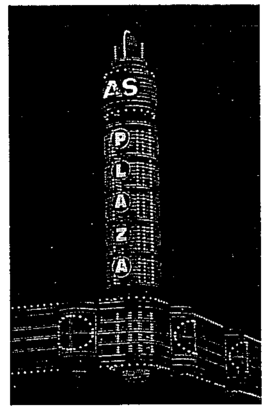
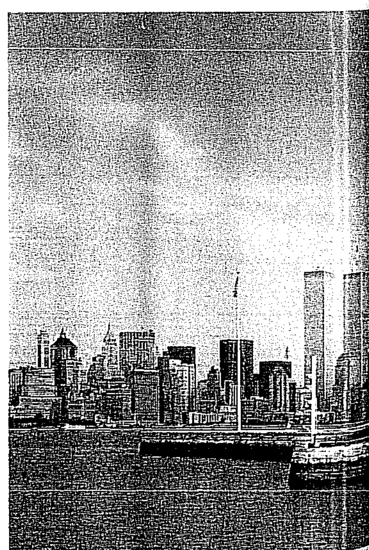
89



A&S Plaza, the most ambitious shopping mall ever constructed in Manhattan, opens at Herald Square and 33rd Street on the former site of the Gimbel's department store.

After the Board of Estimate is declared unconstitutional, the City Charter is revised to expand the City Council to increase representation to the City's minority communities.

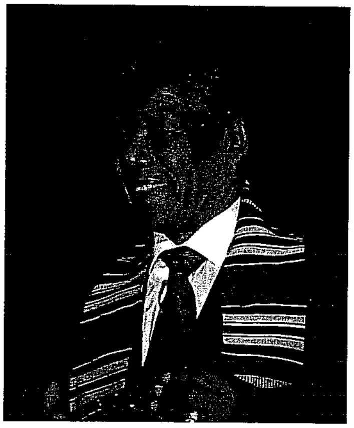


90

David N. Dinkins is sworn in as the first African-American Mayor of the nation's largest city.

90

The City welcomes African National Congress leader Nelson Mandela following his long awaited release from a South African prison.



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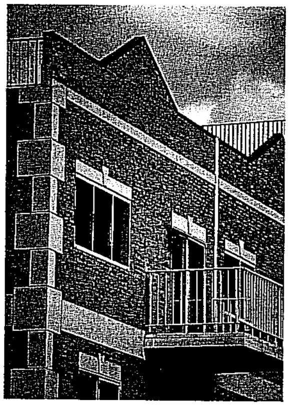
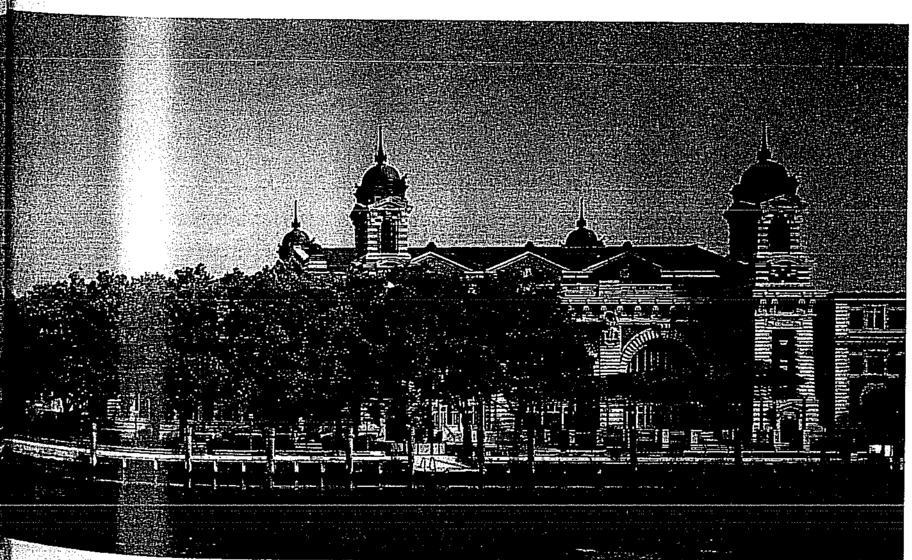


HDC's role in affordable housing is broadened with the initiation of a tax-exempt bond program for limited-equity cooperatives. The Corporation sells $18,215,000 in bonds to fund the permanent mortgages of a 105-unit cooperative located in the Williamsburg section of Brooklyn and six cooperatives being developed in the South Bronx.

90

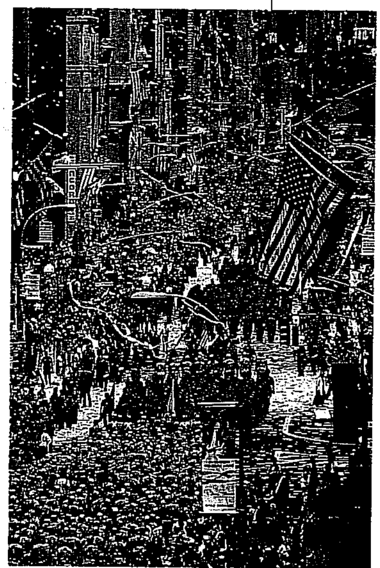
The State and City confront severe budget problems as a national recession, which particularly affects "white collar" financial and real estate industries, strikes.

Ellis Island, America's gateway to twelve million immigrants, reopens as a museum.



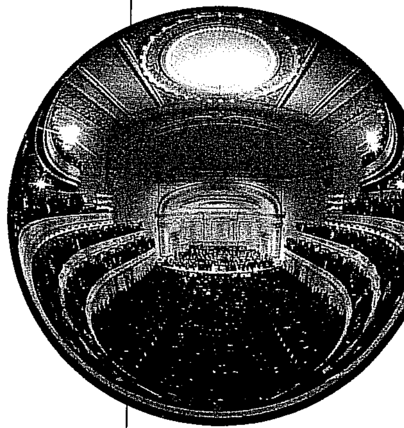
91

Millions of New Yorkers give returning soldiers from the Persian Gulf the largest ticker-tape parade in the City's history.



91

Carnegie Hall celebrates its 100th birthday.



The Corporation significantly expands its award winning Development Services Program by committing an additional $6,875,000 in interest free Working Capital Loans to the not-for-profit sponsors of HPD's Special Initiatives, Community Management and Mutual Housing Association Program projects. The Working Capital Loans enable the not-for-profits to hire staff, rent up buildings renovated by the City and provide social services for the homeless residents.


A.


B.


C.


D.

A. Left to Right
Felice Michetti
Charles A. Brass
David S. Boccio

B. Left to Right
George Glee, Jr.
Abraham J. Greenstein
Harry E. Gould, Jr.

C. Left to Right
Carol O'Cleireacain
David Emil
Philip R. Michael

D. Left to Right
Martin I. Siroka
Pazel G. Jackson

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 ex-officio; the Finance Commissioner of The City of New York, serving ex-officio; and four public members, two appointed by the Mayor and two appointed by the Governor.

MEMBERS

Felice Michetti, *Chairman and Member ex-officio.* Ms. Michetti was appointed Commissioner of HPD effective March 16, 1990. Ms. Michetti concurrently serves as President of the Corporation. Prior to being appointed Commissioner, she held the position of First Deputy Commissioner for Policy, Planning and Production of HPD. Prior to her appointment as First Deputy Commissioner, Ms. Michetti served as Deputy Commissioner of HPD's Office of Property Management. Before that, she was Assistant Commissioner for Rehabilitation Finance at HPD. Ms. Michetti began her public service career with the Department of City Planning in 1973 and joined HPD in 1979. Ms. Michetti is a graduate of Fordham Law School and a member of the New York Bar.

George Glee, Jr., *Vice Chairman and Member, term expires January 1, 1993.* Mr. Glee is Executive Director of the Vannguard 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 he served as consultant to the John Hay Whitney Foundation and was Vice President for Economic Development of the Bedford Stuyvesant Restoration Corporation for nine years.

Philip R. Michael, *Member ex-officio.* Mr. Michael is Director of Management and Budget of the City, to which office he was appointed on January 1, 1990. He most recently served as Executive Director of the New York State Financial Control Board from 1988 to 1989. Prior to that he held positions first as an investment banker for Merrill Lynch and then as general counsel for Sanus Health Corporation. During the period from 1972 to 1984, Mr. Michael served the City in various capacities including Finance Commissioner, Chairman of the New York City Employees Retirement System, First Deputy Commissioner of the Department of Investigation and Deputy Police Commissioner for Trials. From 1965 to 1972, Mr. Michael was a Senior Trial Attorney for the U.S. Department of Justice in its Organized Crime and Racketeering Section.

Carol O'Cleireacain, *Member ex-officio.* Dr. O'Cleireacain was appointed Commissioner of Finance effective February 20, 1990. For the thirteen years prior to her appointment she served as the Chief Economist for District Council 37 of the American Federation of State, County and Municipal Employees. She is Chairman of the Board of Trustees of the New York City Employees Retirement System and a Trustee of the police, fire and teachers retirement funds. In addition, she has served on the faculty at the New School for Social Research, Columbia University, Sarah Lawrence College, Manhattanville College and the University of London, and was a senior research associate at the Bildner Center for Western Hemisphere Studies at the City University of New York Graduate Center. She holds a doctorate in economics from the London School of Economics.

