

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

ANNUAL REPORT

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Submitted to

HONORABLE RUDOLPH W. GIULIANI, MAYOR

HONORABLE ALAN G. HEVESI, COMPTROLLER

HONORABLE ABRAHAM M. LACKMAN,

DIRECTOR OF MANAGEMENT AND BUDGET

Submitted by

THE CHAIRPERSON AND MEMBERS

OF THE NEW YORK CITY

HOUSING DEVELOPMENT CORPORATION

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DEBORAH C. WRIGHT
CHAIRPERSON

In behalf of the Members of the New York City Housing Development Corporation and its subsidiary corporations, I am pleased to submit the 1993 Annual Report. The past year was the New York City Housing Development Corporation's most active since 1985, the year prior to enactment of the Tax Reform Act which placed severe restrictions on tax-exempt financing. In fact, by one measure, the dollar volume of bonds issued, 1993 was the second most active year in the Corporation's history. During calendar year 1993, HDC and its subsidiary, the Housing New York Corporation ("HNYC"), sold seven bond issues totalling over \$767,000,000.

The proceeds of three of these HDC issues were utilized to finance the new construction of affordable rental housing and the acquisition of existing buildings by not-for-profit hospitals for badly needed staff housing. The remaining bond issues refunded certain of HDC's outstanding debt and all of HNYC's outstanding debt in order to achieve substantial debt service savings. Two of HDC's refundings helped projects to reestablish firm financial footings, thereby ensuring their long term viability as affordable housing resources. The other HDC refunding, which was issued with respect to HDC's FHA-insured Section 8 portfolio, will generate debt service savings which should enable the

1993 HIGHLIGHTS

▶ HDC ISSUES \$164,645,000 IN REFUNDING BONDS FOR MANHATTAN PARK, A 1,107-UNIT "80/20" RENTAL DEVELOPMENT ON ROOSEVELT ISLAND. THE ISSUANCE ENABLES HDC TO ACQUIRE THE PREVIOUSLY DEFAULTED MORTGAGE FROM THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

▶ THE NEW YORK CITY RESIDENTIAL MORTGAGE INSURANCE CORPORATION IS INCORPORATED AS AN HDC SUBSIDIARY. HDC FUNDS THE RESERVES OF ITS NEW SUBSIDIARY, PERMITTING THE TRANSFER OF OVER \$23,000,000 TO THE CITY OF NEW YORK.

▶ HDC APPROVES THE USE OF \$7,525,000 OF THE CORPORATION'S RESERVES TO PROVIDE CONSTRUCTION AND PERMANENT FINANCING AT A 1% INTEREST RATE FOR THE SUBSTANTIAL REHABILITATION OF 175 UNITS IN FOUR VACANT BUILDING PROJECTS IN HARLEM, WASHINGTON HEIGHTS AND THE BRONX.

▶ HDC ISSUES \$36,600,000 OF VARIABLE RATE BONDS TO ENABLE A BETH ISRAEL MEDICAL CENTER AFFILIATE TO ACQUIRE TWO BUILDINGS ON MANHATTAN'S EAST SIDE CONTAINING 236 UNITS FOR AFFORDABLE STAFF HOUSING.

▶ HDC ISSUES \$27,500,000 IN VARIABLE RATE REFUNDING BONDS TO REFINANCE THE DEFAULTED MORTGAGE OF COLUMBUS GARDENS, A 162-UNIT "80/20" RENTAL DEVELOPMENT ON MANHATTAN'S WEST SIDE.

Corporation to finance additional affordable housing in the future. The refunding by HNYC of its outstanding bonds, in conjunction with refundings undertaken by the Battery Park City Authority ("BPCA"), will enable BPCA to pass through millions of dollars in debt service savings to The City of New York over the next thirty years.

The past year also saw the Corporation continue to expand its award winning Development Services Program. During 1993, HDC established a new program which will provide \$7,525,000 at an interest rate of one percent (1%) for construction and permanent financing to substantially renovate four vacant building projects in Manhattan and the Bronx. In addition, the Corporation approved a \$13,000,000 Tax Credit Bridge Loan, the third such loan HDC has provided to support the City's Low Income Housing Tax Credit Program. The Corporation also authorized a fourth round of Working Capital loans to the not-for-profit sponsors of the City's Special Initiatives Program developments which provide housing for homeless and other low-income families.

Finally, during 1993, HDC accomplished the successful incorporation of the New York City Residential Mortgage Insurance Corporation ("REMIC") as a

→ HDC ISSUES \$8,400,000 IN VARIABLE RATE BONDS TO ENABLE MONTEFIORE MEDICAL CENTER TO ACQUIRE A 116-UNIT BUILDING IN THE KINGSBRIDGE SECTION OF THE BRONX FOR AFFORDABLE STAFF HOUSING.

→ HDC TAKES ADVANTAGE OF DECLINES IN LONG-TERM INTEREST RATES TO ISSUE \$130,000,000 OF FIXED-RATE BONDS TO REFUND FOUR OUTSTANDING SERIES OF BONDS ISSUED IN 1979 AND 1983.

→ THE FEDERAL HOME LOAN BANK OF NEW YORK APPROVES HDC'S APPLICATION TO BECOME A NON-MEMBER MORTGAGEE OF THE BANK. HDC IS THE FIRST LOCAL HOUSING FINANCE AGENCY IN THE NATION TO BE GRANTED NON-MEMBER MORTGAGEE STATUS BY ANY OF THE TWELVE REGIONAL FEDERAL HOME LOAN BANKS.

→ STANDARD & POOR'S CONFERS ITS "TOP TIER" DESIGNATION UPON HDC. ONCE AGAIN, HDC IS THE FIRST LOCAL HOUSING FINANCE AGENCY IN THE COUNTRY TO RECEIVE THIS DESIGNATION. S&P PRAISES HDC'S CONTINUITY OF SKILLED MANAGEMENT, SOPHISTICATED PORTFOLIO OVERSIGHT, PRUDENT INVESTMENT POLICIES AND ITS LONG-STANDING POSITIVE RELATIONSHIP WITH THE CITY OF NEW YORK AS REASONS FOR GRANTING HDC "TOP TIER" STATUS.

subsidiary corporation of HDC. During the past year, REMIC issued commitments and contracts for insurance for over 650 units of affordable housing.

The accomplishments of the Corporation and its subsidiaries are summarized below and described in greater detail in "The Year in Review" section. As always, the Corporation's achievements are the result of the dedication and hard work of the staff which was recognized by the Standard & Poor's Corporation when it conferred its highly coveted "Top Tier" status upon HDC in 1993. In making HDC the first Top Tier local housing finance agency in the country, S&P lauded the operations of the Corporation, citing HDC's skilled management and sophisticated portfolio oversight. This year's annual report both salutes the Corporation's employees, some of whom are highlighted herein, who have made the achievements of the Corporation possible and chronicles the many activities of HDC in 1993.