Pazel G. Jackson, Jr., *Member, serving pursuant to law.* Mr. Jackson is Senior Vice President of Chemical Bank. Mr. Jackson was formerly Senior Vice President of the Bowery Savings Bank until 1986, Vice Chairman of the Battery Park City Authority from 1979 to 1986, a Director of the New York State Urban Development Corporation from 1975 to 1986, a Director of the National Corporation for Housing Partnerships from 1970 to 1989 and a Director of the Bedford Stuyvesant Restoration Corporation from 1967 to 1989. Mr. Jackson was formerly Assistant Commissioner of the City Department of Buildings and Chief of Design of the 1964-1965 New York World's Fair Corporation. Mr. Jackson is a licensed professional engineer.

Harry E. Gould, Jr., *Member, serving pursuant to law.* Mr. Gould is Chairman, President and Chief Executive Officer of Gould Paper Corporation. He was Chairman and President of Cinema Group, Inc., a major independent film financing and production company, from 1982 to 1986, and is currently Chairman and President of Signature Communications Ltd., a new company that is active in the same field. He was a member of Colgate University's Board of Trustees from 1976 to 1982. He was a member and served on the Executive Committee of the President's Export Council, and was Chairman of the Export Expansion Subcommittee from 1977 to 1980. He is a National Trustee of the National Symphony Orchestra, Washington, D.C., also serving as a member of its Executive Committee. He is also a member of the Board of Directors of the USO of Metropolitan New York, the United Cerebral Palsy Research and Educational Foundation, and the National Multiple Sclerosis Society of New York and is a trustee of the Riverdale Country School.

David Emil, *Member, Term expires January 1, 1995.* Mr. Emil has served as President and Chief Executive Officer of the Battery Park City Authority since October 1988. Previously, Mr. Emil served as Deputy Commissioner and General Counsel of the New York State Department of Social Services from May 1983 through September 1988. He was an associate in the corporate and public finance departments of the law firm of Willkie Farr & Gallagher from January 1981 to April 1983, and from November 1977 to January 1979. He served as an Assistant Counsel to the Governor of the State of New York from January 1979 to December 1980.

OFFICERS

Felice Michetti, *President.*

Abraham J. Greenstein, *Executive Vice President.* Mr. Greenstein was appointed Executive Vice President on September 1, 1988. Mr. Greenstein joined the Corporation in January 1983, and was appointed Vice President-Treasurer of the Corporation in April 1983, and Senior Vice President for Finance in February 1985. Prior to joining the Corporation, Mr. Greenstein served in the New York State Comptroller's Office for ten years.

Martin I. Siroka, *Vice President and General Counsel.* Mr. Siroka, an attorney and member of the New York Bar, assumed the role of Vice President and General Counsel in January, 1987. He previously served the Corporation as Deputy General Counsel and Secretary. Prior to joining the Corporation in 1982, he held various legal positions with HPD.

Charles A. Brass, *Vice President for Development.* Mr. Brass was appointed Vice President for Development on December 13, 1991. He joined the Corporation in March 1984 and had held various positions in the Development Department until his appointment as Vice President. From 1981 to 1984, Mr. Brass worked for HPD's Development and Policy Departments.

David S. Boccio, *Deputy General Counsel and Secretary.* Mr. Boccio joined the Corporation in December, 1986, and was appointed Deputy General Counsel and Secretary in January, 1987. Prior to joining the Corporation, he was associated with a law firm in Washington, D.C. He is a member of the New York, Maryland and District of Columbia Bars.

General Housing Program

Project name	loan amount	number of units
Brooklyn		
Linden Plaza	$ 50,351,000	1,527
Manhattan		
Independence Plaza	$ 64,595,000	1,332
Knickerbocker Plaza	24,844,000	578
North Waterside	12,859,000	370
Waterside	$ 61,577,000	1,100
Yorkville Towers	62,712,000	1,258
Queens		
Kew Gardens Hills	$ 10,367,000	1,269
Ocean Park	18,266,000	602
TOTAL	**$305,571,000**	**8,036**

Mitchell-Lama (223-F Refinancings)

Project name	loan amount	number of units
Bronx		
Einstein Staff Housing	$ 8,779,982	634
Allerville Arms	2,251,100	212
Boulevard Towers I	3,299,300	329
Boulevard Towers II	6,762,925	356
Bruckner Towers	2,656,500	208
Candia House	1,405,093	103
Carol Gardens	3,330,000	314
Corlear Gardens	972,100	117
Delos House	1,555,431	124
Fordham Towers	1,296,100	168
Highbridge House	9,003,841	400
Janel Towers	3,914,254	229
Keith Plaza	6,816,400	301
Kelly Towers	4,526,500	301
Kingsbridge Apts.	1,997,998	90
Kingsbridge Arms	769,700	105
Montefiore Hospital II	7,662,400	398
Noble Mansion	2,618,800	236
Park Lane	7,657,115	353
Robert Fulton Terrace	2,357,900	320
Scott Towers	2,748,700	351
Stevenson Commons	25,000,000	947
Stevenson Towers	3,694,352	122
University River View	5,797,364	225
Woodstock Terrace	2,213,400	319
Brooklyn		
Atlantic Plaza Towers	$ 5,375,400	716
Atlantic Terminal 2C	4,666,776	200
Atlantic Terminal 4A	6,933,501	304
Brighton House	1,477,000	191
Cadman Plaza North	2,081,300	250
Cadman Towers	9,487,100	421
Contello III	1,277,900	160
Crown Gardens	5,882,600	238
Essex Terrace	1,749,130	104
Middagh Street Apts.	1,008,800	43
Prospect Towers	2,193,800	153
Tivoli Towers	8,098,200	302
Manhattan		
1199 Plaza	$ 59,708,979	1,586
Beekman Staff Residence	$ 1,226,300	90
Bethune Towers	1,518,400	133
Clinton Towers	10,288,191	396
Columbus House	3,502,500	248
Columbus Manor	2,500,000	202
Columbus Park	1,467,900	162
Confucius Plaza	23,266,433	760
Cooper-Gramercy	4,764,408	167
East Midtown Plaza	17,157,400	746
Esplanade Gardens	14,437,500	1,870
Glenn Gardens	8,196,000	266
Goddard Towers	2,381,600	193
Gouveneur Gardens	5,993,600	778
Hamilton House	4,880,536	176
Henry Phipps Plaza	5,152,034	103
Heywood Towers	5,396,763	188
Hudsonview Terrace	11,546,500	395
Jefferson Towers	1,619,000	189
Lands End I	7,206,404	250
Leader House	6,267,800	279
Lincoln-Amsterdam	6,028,500	186
New Amsterdam House	6,459,700	228
Polyclinic Apartments	1,323,100	139
RNA House	1,841,600	207
Riverbend	8,267,900	622
Riverside Park	26,021,800	1,190
Rosalie Manning Apts.	903,100	108
Ruppert House	16,778,000	652
St. Martin's Tower	2,865,500	179
Strycker's Bay	1,792,700	233
Tanya Towers	5,309,215	138
Tower West	3,985,859	216
Town House West	1,100,000	47
Tri-Faith House	1,494,800	147
Trinity House	2,540,500	199
Village East Towers	3,560,600	434
Washington Sq., S.E.	1,905,200	174
West Side Manor	3,147,200	245
West Village	12,034,500	420
Westview Apartments	1,656,000	137
Westwood House	1,498,878	124

Mitchell-Lama (223-F Refinancings), continued

Project name	loan amount	number of units
Queens		
Bay Towers	$ 5,475,544	374
Bridgeview III	1,950,907	170
Court Plaza	5,368,893	246
Dayton Towers	14,871,800	1,752
Forest Hills Crescent	1,756,976	240
Goodwill Terrace	$ 3,596,881	207
Seaview Towers	13,264,700	461
Sky View Towers	3,910,900	232
Staten Island		
North Shore Plaza	$ 17,112,240	535
TOTAL	**$545,620,503**	**29,763**

Section 8 Program

Project name	loan amount	number of units
Bronx		
1988 Davidson Avenue	$ 2,606,400	48
2404,2412,2416 Crotona	3,222,800	74
Academy Gardens	18,120,300	471
Alexander A. Corprew	4,380,500	78
Beck Street Rehab	4,361,000	81
Brookhaven I	5,673,500	95
Clinton Arms	4,962,700	86
Faile Street Rehab.	5,240,600	95
Fairmont Pl. Apts.	1,586,400	28
Felisa Rincon de Gautier Houses	7,420,400	109
Highbridge Concourse II	9,403,700	173
Hunts Point I	7,769,000	125
Jerome Terrace Apartments	3,875,400	79
Kingsbridge-Decatur I	4,290,300	80
Lewis Morris Apartments	10,098,700	271
McGee Hill Apts.	3,677,200	59
McKinley Manor	3,738,100	60
Macombs Village	10,075,600	172
Mid-Bronx Devel. II	8,833,500	159
Mid-Bronx Devel. III	4,215,000	75
Miramar Court	4,895,900	90
Morris Heights Mews	6,146,500	110
Morrisania IV	10,932,900	211
Pueblo de Mayaguez—I	4,103,700	76
Rainbow Plaza	9,221,700	127
SEBCO/Banana Kelly	4,510,200	65
Sebco IV	4,077,600	71
Southern Boulevard IV	4,999,200	89
Target V—Phase I	5,026,000	83
Thessalonica Courts	14,018,900	192
Villa Alejandrina	4,084,600	71
Washington Plaza	4,954,000	75
Woodycrest Court Apts.	6,531,800	115
Woodycrest Court II	3,199,800	58
Brooklyn		
1451 Development	$ 1,830,400	34
1596 Development	843,700	17
1650 President Street	2,411,200	48
80-86 Houses	5,153,600	97
Ambassador Terrace	$ 2,990,100	66
Boro Park Courts	8,459,100	131
Brownsville Gardens	10,788,900	162
Crown Heights—1	2,197,400	36
Crown Heights—2	1,744,700	32
Fulton Park Sites 7 & 8	13,780,700	209
La Cabana	9,603,700	167
Newport Gardens	17,893,300	240
Norgate Plaza	10,608,500	214
Penn Gardens I	4,183,300	90
President Arms Apts.	1,326,500	32
Prospect Arms Apts.	3,505,700	91
Prospect Heights 510	1,709,100	32
Prospect Heights Rehab	3,469,000	63
Pulaski Manor	3,319,400	65
Rose Gardens	6,855,300	135
St. John's Phase I	9,134,400	192
Sunset Park NSA I	9,582,900	187
Sunset Park NSA Group II	6,920,800	148
Sutter Gardens	13,800,500	258
Tri Block	4,813,100	96
Union Gardens I	3,335,500	61
Manhattan		
Audubon Apts.	$ 4,773,000	88
Caparra La Nueva	5,956,600	84
Charles Hill Towers	7,373,200	101
Cooper Square	10,726,100	146
Ennis Francis Houses	16,794,100	230
Hamilton Heights Terrace	8,654,300	132
Harlem Gateway II	5,229,700	91
Hudson Piers II	4,333,000	83
IMPAC Houses	6,808,400	120
Icarus	2,125,600	41
L.I.R.A.	9,475,200	152
Lenoxville	5,584,700	118
Lexington Gardens	7,786,900	108
Lower East Side—Phase II	5,665,000	100
McKenna Square Houses	5,817,300	104
MS Houses	7,714,400	131

Section 8 Program, continued

Project name	loan amount	number of units
Malcolm X-II Phase A	$ 4,938,600	91
Malcolm X-II Phase B	2,710,100	47
Manhattan Avenue Apts.	4,124,900	81
Metro North Court	6,063,300	91
Mother Zion McMurray	4,631,200	76
North Park Apts.	6,856,300	123
Nueva Era Apts.	1,761,400	34
Paul Robeson Houses	4,603,000	81
Pueblo Nuevo	9,940,300	172
Renaissance Courts	2,568,400	49
Revive 103	$ 4,318,000	60
St. Nicholas Manor	5,680,400	112
Site A-Washington Hts.	6,598,800	110
Roberto Clemente Houses	6,470,700	126
West 107th Street	3,194,900	61
Will' A View Apts.	3,777,300	55
Staten Island		
Richmond Gardens	$ 7,357,000	141
TOTAL	$570,926,800	10,093

Public Housing Turnkey Program

Project name	loan amount	number of units
Bronx		
Claremont Community—4	$ 7,924,000	150
Claremont Pkwy./Franklin Ave.	10,184,000	188
E. 173 St./Vyse Ave.	10,372,500	188
E. 165 St./Bryant Ave.	6,745,500	111
Harrison Avenue	10,432,000	184
Macombs Road	8,950,000	156
Morris Heights	15,500,000	315
South Bronx Site 402	6,970,500	114
Stebbins-Hewitt	7,452,261	120
University Avenue	13,000,000	230
West Farms Road	12,355,000	208
Brooklyn		
Belmont-Sutter	$ 4,400,000	72
Bushwick II CDA, Group E	$ 17,634,000	276
Crown Heights	5,890,000	121
Howard-Grafton	9,542,500	150
Lenox Road Rockaway Pkway.	3,915,000	74
Park Rock	7,000,000	134
Tapscott Street	8,575,000	155
Manhattan		
Lower East Side—5	$ 3,400,000	55
Lower East Side I	11,988,000	180
P.S. 139	6,570,000	125
UPACA Site 5	11,200,000	200
UPACA Site 6	8,679,290	150
Washington Hts.—Site B	10,200,000	180
TOTAL:	$218,879,551	3,836

80/20 New Construction Program

Project name	loan amount	number of units
Manhattan		
Carnegie Park	$ 70,000,000	462
600 Columbus	24,600,000	166
Westmont	32,500,000	163
Columbus Green	14,500,000	95
James Tower	30,000,000	201
New York Hospital	$115,582,688	520
Key West	49,000,000	207
The Ellington Development	33,910,000	216
Manhattan Park/Roosevelt Is.	158,466,700	1,107
175 East 96th Street	104,600,000	522
TOTAL	$633,159,388	3,659

Moderate Rehabilitation Program

Project name	loan amount	number of units
Bronx		
Allerton Coops	$ 6,094,365	698
Brooklyn		
Ditmas Arms	$ 2,235,000	66
Ocean Avenue	499,765	49
Washington Avenue	1,186,609	102
Linden Blvd.	1,047,161	101
Manhattan		
Kamol Apts.	$ 995,736	48
White Star Houses	549,147	52
Queens		
Cunningham Heights Phase I & II	$ 20,370,000	1,056
Met Houses III	5,432,051	468
TOTAL	$38,409,834	2,640

Moderate Income Rental Housing Program

Project name	HDC Loan	HAC Loan	number of units
Bronx			
St. Edmond's Ct.	-	$ 5,550,000	111
2051 Grand Concourse	$ 4,450,000[1]	-	63
Brooklyn			
1010 Dev.	$ 919,000[1]	-	16
405 Dev.	-	$ 945,000	24
Golden Gates	-	4,225,000	85
196 Rockaway Pkwy.	-	2,617,000	71
255 Ocean Ave.	-	1,808,000	40
Manhattan			
Logan Plaza	$10,291,000[1]	$ 1,845,400	130
Upper Fifth Ave.	10,000,000	9,245,100	151
Queens			
Scheur House	$13,229,700[1]	-	155
Queenswood	11,200,600	$17,939,100	296
Astoria Apts.	2,193,200	3,951,000	62
Staten Island			
Harbour View	$ 9,713,500[1]	-	122
TOTAL	$61,997,000 (HDC)	$48,125,600 (HAC)	1,326

[1]Project receives annual subsidy from the Housing Assistance Corporation

HoDAG Program

Project name	loan amount	number of units
Bronx		
1290/1326 Grand Concourse	$ 3,680,000	104
Robin Housing	2,977,600	101
Artist's Housing	915,400	23
Brooklyn		
285 Development	$ 1,800,000	58
Willoughby/Wyckoff Apts.	$ 2,755,400	68
Woodruff Apts.	3,250,000	84
Manhattan		
Revive 103 North	$ 1,863,000	30
TOTAL	$17,241,400	468

Housing New York – Construction Management Program

Project name	loan amount	number of units
Bronx		
New Settlement Apts.	$ 99,185,602	893
Manhattan		
NYC Housing Auth. Harlem Site	$ 43,414,398	727
TOTAL	$142,600,000	1,620

Vacant Building Program

Project name	loan amount	number of units
Bronx		
Sheridan Manor	$10,979,000	450

Limited Equity Cooperative Program

Project name	loan amount	number of units
Bronx		
South Bronx Cooperatives:		
Daly Avenue	$ 1,888,304	32
Tremont-Vyse I	1,416,228	24
Tremont-Vyse II	1,062,171	18
Tremont-Vyse III	1,770,285	30
Highbridge Village	$ 1,800,860	32
Harrison Houses	2,819,309	50
Brooklyn		
South Williamsburg	$ 6,645,000	105
TOTAL	$17,402,157	291

COMBINED BALANCE SHEET

October 31, 1991 (with comparative combined total as of October 31, 1990)

(in thousands)		Housing Development Corporation Programs	Housing Assistance Corporation Programs	Housing New York Corporation Programs	Combined Total 1991	Combined Total 1990
ASSETS	Cash	$ 127	-	4	131	314
	Investments *(note 4)*	623,287	33,284	75,390	731,961	854,420
	Total cash and investments	623,414	33,284	75,394	732,092	854,734
	Receivables:					
	Mortgage loans *(note 5)*	1,619,020	44,165	-	1,663,185	1,624,089
	Accrued interest	11,124	435	-	11,559	11,063
	Sale of mortgages	6,156	-	-	6,156	6,426
	Other *(note 6)*	11,332	-	161,185	172,517	139,379
	Total receivables	1,647,632	44,600	161,185	1,853,417	1,780,957
	Unamortized issuance costs	16,383	-	3,520	19,903	20,195
	Due from (to) other funds	(6,112)	6,144	(32)	-	-
	Fixed assets	494	-	-	494	574
	Other assets	334	-	-	334	330
	Total Assets	$2,282,145	84,028	240,067	2,606,240	2,656,790
LIABILITIES AND FUND BALANCES	**Liabilities:**					
	Bonds and notes payable *(note 7)*	1,776,172	-	209,996	1,986,168	2,055,722
	Discount on bonds payable	(3,669)	-	(188)	(3,857)	(3,918)
	Accrued interest payable	67,062	-	13,512	80,574	74,551
	Payable to the City of New York *(note 9)*	48,741	84,028	16,691	149,460	153,894
	Payable to mortgagors	70,988	-	-	70,988	63,601
	Restricted earnings on investments	2,601	-	-	2,601	2,125
	Accounts and other payables	575	-	15	590	939
	Deferred fee and mortgage income	26,581	-	-	26,581	26,511
	Due to the United States Government *(note 11)*	2,031	-	41	2,072	2,579
	Total liabilities	1,991,082	84,028	240,067	2,315,177	2,376,004
	Fund balances:					
	Restricted	205,760	-	-	205,760	174,510
	Unrestricted	85,303	-	-	85,303	106,276
	Total fund balances	291,063	-	-	291,063	280,786
	Commitments and Contingencies *(notes 9, 12, & 13)*					
	Total Liabilities and Fund Balances	$2,282,145	84,028	240,067	2,606,240	2,656,790

See accompanying notes to the combined financial statements.