DEBORAH C. WRIGHT

1993 HIGHLIGHTS

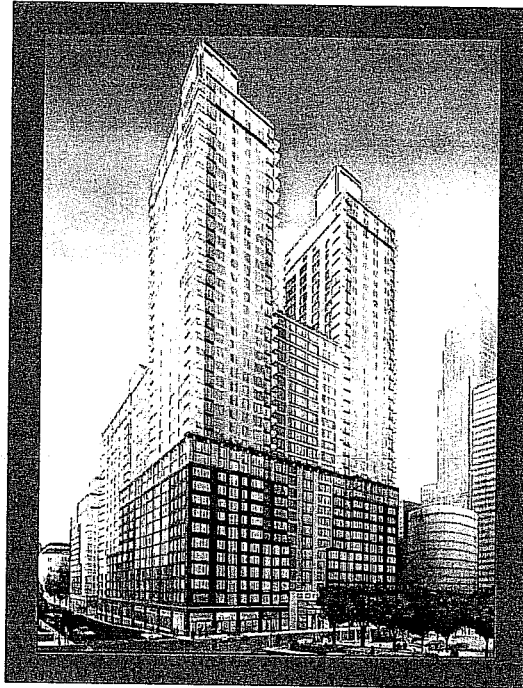
▶ HDC APPROVES A SECOND BRIDGE LOAN TO THE 1992 NEW YORK EQUITY FUND. THE \$13,000,000 HDC BRIDGE LOAN WILL ENABLE THE FUND TO PROVIDE UP-FRONT EQUITY TO THE NOT-FOR-PROFIT SPONSORS OF NINE HOMELESS AND LOW INCOME RENTAL HOUSING DEVELOPMENTS CONTAINING 423 UNITS WHICH ARE BEING DEVELOPED PURSUANT TO THE LOW INCOME HOUSING TAX CREDIT PROGRAM.

▶ HDC ISSUES \$141,735,000 IN TAX-EXEMPT BONDS TO FINANCE THE DEVELOPMENT OF MANHATTAN WEST, A 1,000 UNIT "80/20" NEW CONSTRUCTION PROJECT.

▶ HDC APPROVES \$500,000 TO FUND A FOURTH ROUND OF INTEREST FREE WORKING CAPITAL LOANS TO THE NOT-FOR-PROFIT SPONSORS OF EIGHT HOMELESS AND LOW INCOME HOUSING PROJECTS CONTAINING 148 UNITS BEING REHABILITATED PURSUANT TO THE CITY'S SPECIAL INITIATIVES PROGRAM.

The Year in Review

A RENDERING OF MANHATTAN WEST, A 1,000 UNIT NEWLY CONSTRUCTED "80/20" RENTAL APARTMENT HOUSE FINANCED BY HDC IN DECEMBER. THE DEVELOPMENT WILL CREATE 200 UNITS OF AFFORDABLE HOUSING FOR LOW AND VERY LOW INCOME FAMILIES IN AN ECONOMICALLY INTEGRATED ENVIRONMENT. MANHATTAN WEST WILL ALSO GENERATE HUNDREDS OF CONSTRUCTION JOBS AND MILLIONS OF DOLLARS IN TAX REVENUES FOR THE CITY AND STATE OF NEW YORK OVER THE NEXT TWO YEARS.



WORKING AGAINST END OF THE YEAR DEADLINES IN A VOLATILE INTEREST RATE ENVIRONMENT, THE CORPORATION'S STAFF TOILED LONG HOURS TO STRUCTURE THE COMPLEX FINANCING FOR MANHATTAN WEST WHICH COMBINED TAX-EXEMPT BOND PROCEEDS WITH ADDITIONAL MORTGAGE CAPITAL PROVIDED BY THE AFL-CIO HOUSING INVESTMENT TRUST. THE SUCCESSFUL FINANCING OF THIS MAJOR DEVELOPMENT COULD NOT HAVE BEEN POSSIBLE WITHOUT THE HARD WORK OF THE CORPORATION'S STAFF, NOT ONLY THOSE WHO ARE SHOWCASED HEREIN, BUT ALL THOSE EMPLOYEES WHOSE DEDICATED SERVICE HAS MADE HDC ONE OF THE PREEMINENT HOUSING FINANCING AGENCIES IN THE COUNTRY.

MANHATTAN WEST — HOUSING AND JOBS FOR NEW YORK

As the year ended, HDC financed Manhattan West, the second largest new construction "80/20" rental project in our history and the first such project financed by the Corporation since 1990. When completed in 1995, Manhattan West will contain 1,000 apartments, 200 of which will be rented to families of low and very low income. Specifically, 170 of the apartments will be rented to families earning less than 50% of the New York City median income (currently \$18,750 for a family of three) and 30 apartments will be reserved for very low income families earning no more than 40% of median (currently \$15,000 for a family of three).

The successful financing of the Manhattan West project represented the culmination of years of planning on the part of the developer, The Brodsky Organization, and intensive effort on the part of HDC to structure the complex transaction. Throughout the year, HDC worked with the project sponsor to obtain a mortgage insurance commitment from the United States Department of

Charlena Lance

DIRECTOR OF OPERATIONS
CHARLENA BEGAN WORKING FOR
HDC IN 1981 AND WAS PROMOTED
TO HER CURRENT POSITION SEVEN
YEARS AGO. AS DIRECTOR OF OPERATIONS, CHARLENA MANAGES THE HUMAN RESOURCES DEPARTMENT OF THE CORPORATION WHICH IS RESPONSIBLE FOR THE IMPLEMENTATION OF PERSONNEL POLICIES AND PROCEDURES AND EQUAL OPPORTUNITY INITIATIVES. SHE ADMINISTERS HDC'S EMPLOYEE FRINGE BENEFIT PROGRAMS AND SUPERVISES THE ADMINISTRATIVE STAFF OF THE CORPORATION.

Housing and Urban Development ("HUD"). In December, HUD issued a commitment to insure a \$156,086,600 mortgage for the Manhattan West project. In order to partially fund the mortgage loan, HDC issued \$141,735,000 in tax-exempt bonds which were privately placed with the Federal National Mortgage Association ("Fannie Mae"). The private placement with Fannie Mae, the Corporation's first, generated significant up-front savings which reduced the cost of the project.

While HDC was able to provide \$134,000,000 of the HUD-insured mortgage loan with the proceeds of the tax-exempt bond issue, the balance of \$22,086,600 had to be funded with "taxable" funds because certain costs were not eligible to be funded with tax-exempt bond proceeds. The proceeds for the "taxable" portion of the mortgage were obtained from the AFL-CIO Housing Investment Trust (the "Trust") which entered into a participation agreement with HDC to provide the taxable portion of the loan at a very competitive rate. As a result of funding from Fannie Mae and the Trust, HDC was able to provide The Brodsky Organization with a 40-year mortgage at an effective 5.92% fixed interest rate, the lowest fixed-rate mortgage HDC has been able to provide from bond proceeds in our 22-year history.

Manhattan West is important to the City for many reasons. Not only will it provide 1,000 apartments when completed, making it the largest residential construction project undertaken in the City since 1987, when the Corporation financed a 1,107 unit project on Roosevelt Island, but Manhattan West will also provide jobs for hundreds of construction workers, hard hit by the national

Charlena Lance
DIRECTOR OF OPERATIONS



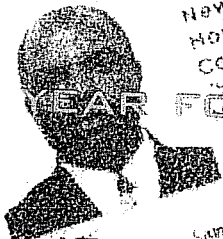
"IT'S BEEN AN INNOVATING AND PRODUCTIVE

YEAR FOR THE OPERATIONS DEPARTMENT. WE

IMPLEMENTED AN EMPLOYEE TRAINING PROGRAM

AND SPONSORED OUR FIRST CORPORATE HEALTH

AWARENESS DAY. I HAVE A GREAT STAFF!!"





Robert Ramirez
SENIOR BUILDING INSPECTOR

recession which has significantly affected the New York area market in the late 80's and early 90's. The project's job-generating capacity was a key factor in inducing the AFL-CIO Trust to participate in the financing.

HOSPITAL STAFF HOUSING

During 1993, HDC undertook two significant financings which helped enable two of the largest employers in The City of New York to provide badly needed affordable housing for their staffs. The inability of many health care institutions to offer their support staffs affordable housing opportunities within their immediate vicinity is often times a significant factor in the difficulties hospitals face in attracting and maintaining nurses, technicians and student interns who are vital to the provision of quality health care.