COMBINED STATEMENT OF REVENUES AND EXPENSES

October 31, 1991 (with comparative combined total as of October 31, 1990)

	(in thousands)	Housing Development Corporation Programs	Housing Assistance Corporation Programs	Housing New York Corporation Programs	Combined Total 1991	Combined Total 1990
REVENUES	Interest on loans	$127,805	–	–	127,805	124,542
	Earnings on investments	41,311	–	5,296	46,607	58,636
	Fees and charges *(note 11)*	4,268	–	–	4,268	3,545
	Gain on early retirement of debt	17	–	–	17	172
	Other	2	–	13,542	13,544	8,221
	Total Revenues	173,403	–	18,838	192,241	195,116
EXPENSES	Interest and amortization	133,943	–	18,466	152,409	156,314
	Salaries and related expenses	3,836	–	–	3,836	3,700
	Services of New York City	335	–	–	335	335
	Trustees' & Other fees *(note 5)*	2,483	–	156	2,639	5,398
	Amortization of debt issuance costs	1,719	–	216	1,935	1,776
	Corporate operating expenses	1,409	–	–	1,409	1,525
	Non-operating expenses *(note 9)*	3,389	–	–	3,389	3,422
	Total expenses	147,114	–	18,838	165,952	172,470
	Excess of Revenues Over Expenses	$ 26,289	–	–	26,289	22,646
	Allocation of Excess of Revenues Over Expenses:					
	Restricted fund balance	18,088	–	–	18,088	17,075
	Unrestricted fund balance	8,201	–	–	8,201	5,571
	Total	$ 26,289	–	–	26,289	22,646

See accompanying notes to the combined financial statements.

COMBINED STATEMENT OF CHANGES IN FUND BALANCES

October 31, 1991 (with comparative combined total as of October 31, 1990)

	(in thousands)	Housing Development Corporation Programs	Housing Assistance Corporation Programs	Housing New York Corporation Programs	Combined Total 1991	Combined Total 1990
RESTRICTED	Balance at beginning of year	$174,510	–	–	174,510	158,074
	Excess of revenues over expenses	18,088	–	–	18,088	17,075
	Distributions to New York City *(note 5)*	(16,012)	–	–	(16,012)	–
	Net transfers from (to) unrestricted fund balances	29,174	–	–	29,174	(639)
	Balance at end of year	205,760	–	–	205,760	174,510
UNRESTRICTED	Balance at beginning of year	106,276	–	–	106,276	100,066
	Excess of revenues over expenses	8,201	–	–	8,201	5,571
	Net transfers from (to) restricted fund balances	(29,174)	–	–	(29,174)	639
	Balance at end of year	85,303	–	–	85,303	106,276
	Total Fund Balances at End of Year	$291,063	–	–	291,063	280,786

See accompanying notes to the combined financial statements.

COMBINED STATEMENT OF CASH FLOWS

October 31, 1991 (with comparative combined total as of October 31, 1990)

CASH FLOWS FROM OPERATING ACTIVITIES

(in thousands)	Housing Development Corporation Programs	Housing Assistance Corporation Programs	Housing New York Corporation Programs	Combined Total 1991	Combined Total 1990
Excess of revenues over expenses:	$26,289	-	-	26,289	22,646
Net adjustments to reconcile excess of revenues over expenses to net cash provided by (used in) operating activities *(note 2)*	287	(1)	225	511	(322)
Changes in assets and liabilities:					
Net change in accrued bond and note interest payable	4,603	-	1,420	6,023	7,380
Net change in investment interest receivable	680	10	(392)	298	610
Net change in accrued earnings payable to mortgagors	40	-	-	40	(103)
Net change in accrued earnings payable to the City of New York	4,740	3,084	189	8,013	10,119
Net change in other assets	(67)	-	62	(5)	(74)
Net change in accounts and other payables	(364)	-	15	(349)	(330)
Net change in accrued mortgage and loan interest receivable	(143)	(170)	-	(313)	1,490
Net change in other receivables	3	-	-	3	(390)
Net change in receivable from Battery Park City	-	-	(3,596)	(3,596)	(6,296)
Net change in servicing fee receivable	21	-	-	21	876
Net transfers between programs	(16)	-	16	-	-
Net change in due to the United States Government	256	-	4	260	(149)
Total changes in assets and liabilities	$ 9,753	2,924	(2,282)	10,395	13,133
Restricted earnings on investments	613	-	-	613	1,939
Receipt of mortgagor and other escrows	54,254	-	73,137	127,391	49,794
Deferred commitment and financing fees	246	-	-	246	2,003
Disbursements of mortgagor escrows	(45,548)	-	-	(45,548)	(40,658)
Disbursements to the City of New York	(45,805)	(2,494)	(91,781)	(140,080)	(111,801)
Issuance costs	(1,514)	-	-	(1,514)	(1,173)
Total adjustments to reconcile excess of revenues over expenses	(27,714)	429	(20,701)	(47,986)	(87,085)
Net Cash Provided By (Used In) Operating Activities	$ (1,425)	429	(20,701)	(21,697)	(64,439)

See accompanying notes to the combined financial statements.

COMBINED STATEMENT OF CASH FLOWS (continued)

October 31, 1991 (with comparative combined total as of October 31, 1990)

(in thousands)	Housing Development Corporation Programs	Housing Assistance Corporation Programs	Housing New York Corporation Programs	Combined Total 1991	Combined Total 1990
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments, at cost	8,579,206	132,354	1,430,723	10,142,283	9,672,366
Sale of mortgage loans	(3,302)	-	-	(3,302)	-
Loan principal payments received	20,186	-	-	20,186	12,594
Sale of fixed assets	18	-	-	18	8
Purchase of investments	(8,473,842)	(131,489)	(1,410,023)	(10,015,354)	(9,519,314)
Mortgage and loan advances	(51,346)	(1,302)	-	(52,648)	(86,775)
Purchase of fixed assets	(132)	-	-	(132)	(215)
Net Cash Provided By (Used In) Investing Activities	70,788	(437)	20,700	91,051	78,664
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from sale of bonds and notes	160,560	-	-	160,560	122,815
Retirement of bonds and notes	(230,097)	-	-	(230,097)	(138,386)
Net Cash Provided By (Used In) Financing Activities	(69,537)	-	-	(69,537)	(15,571)
Increase (decrease) in cash	(174)	(8)	(1)	(183)	(1,346)
Cash at beginning of year	301	8	5	314	1,660
Cash at End of Year	127	-	4	131	314

See accompanying notes to the combined financial statements.

Note One – Organization

The New York City Housing Development Corporation (the "Corporation" or "HDC") is a corporate governmental agency constituting a public benefit corporation of the State of New York (the "State"). The Corporation was established in 1971 under the provisions of Article XII of the Private Housing Finance Law (the "Act") of the State 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, among other things, finance new construction and housing rehabilitation, provide construction financing for multifamily projects to be permanently financed by others, and provide permanent financing for multifamily residential housing. The Corporation participates in the federal government's housing assistance programs, principally those established by Section 236 of the National Housing Act of 1934, as amended, and Section 8 of the United States Housing Act of 1937, as amended. The bonds and notes of the Corporation are not debts of either the State or The City of New York (the "City").

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") and the Housing New York Corporation ("HNYC") have been included in the Corporation's combined reporting entity (see notes 3 B and C). Additionally, pursuant to the same section, the Corporation's combined financial statements are included in the City's financial statements as a component unit for financial reporting purposes. Under the City's financial statements, the Corporation is included under the category of Housing and Economic Development Enterprise Funds.

Note Two – 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 separate entities. Each program utilizes 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, repurchase agreements, and open time deposits, are carried at amortized cost, which approximates market, plus accrued interest (see note 4). Investment earnings on monies held for the City and reserves for replacement are not included in the Corporation's revenues, rather, they are reported in the combined balance sheet as payable to the City or payable to mortgagors.

B. Earnings On Investments

Earnings on investments include interest income, gain and loss on investment sales, and amortization of investment discount and premium.

C. 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.

D. Operating Transfers

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

E. Restricted Earnings on Investments

Restricted earnings on investments represent the cumulative amount by which pass-through program revenues exceed expenses. Such amounts are recorded as restricted liabilities since they represent accumulated excess investment earnings that, under the terms of the bond resolutions and mortgage loan documents, are expected to be credited to the mortgagors.

F. Amortization of Leasehold Improvements

Leasehold improvements and fixed assets are amortized over their useful lives using the straight-line method.

G. Fees and Charges

Commitment and financing fees are recognized on the accrual basis over the life of the related mortgage.

H. Statement of Cash Flows—Supplemental Disclosure

For purposes of the combined statement of cash flows, the Corporation excludes all investments from cash equivalents. Bond interest paid during fiscal year 1991 for the Corporation and HNYC was $126,569,000 and $17,037,000, respectively. The following schedule details the net adjustments to reconcile excess of revenues over expenses after operating transfers to net cash provided by (used in) operating activities for the year ended October 31, 1991:

	Total	Total	Total	Combined Totals	
(in thousands)	HDC	HAC	HNYC	1991	1990
Amortization of:					
Debt Issuance Costs	$ 1,719	-	$216	$ 1,935	$ 1,776
Original Bond Issue Discount	53	-	9	62	56
Investment Discount and Premium	(2,270)	(1)	-	(2,271)	(5,058)
Mortgage Discount	(147)	-	-	(147)	(194)
Deferred Fee and Mortgage Income	(310)	-	-	(310)	(252)
Depreciation and Amortization	193	-	-	193	209
Losses on Other Receivables	1,062	-	-	1,062	3,313
Other	4	-	-	4	-
Gain on Early Debt Extinguishment	(17)	-	-	(17)	(172)
Total Adjustments	287	(1)	225	511	(322)

Included in the caption Disbursements to the City of New York is an amount of $1,838,022 which represents mortgage advances made in accordance with servicing agreements entered into with New York City (see notes 5 & 9).

For the 1980 Multi-Unit Housing Bond Program, the caption Interest and Amortization includes a call premium of $3,106,800.

I. Allowance for Credit Losses

Prior to 1990, the Corporation had not experienced any credit losses and, accordingly, did not provide for any related charges against income. The Corporation's mortgage loan portfolio is extensively secured (see note 5), and, as such, the Corporation believes that the likelihood of experiencing credit losses relating to its bonded mortgage programs are remote and it is therefore unlikely that material charges against income will be required relating to these programs.

During 1991, the Corporation determined that one loan financed from accumulated earnings in the Corporation's Corporate Services Fund Dedicated Account was uncollectible and, as such, provision was made for a charge against income (see note 5).

J. Combined Financial Presentation

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

(i) NEW YORK CITY HOUSING DEVELOPMENT CORPORATION:

(a) Multi-Family Bond Programs:
1. General Housing
2. Section 223(f)
3. Section 8
4. 80/20
5. Hospital Residence
6. Residential Cooperative Housing
(b) Corporate Services Fund

(ii) HOUSING ASSISTANCE CORPORATION

(iii) HOUSING NEW YORK CORPORATION

The summarized programs listed above are comprised of the discrete bond programs presented in the bonds payable table in footnote 7.

K. Combined Total

The combined total data is the aggregate of the Corporation and its subsidiaries. No consolidations or other eliminations were required to be made in arriving at the totals.

L. Reclassifications

Certain reclassifications have been made to the prior year's balances to conform to the current year's classification.

Note Three – Description of Programs and Corporate Services Fund

A. NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

The Corporation operates two separate major programs. One program is governed by the Corporation's respective bond resolutions and the other program concerns its Corporate Services Fund.

(i) Multi-Family Bond Programs:

(a) 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 1983 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 of $19,337,900 and $4,780,000, respectively. 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. To date, revenues have been sufficient to cover expenses. At this time, the Corporation does not anticipate that the reserves will be utilized to cover program expenses.

(b) 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 originally financed by Mitchell-Lama mortgage loans payable to the City. During 1991 the 1980 Multi-Unit Housing Bonds were refinanced (see note 7).

(c) Section 8

The bonds under these programs were issued to provide funds for the construction and permanent financing of 35 multifamily housing projects. These projects are occupied by tenants who qualify for Section 8 housing assistance payments made pursuant to the United States Housing Act of 1937, as amended.

(d) 80/20

The bonds under these programs were issued to provide the funds for the construction and permanent financing for multifamily housing projects. A portion of the projects in this program provide or will provide a mixture of market rate apartments (up to 80 percent) and apartments for low and moderate income tenants (at least 20 percent, or in certain cases at least 15 percent) as required by the Internal Revenue Code and as authorized by Section 654(23-c) of the New York State Private Housing Finance Law. In certain projects, all of the apartments are set aside for low and moderate-middle income tenants.

(e) Hospital Residence

The bonds under this program 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.

(f) Residential Cooperative Housing

The bonds under this program were issued to provide a portion of the permanent financing for 7 residential housing cooperatives. The bonds are or will be secured by mortgage loans that are insured by the State of New York Mortgage Agency ("SONYMA") and program revenues.

All the Multi-Family Bonds listed above 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, SONYMA mortgage insurance, bond insurance, GNMA mortgage-backed securities, or a mortgage purchase agreement, as specified in the respective bond resolutions.

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

B. HOUSING ASSISTANCE CORPORATION

The Housing Assistance Corporation is a public benefit corporation of the State established pursuant to Section 654-b of the New York State Private Housing Finance Law as a subsidiary of the Corporation. HAC is to continue in existence until terminated by law; provided, however, that no such termination shall take effect as long as its obligations remain outstanding. Upon termination of HAC, all of its rights and properties shall pass to and be vested in the City.

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.

C. HOUSING NEW YORK CORPORATION

The Housing New York Corporation is a public benefit corporation of the State established pursuant to Section 654-c of the New York State Private Housing Finance Law as a subsidiary of the Corporation. HNYC shall remain in existence until terminated by law; provided, however, that no such termination shall take effect as long as obligations of HNYC remain outstanding, unless adequate provision has been made for the payment thereof. Upon termination of the existence of HNYC, all of its rights and properties shall pass to and be vested in the City.

HNYC is authorized to issue bonds and notes in an aggregate principal amount not exceeding $400 million plus an additional principal amount for the purposes of (1) funding any related debt service reserve, (2) providing capitalized interest and (3) providing certain fees, charges and expenses. The bonds and notes are neither debts of the State, the Battery Park City Authority ("BPCA"), the City, nor the Corporation.

The proceeds of the obligations of HNYC are to be used to finance the Housing New York Program, a joint effort of the City and the State, created for the purpose of providing residential housing facilities for 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, HNYC may grant monies to the City, any agency or instrumentality of the City, or to the Corporation to finance the aforementioned residential housing facilities. The obligations of HNYC are to be repaid out of assigned excess revenues generated by development at Battery Park City. These revenues consist of excess cash flow to the BPCA resulting from rental and other payments under leases with private owners. HNYC is also authorized and empowered to receive monies from the Corporation, the BPCA, any other public benefit corporation, the federal government, or any other source.

Revenue Bond Program:
The proceeds of the Bonds are being used to finance the initial phase of the Housing New York Program. The City is in the process of using these monies to fund all or a portion of the substantial rehabilitation and/or construction of approximately 1,620 residential housing units and related facilities in the boroughs of Manhattan and the Bronx.

Note Four – Investments and Deposits

The Corporation is authorized to engage in investment activity pursuant to the Act, and the Corporation's respective bond resolutions. HAC and HNYC are authorized to engage in investment activities pursuant to Section 654-b and Section 654-c of the New York State Housing Finance Law, respectively, and in the case of HNYC, its bond resolution. Investment policies are set by the Members of the Corporation, HAC and HNYC. These policies are carried out on an ongoing basis by the Corporation's Investment Committee. The Corporation and its subsidiaries principally invest in securities of the United States and its agencies, certificates of deposit ("CD's"), open time deposits ("OTD's")and repurchase agreements. Neither HDC, HAC, nor the HNYC entered into any reverse repurchase agreements. The Corporation and its subsidiaries were not in violation of any provisions.

All securities, other than securities held by the respective trustees for the benefit of the bondholders, are held by the Corporation or its agents in the Corporation's name. Bond program investments are held by the trustee of the applicable program. All investment transactions are recorded on a delivery basis.

During fiscal year 1991, investment gains amounted to $2,538,000 while losses amounted to $97,000. At October 31, 1991 the market value including accrued interest exceeded the amortized cost basis of the portfolio by $10,039,000.

Interest rates under all fixed term repurchase agreements ranged from 7.71% to 7.75% while maturities ranged from October 31, 1992 through October 31, 1993. During the fiscal year, HDC and its subsidiaries entered into 1 OTD. Interest rates on all OTD's ranged from 2.25% to 15%. Maturity dates ranged from December 1, 1991 through September 30, 1993.

In addition to cash deposits, resources were invested in OTD's, CD's, and Money Market and NOW accounts. Funds deposited into Money Market and NOW accounts were Section 8 Annual Contract Contribution funds received from the United States Department of Housing and Urban Development ("HUD"). These deposits as well as any other HUD deposits in the applicable bank are Federal Deposit Insurance Corporation ("FDIC") insured in an amount up to $100,000. Various bond programs and the Corporate Services Fund have invested in CD's and OTD's.

The Corporate Services Fund held $916,000 in CD's with 3 banks, which are insured in the amount of $203,700. Additionally, as part of the above CD'S, $33,000 and $482,000 were issued and held by IBJ Schroder Bank & Trust Co. and The Bank of Tokyo Trust Co. respectively.

Bond programs hold the remaining CD's and OTD's. These deposits are FDIC insured in the amount of $100,000 per individual bond holder for each of the respective bond programs. OTD's amounting to $97,626,000 of $114,782,000 were collateralized by securities held by the respective bond program's trustee. All CD's have a total cost basis of $30,652,000 and a bank balance of $30,158,000. OTD's have a total cost basis of $114,782,000 and a bank balance of $114,426,000.

Repurchase agreements amounted to $143,127,000 and are held pursuant to written master repurchase agreements which permit liquidation of the applicable securities in the event of a default. Maturities range from overnight to 34 days. Margin requirements of 101% are priced daily. Term repurchase agreements amount to $34,928,000. These agreements require margin of 103% of principal value and are held under separate contracts which permit sale of the applicable securities in the event of a default. Term repurchase agreements may have a maturity in excess of 3 years. Securities are priced weekly or at times of substantial interest rate fluctuation under these agreements to provide sufficient margin.

Combined cash deposits totalled $131,000 at October 31, 1991. These accounts were maintained with bond trustees as well as with major commercial banks. All cash deposits were FDIC insured.

Investments held in the Corporation's name by the Corporation, its agents and bond trustees at October 31, 1991:

Security	Total Cost 10/31/91	Current Market Value Plus Accrued Interest 10/31/91	Excess of Market Value Over Cost 10/31/91
(in thousands)			
U.S. Treasury Bonds	$154,409	$167,031	$12,622
U.S. Treasury Bills	43,012	43,087	75
U.S. Treasury Notes	108,281	109,765	1,484
U.S. Treasury Strips	56,780	51,886	(4,894)
Fixed Repurchase Agreements	143,127	143,127	-
G.N.M.A.	40,699	40,995	296
Open Time Deposits	114,782	114,782	-
Term Repurchase Agreements	34,928	34,928	-
Certificates of Deposit	30,652	30,652	-
Merchant Marine Bonds	2,986	3,473	487
F.N.M.A. Medium Term Notes	1,168	1,137	(31)
Money Market & NOW Accounts	1,137	1,137	-
Totals	$731,961	$742,000	$10,039

Note Five – Mortgage and Other Loans

A general description of the mortgage and other loans in each of the programs follows:

A. NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

(i) Multi-Family Bond Programs:

(a) General Housing

The mortgages are first liens on the respective properties. Five of the eight projects receive interest reduction subsidies under Section 236 of the National Housing Act of 1934, as amended, from 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.

(b) Section 223(f)

The mortgages were assigned to the Corporation by the City and subsequently 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 seventy-nine projects receive interest subsidies under Section 236 from HUD.

With respect to the 223(f) Program, (a) the excess of mortgagors' payments over bond debt service payments, trustee fees, servicing fees to the Corporation and (b) the earnings on certain restricted funds (which are excluded from the combined revenue and expense statement) are payable to the City. With respect to the Multi-Unit Program, the earnings on certain restricted funds (which are also excluded from revenues) are payable to the City. The 1980 Multi-Unit Housing Bonds were refinanced in 1991 (see note 7), and $16,011,997 of fund balance was distributed to the City. Accordingly, the program's mortgage loans were transferred to the 1991 Multi-Unit Mortgage Refunding Bond Program at a purchase price of $96,216,057.

(c) Section 8

The mortgage loans made to the projects financed under the four Section 8 bond programs are FHA-insured, and include various construction costs, bond issue costs, and capitalized accrued interest. The projects receive housing assistance payments on behalf of the tenants pursuant to Section 8.

(d) 80/20

The mortgage loan advances made to the projects include various construction costs, bond issuance costs, and capitalized accrued interest.

The mortgage loans under four programs are FHA-insured and are held and serviced by the Corporation. The mortgage loans under three programs are FHA co-insured and are held by GNMA and serviced by its agent. The mortgage loans under two programs are insured under the SONYMA insurance program. The loans under eleven of the programs are held or serviced by the financial institution providing the credit enhancement for the respective bond program.

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

(e) Hospital Residence
The mortgage loan advances made to the project included various construction costs, bond issuance costs, and capitalized accrued interest. The mortgagor provided the bond trustee with a non-cancellable policy of insurance from the Municipal Bond Investors Assurance Corporation which guarantees the payment of bond debt service.

(ii) Other Loans:

(a) Development Services Program:
During 1987, the Development Services Program ("DSP") was created to assist the City in implementing its many housing programs for low, moderate and middle income residents. As of October 31, 1991 the DSP consists of five subprograms. The source of funding for the DSP is certain corporate reserves which have been set aside in a separate account, the Dedicated Account, which is included in the Corporate Services Fund. Loans made under the DSP are either interest free or have nominal interest rates. The subprograms are distinguished either by the Corporation's role with respect to the expenditure of the funds on deposit in the Dedicated Account or by its servicing responsibilities with regard to loans made by the City's Department of Housing Preservation and Development ("HPD"). The subprograms are as follows:

1. Project Management Program ("Program")
Under the Program, the City has requested that the Corporation serve as project manager in connection with housing projects designated by HPD. The Corporation is authorized to undertake activities and/or supervise the actual pre-development stages of designated projects. The Corporation may provide bridge loans to selected sponsors under the Program.

As of October 31, 1991, one bridge loan project had failed to complete construction loan closing as follows:

West Queens
West Queens was planned as an 800 unit residential condominium together with related facilities including a parking garage and community center, to be developed in Astoria, Queens. An amended $1,156,621 bridge loan commitment had been made to fund various pre-construction activities. As of October 31, 1991, approximately $1,048,792 had been advanced. The Corporation has included a charge of $1,062,147 representing principal and accrued interest in the Combined Revenue and Expense Statement under the heading Trustees', and Other Fees.

2. Seed Money Loan Program
The Corporation and the City, acting through HPD, agreed to provide interim assistance in the form of unsecured loans for certain pre-construction expenses of not-for-profit sponsors developing permanent and transitional homeless and low income housing projects. As of October 31, 1991, 25 seed money loan commitments have been made in the aggregate face amount of $17,328,311, of which approximately $10,876,009 had been advanced and $9,978,458 had been repaid. The total amount of these loans outstanding was $837,919 at year-end. On June 17, 1991 the Corporation authorized a seed money loan of $2,442,670 for the rental portion of the Bradhurst-Central Harlem Redevelopment Project. Repayment of this loan will come from City Capital Budget funds upon construction loan closing. At October 31, 1991 no funds had been advanced.

As part of this program, the Corporation also agreed to provide seed money loans to limited-profit project sponsors designated by the City. The Corporation has agreed to advance up to $2,884,400 for the Bridge Point project, which is to be located on the lower east side of Manhattan and to consist of 800 residential rental units and 400 residential condominium units. As of October 31, 1991, $263,134 had been advanced. Loan advances have been suspended while the status of this project is reviewed by the City. Repayment of this loan is dependent upon a construction loan closing.

3. Construction Loan Program

Under this program, the Corporation provides a source of financing to reduce total development costs for affordable housing in the City. As of October 31, 1991, there were no outstanding loans under this program.

4. Working Capital Loan Program

Under this program, the Corporation provides start-up capital in the form of loans to not-for-profit sponsors of projects participating in the HPD's Construction Management, Special Initiatives, Community Management, and Mutual Housing Association Programs. As of October 31, 1991, the Corporation had made one loan commitment under the Construction Management Program in the amount of $1,658,132, which has been advanced.

During 1990 and 1991 the Corporation agreed to make working capital loans to project sponsors in HPD's Special Initiatives and Community Management Programs. As of October 31,1991, $3,662,142 had been advanced against commitments totaling $7,155,000 in the aggregate.

On August 28,1991 the Corporation approved the Mutual Housing Association Program which will fund 2 working capital loans amounting to $100,000. At October 31, 1991 no funds had been advanced.

5. HPD Loan Servicing Program

On June 17, 1991 the Corporation established an HPD Loan Servicing Program under which the Corporation acts as a fee based loan servicer in connection with various HPD housing loan programs. HDC is responsible for investing HPD loan proceeds and disbursing amounts to borrowers during the loan period as instructed by HPD (see note 9).

B. HOUSING ASSISTANCE CORPORATION

(i) Mortgage Loans

Mortgage loan advances made to the projects include various construction costs and capitalized accrued interest. Certain mortgages are second liens on buildings which have been rehabilitated. These mortgage loans accrue interest at the rate of 1% per annum although payments are not due for approximately twenty years from the dates of the loans. Other subordinate mortgage loans were made to fund certain expenses of constructing two new projects. These loans bear no interest for approximately twenty-five years from completion of construction and then bear interest at a rate of 1% per annum.

HAC has committed funds to one project, Astoria Towers, amounting to $6,144,700 to finance an FHA-insured first mortgage loan in the amount of $2,193,200 and a $3,951,500 subordinate mortgage loan. The subordinate mortgage loan bears no interest for approximately twenty-five years from completion of construction and then bears interest at a rate of 1% per annum. To facilitate the processing of FHA insurance, the Corporation holds the first mortgage on behalf of HAC. At October 31, 1991 the loan balances were $2,095,000 and $3,774,000, respectively.

(ii) Subsidy

Certain projects receive tenant assistance payments on behalf of the eligible tenants.

Note Six – Other Receivables

A. HOUSING DEVELOPMENT CORPORATION

Included in this classification is $11,332,000, which represents commitment and financing fees, servicing fees, reserve for replacement loans, and Corporate Services Fund loans described above in note 5.

B. HOUSING NEW YORK CORPORATION

Included in this classification is $161,185,000, which represents $137,510,000 in funds advanced to the City through October 31, 1991 in accordance with the 1987 Series A Revenue Bond Resolution. The City uses these monies to reimburse itself for the costs incurred in connection with the substantial rehabilitation of residential housing and related facilities in Manhattan and the Bronx under the Housing New York Program. For methodology of repayment to the Corporation of advances made to the City see note 3C.

The remaining balance of $23,675,000 represents funds used to cover debt service. HNYC may utilize bond proceeds not exceeding $95,430,000 as well as investment earnings on the program's investments until November 1, 1992, to cover bond debt service. After this date, HNYC will requisition assigned excess revenues on each debt service date in amounts necessary to cover bond principal and interest and HNYC trustee fees. Amounts recorded under the caption Other Revenues on the Combined Statement of Revenues and Expenses are used to cover program expenses.

Note Seven – Bonds Payable

A. NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

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 $30 million.

(i) Multi-Family Bond Programs:

(a) 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.

(b) 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 monies received for the account of the insured mortgage securing that series, including payments made by, or on behalf of, the mortgagor or HUD.

During 1991 the 1980 Multi-Unit Housing Bond Program bonds were refinanced by the 1991 Multi-Unit Mortgage Refunding Bonds which 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.

(c) Section 8

The bonds of the 1979 Series A Bond Program are limited obligations of the Corporation. The FHA-insured mortgage loans and the program's assets and revenues are pledged as collateral for the bonds.

The bonds of the 1983 Series A and B 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 1983 Series C Bond Program were privately placed at an interest rate of 1% with the City, and are not expected to be sold to the public.

(d) 80/20 and Hospital Residence

The bonds under the headings, 80/20 and Hospital Residence, are also special revenue obligations of the Corporation and different bonds are secured by different forms of security such as a pledge of the mortgage loans, the programs' assets, the revenues derived from these loans and assets, a letter of credit, FHA mortgage insurance, SONYMA mortgage insurance, bond insurance, GNMA mortgage-backed securities, and/or a mortgage purchase agreement, as the case may be.

The 1987 Series A (FHA Insured Mortgage Loan) Multi-Family Mortgage Revenue Bonds are the first and only bonds to be issued by the Corporation whose interest is not excludable from gross income for federal income tax purposes.

On November 22, 1988, the Corporation issued MBIA Insured Residential Revenue Refunding Bonds (Royal Charter Properties-East, Inc. Project), 1988 Series 1 in the amount of $115,583,000 to advance refund the MBIA Insured Residential Revenue Bonds (Royal Charter Properties-East Inc. Project), 1985 Series 1 in the amount of $96,022,000. The Corporation deposited $116,193,000 in cash and investments in an irrevocable trust with an escrow agent to provide debt service payments which shall be sufficient to pay the principal or redemption price of and interest due on the 1985 Series 1 Bonds on the redemption or maturity date. The advance refunding met the requirements of an in-substance defeasance, and, accordingly on October 31, 1991, none of the 1985

Series 1 Bonds are an outstanding obligation of the Corporation. There was no gain or loss to the Corporation from this transaction. The refunding benefitted the Society of the New York Hospital by providing additional mortgage funds and reducing future mortgage interest expense. At October 31, 1991, the defeased MBIA Insured Residential Revenue Bonds (Royal Charter Properties-East Inc. Project), 1985 Series I totaled $85,776,640.

(e) Residential Cooperative Housing

The two bond issues of this program are special obligations of the Corporation which are payable from and secured by a pledge of payments to be made under the SONYMA insured mortgage loans. They are additionally secured by the SONYMA mortgage insurance and the revenues and accounts of the respective issues.

All of the bonds are subject to redemption. Certain issues are also subject to special redemption provisions. The parameters under which the redemptions may occur are set forth in the respective bond resolutions.

B. HOUSING ASSISTANCE CORPORATION

HAC is not authorized to issue any bonds or notes.

C. HOUSING NEW YORK CORPORATION

HNYC is authorized to issue bonds in an aggregate principal amount not to exceed $400 million plus an additional principal amount for certain purposes (see note 3C). The bonds and notes are neither debts of the State, BPCA, the City, nor the Corporation.

(i) Revenue Bond Program:

The 1987 Series A Bonds are special revenue obligations of HNYC secured by a pledge of excess revenues from leases executed by the BPCA on or before January 1, 1986 which are in excess of amounts necessary to (1) satisfy BPCA bond and note covenants, (2) fulfill all BPCA legal and financial commitments and (3) pay BPCA operating and maintenance expenses. These Bonds are also secured by monies and securities in the Accounts held by the Trustee under and pursuant to the resolution, including the debt service reserve account. These Bonds are not secured by any mortgages, leases or other interests in any of the residential housing facilities to be built with the proceeds of the Bonds.

The timely payment of the scheduled principal of and interest on the series of 1987 Bonds maturing on November 1, 1997, 1998 and 2006 is guaranteed by a municipal bond insurance policy issued by the Municipal Bond Investors Assurance Corporation.

Required principal payments by the Corporation and HNYC for the next five years are as follows:

Year Ending October 31 *(in thousands)*	New York City Housing Development Corporation	Housing New York Corporation
1992	$ 94,239	$ 4,035
1993	23,532	4,310
1994	26,967	4,610
1995	29,431	4,940
1996	31,855	5,310
Total	$206,024	$23,205

D. BONDS OUTSTANDING

Bonds payable comprise the following for the year ended October 31, 1991:

Description	Balance at Oct. 31, 1990	Issued	Retired	Balance at Oct. 31, 1991	Annual Debt Service
(in thousands)					
HOUSING DEVELOPMENT CORPORATION					
MULTI-FAMILY BOND PROGRAMS:					
General Housing:					
General Housing Bond Program—3.75% to 9% Bonds maturing in varying installments through 2023	$256,115	-	$(1,780)	$254,335	$32,780
1982 Multi-Family Bond Program—6% to 11.125% Serial & Term Bonds maturing in varying installments through 2012	31,945	-	(650)	31,295	3,800
Total General Housing	$288,060	-	$(2,430)	$285,630	$36,580
Section 223(f):					
Multifamily Housing Bond Program—6.5% to 7.25% Bonds maturing in varying installments through 2019	347,109	-	(3,814)	343,295	26,771
1980 Multi-Unit Housing Bond Program—5% to 9.125% Serial and Term Bonds maturing in varying installments through 2021	103,560	-	(103,560)	-	-
1991 Multi-Unit Mortgage Refunding Bond Program—4.4% to 7.35% Serial and Term Bonds maturing in varying installments through 2019	-	103,560	(330)	103,230	8,620
Total Section 223(f)	$450,669	$103,560	$(107,704)	$446,525	$35,391
Section 8:					
1979 Series A Bond Program—6% to 7.5% Serial and Term Bonds maturing in varying installments through 2021	46,010	-	(620)	45,390	3,978
1983 Series A Bond Program—5.75% to 8.875% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2025	124,255	-	(2,000)	122,255	12,140
1983 Series B Bond Program—6% to 9.5% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2026	73,215	-	(1,555)	71,660	7,649
1983 Series C Bond Program—1% Term Bonds maturing in increasing installments through 2015	2,145	-	(75)	2,070	96
Total Section 8	$245,625	-	$(4,250)	$241,375	$23,863

Description *(in thousands)*	Balance at Oct. 31, 1990	Issued	Retired	Balance at Oct. 31, 1991	Annual Debt Service
80/20:					
1984 Series A Variable Rate Bond Program—Variable Rate Bonds due upon demand through 2016	$67,200	-	$(400)	$66,800	$3,104
1985 Series A Development Bond Program—5.4% to 9.125% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2007	25,378	-	(1,740)	23,638	3,122
1985 Series A Bond Program—5% to 10% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2030	158,733	-	(1,425)	157,308	16,109
1985 First Series Bond Program—6.75% to 9.875% Serial and Term Bonds maturing in varying installments through 2017	16,780	-	(225)	16,555	1,848
1985 Issue A Bond Program—6.75% to 8.5% Serial and Term Bonds maturing in varying installments through 2015	24,310	-	(160)	24,150	2,218
1985 Issue 1 Development Bond Program—4.75% to 8.625% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2005	27,398	-	(800)	26,598	2,671
1985 Series A GNMA Mortgage-Backed Securities Bond Program—5.90% to 8.75% Serial and Term Bonds maturing in varying installments through 2016	33,505	-	(9,905)	23,600	2,320
1985 Series A Variable Rate Bond Program—Variable Rate Bonds due upon demand through 2009	14,300	-	(100)	14,200	674
1985 Issue 1 Development Bond Program—9.12% Term Bonds maturing in varying installments through 2007	33,910	-	-	33,910	3,144
1985 First Series Insured Bond Program—5% to 8.5% Serial and Term Bonds maturing in varying installments through 2007	16,385	-	(520)	15,865	1,812
1985 Resolution 1 Variable Rate Bond Program—Variable Rate Bonds due upon demand through 2007	48,810	-	(190)	48,620	2,211
1987 Series A GNMA Mortgage-Backed Securities Bond Program—8.125% Term Bonds maturing in varying installments through 2019	4,400	-	(40)	4,360	393
1987 Series A Mortgage Revenue Bond Program—10.625% Term Bonds maturing in varying installments through 2030	12,865	-	(20)	12,845	1,394
1987 Series A Housing Bond Program—8.265% and 9.625% Term Bonds maturing in varying installments through 2019	9,370	-	(105)	9,265	997
1988 Series A Variable Rate Demand Bond Program—Variable Rate Bonds due upon demand through 2016	2,000	-	-	2,000	86
1988 Resolution A Refunding Bond Program—Variable Rate Bonds due upon demand through 2023	97,395	-	(97,395)	-	-

Description *(in thousands)*	Balance at Oct. 31, 1990	Issued	Retired	Balance at Oct. 31, 1991	Annual Debt Service
1989 Series A Variable Rate Demand Bond Program—Variable Rate Bonds due upon demand through 2016	10,000	-	-	10,000	397
1989 Series A Multi-Family Revenue Bond Program—Variable Rate Bonds due upon demand through 2017	12,400	-	-	12,400	508
1989 Series A Multi-Family Revenue Bond Program—7.2% and 7.45% Term Bonds maturing in varying installments through 2008	11,605	-	-	11,605	856
1990 Series A Variable Rate Demand Bond Program—Variable Rate Bonds due upon demand through 2015	104,600	-	-	104,600	4,147
1990 Resolution A Refunding Bond Program—Variable Rate Bonds due upon demand through 2025	-	57,000	-	57,000	57,502
Total 80/20	$731,344	$57,000	$(113,025)	$675,319	$105,513
Hospital Residence: 1988 Series 1 MBIA Insured Bond Program—5.60% to 7.5% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2017	$111,813	-	$(2,705)	$109,108	$9,240
Total Hospital Residence	$111,813	-	$(2,705)	$109,108	$9,240
Residential Cooperative Housing: 1990 Series A Mortgage Revenue Bond Program—7.90% Term Bonds maturing in varying installments through 2023	6,955	-	-	6,955	549
1990 Series A Mortgage Revenue Bond Program—8.10% Term Bonds maturing in varying installments through 2023	11,260	-	-	11,260	912
Total Residential Cooperative Housing	$18,215	-	-	$18,215	$1,461
Total Bonds Payable Housing Development Corporation	$1,845,726	$160,560	$(230,114)	$1,776,172	$212,048
Housing New York Corporation Revenue Bond Program: 1987 Series A Bonds—6.80% to 9.5% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2017	209,996	-	-	209,996	20,934
Total Bonds Payable Housing New York Corporation	$209,996	-	-	$209,996	$20,934
Total Bonds Payable	$2,055,722	$160,560	$(230,114)	$1,986,168	$232,982

Note Eight – Consultant's Fees

The fees paid by the Corporation for legal and consulting services in fiscal 1991 include: $47,484 to Brownstein, Zeidman and Schomer, $1,837 to Timothy P. Fisher, Esq. and $87,829 to Hawkins, Delafield & Wood for legal services. Architectural fees amounting to $2,128 were paid to Ernesto Medina as well as $1,716 to Collins, Medina & Haggerty. The Corporation paid financial consulting fees in the amount of $13,154 to Caine Gressel Midgley Slater Inc.. The Corporation paid the firm of Allee King Rosen & Fleming, Inc. $43,737 net of funds reimbursed by the New York City School Construction Authority for environmental reviews in connection with the West Queens project.

In addition, the following legal fees were paid: $24,159 to Brownstein, Zeidman and Schomer, and $182,808 to Hawkins, Delafield & Wood. Consulting fees paid were: $2,582 to Goldman Sachs, $30,000 to Richards & O'Neil. The Corporation has been or expects to be reimbursed for these expenses from either bond proceeds or project developers.

Note Nine – Payable to the City of New York

A. NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

HPD acts as the regulatory agency for the General Housing Program mortgages, and as such, receives servicing fees from HDC. At October 31, 1991, the General Housing Program servicing fees payable to HPD were $28,000.

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 $3,243,000 for fiscal 1991. As of October 31, 1991, the total liability to New York City was $10,876,000.

Also included in this reporting classification are participation loan funds received from the City which are to be advanced to mortgagors and mortgage and investment earnings under the 1985 First Series Insured Multi-Family Mortgage Revenue Bond program and the 1987 Series A (FHA Insured Mortgage Loans) Multi-Family Housing Bond program. Included in non-operating expenses were $84,000 and $62,000, respectively. As of October 31, 1991, all funds had been advanced under the 1985 bond program and the funds yet to be advanced under the 1987 bond program amounted to $229,000. The total funds payable to the City over the life of the bond programs is $7,714,000 and $7,570,000, respectively.

The City has provided funds for a subordinate mortgage loan to Sheridan Manor which is being advanced pursuant to a mortgage held and serviced by the Corporation. The total liability to the City was $18,764,000 on October 31,1991.

The Corporation under its DSP has initiated an HPD Loan Servicing Program. During 1991, HPD transmitted $5,538,000 to the Corporation for this activity. At October 31, 1991 the Corporation held $3,789,000 in the Corporate Services fund for NYC.

B. HOUSING ASSISTANCE CORPORATION

The funds received from the City for HAC as well as any earnings on the funds (see note 3B) are also included in this reporting classification on the balance sheet.

Note Ten – Retirement System

The Corporation is a participating employer in the New York City Employee's Retirement System (the "System") of which 5 employees of the Corporation are members. The Corporation paid $31,300 as its actuarially computed proportionate share of the System's cost for the period covering the Corporation's fiscal year.

The Corporation offers its employees the option of participating in a Tax Sheltered Annuity Plan managed by The Equitable Life Assurance Society of the United States as an alternate retirement plan under Section 403(b) of the Internal Revenue Code. The Internal Revenue Service has approved the Corporation as an entity which can provide this type of plan to its employees. The majority of the Corporation's employees participate in this plan.

Note Eleven – Due to the United States Government

The amount reported in this classification is made up of two major components. A general description of each of the components is as follows:

A. Due to HUD

The Corporation has entered into contracts with HUD to administer housing assistance payment contracts with housing projects 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. The Corporation receives the annual contract contributions periodically during the year and disburses funds monthly for the benefit of the covered projects. As of October 31,1991, the Corporation held $1,137,000 in prefunded annual contributions. Related fees earned during fiscal 1991 amounted to $1,886,000 and are included in the Corporate Services Fund.

B. Rebate Fund

In order to maintain the exemption from Federal Income Tax of interest on bonds issued subsequent to January 1, 1986, the Corporation established a separate fund, the Rebate Fund, into which amounts required to be rebated to the Federal Government pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, ("Code") are deposited. The Code requires the payment to the United States Treasury of the excess of the amount earned on all non-purpose obligations over the amount that would have been earned if the gross proceeds of the issue were invested at a rate equal to the yield on the issue, together with any earnings attributable to such excess. Project or construction funds, debt service funds or any other funds or accounts funded with proceeds of such bonds, including earnings, or pledged to or expected to be used to pay interest on such bonds are subject to this requirement. Issues with respect to which all gross proceeds are expended for the governmental purpose of the issue within six months after the date of issue and debt service funds with annual gross earnings of less than $100,000 are exempt from this requirement. Payment is to be made after the end of the fifth bond year and after every fifth bond year thereafter, and within 60 days after retirement of the bonds. At October 31,1991 HDC had set aside $895,000 in rebateable funds, while the Housing New York Corporation had accrued $41,000.

Note Twelve – Commitments

The Corporation is committed under three operating leases for office space for minimum annual rentals for the next five years as follows

Year Ending Oct. 31	
1992	$494,000
1993	504,000
1994	504,000
1995	535,000
1996	537,000
Total Rentals for the next five years	$2,574,000

For fiscal year 1991, the Corporation's rental expense amounted to $483,000.

Remaining mortgage commitments at October 31, 1991 are as follows:

New York City Housing Development Corporation:

Multi-Family Bond Programs:	
80/20	$35,985,000
Residential Cooperative Housing	15,813,000
Total Commitments	$51,798,000

Note Thirteen – Contingencies

In the conduct of the Corporation's business, it is involved in normal litigation matters. In the opinion of management and the Corporation's legal counsel, the ultimate disposition of such litigation should not have a material adverse effect on the financial position of the Corporation.

Note Fourteen – Subsequent Events

A. On November 1, 1991, the Corporation called an aggregate $4.3 million principal amount of General Housing Series A Bonds, $5.1 million Series D Bonds, and $6.2 million Series E Bonds.

B. On December 13, 1991, the Corporation established within the DSP a Bridge Loan Subprogram for rental housing developments which will receive Federal Low-Income Housing Tax Credits. Unrestricted reserves amounting to $5 million were appropriated to provide a bridge loan to the Corporate Housing Initiatives Limited Partnership.

C. On December 19, 1991, the Corporation was authorized to purchase the Village East FHA Insured mortgage loan from the City at a competitive fair market price. The Corporation has serviced this mortgage loan on behalf of the City since 1981.

D. On December 24, 1991, the Corporation redeemed $57 million aggregate principal amount of the 1990 Resolution A Housing Development Refunding Bonds.

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

We have audited the accompanying combined balance sheet of the New York City Housing Development Corporation and subsidiaries as of October 31, 1991, and the related combined statements of revenues and expenses, changes in fund balances, and cash flows for the year then ended. These combined financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the New York City Housing Development Corporation and subsidiaries as of October 31, 1991 and the results of their operations, the changes in their fund balances and their cash flows for the year then ended in conformity with generally accepted accounting principles.

KPMG Peat Marwick

January 29, 1992

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President

Abraham J. Greenstein
Executive Vice President

Maria N. Arroyo
Executive Assistant

Helen Bojceniuk
Secretary to the Executive Vice President

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Bernard Hecht
Director of Financial Analysis

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Donald Rubenstein
Assistant Directors of Development

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June Ricketts
Betty Scarlett
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David S. Boccio
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Deborah Evans
Assistant General Counsel

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Paralegals

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Director of Operations

Mary McConnell
Deputy Director of Operations

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Purchasing Manager

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Cash Management

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Assistant to the Treasurer

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Investment Analyst

Karyn Ragnetti
Investment Administrator

Keith Dealissia
Frank Huertas
Joseph Porsia
Renee Shepperson

Mortgage Servicing Department

Dennis Nolan
Mortgage Servicing Administrator

Dalia Itzhaki
Merle Kings
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Karen Martins
Theresa Vellecco

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Joan Berkeley
Supervisor

Kevin Moore

Accounting

Kenneth Mertz
Controller

Lucille Tirlano
Chief Accountant

Cathleen Baumann
Juliet Bolden
Judith Clark
Rhoda Deane-Ybap
Shirley Jarvis
Mary John
Cherrill McPhoy
Frieda Schwartz
Bharat Shah
Himanshu Shah
Bonnie Spring
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Teresa Cigliello
Internal Auditor

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Director

Sylvia Ramos
Assistant Director

Lamont Boney
Geraldine Brown
Christine Chan
Phyllis Gregg
Lucille Engram
Brian Karim
Delia Lau
Joan Morrison
Robert Ramirez
Giacomo Talarico
Shirell Taylor
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Patricia Waller
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Michael Hirst
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20th *Anniversary*