However, two of the largest hospitals in New York City, Beth Israel Medical Center and Montefiore Medical Center, were able to take advantage of the decline in real estate prices in order to negotiate the purchase of newly constructed apartment houses. The buildings remained vacant because the original developers were unable to sell the individual units within them as condominiums. As a result, both Beth Israel, in Manhattan, and Montefiore, in the Bronx, purchased recently built, vacant apartment houses for less money than it would have cost either institution to develop and construct new buildings. However, both institutions needed access to below market rate financing to ensure that they would be able to offer apartments to their employees at affordable rents.

Enter HDC, which was able to facilitate the purchase of these properties by issuing tax-exempt variable rate bonds on behalf of Beth Israel and Montefiore. Both bond issues are secured by direct pay letters of credit issued by Chemical Bank. In the first financing, HDC issued \$36,600,000 of 501(c)(3) tax-exempt bonds to enable a not-for-profit affiliate of Beth Israel to purchase two properties on Manhattan's East Side in the neighborhood of the hospital. The two buildings contain a total of 236 units which are being rented to nurses and other hospital personnel at rents far below those of comparable, conventionally financed apartments.

Three months later, HDC issued \$8,400,000 of 501(c)(3) tax-exempt bonds to enable Montefiore to purchase a 116-unit building on Waldo Avenue in the Kingsbridge section of the Bronx. Montefiore, a teaching hospital and the largest private employer in the Bronx, needed to provide affordable housing for its interns while they are in residency. The availability of the Waldo Avenue building, which had remained vacant since its construction in the mid-1980's, com-

Robert Ramirez

SENIOR BUILDING INSPECTOR

BOB, A LICENSED ENGINEER, HEADS

THE CORPORATION'S INSPECTION

TEAM. HE AND HIS STAFF OF TWO

ENGINEERS, ONE OF WHOM IS ALSO

AN ARCHITECT, ANNUALLY INSPECT

ALL THE BUILDINGS IN THE CORPO-

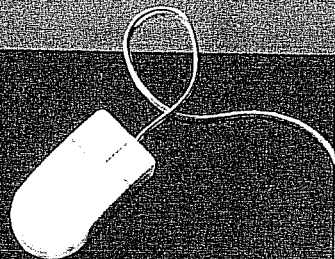
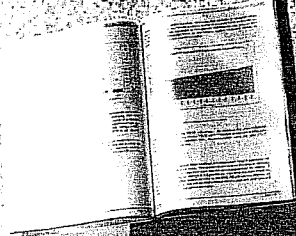
RATION'S PORTFOLIO TO ENSURE THAT

THEY ARE PROPERLY MAINTAINED AND

TO DETERMINE THEIR CAPITAL REPAIR

AND REHABILITATION NEEDS. BOB HAS

BEEN WITH HDC SINCE 1987.



Karen Mattics
ASSISTANT DIRECTOR OF
MORTGAGE SERVICING



SETTING UP NEW PROGRAMS, LEARNING NEW
COMPUTER SOFTWARE AND THEN
INSTRUCTING MY STAFF IN THE USE OF THAT
SOFTWARE HAVE ALL BEEN EXCITING
ACTIVITIES FOR MY DEPARTMENT IN 1993."

Jan 14, 1994

bined with HDC's ability to provide the hospital with low cost financing for its acquisition, enabled Montefiore to complete the building's purchase so that it could meet the needs of its residents for affordable housing in the hospital's vicinity.

REFINANCING "80/20" RENTAL HOUSING PROJECTS - STABILIZING AFFORDABLE HOUSING RESOURCES

Just as the downturn in the New York City region's economy, which has been fueled by the national recession, has had a negative effect on many lender's portfolios, it has also adversely impacted a portion of HDC's "80/20" portfolio, primarily those projects which were financed with fixed-rate bonds issued in the high interest rate environment of 1985. During the late 1980's and early 1990's, market rents in Manhattan failed to rise and in some cases actually declined. As operating expenses increased and fixed debt service costs remained high, two

Karen Mattics

ASSISTANT DIRECTOR OF
MORTGAGE SERVICING
KAREN BEGAN WORKING FOR HDC IN
1984. SHE SUPERVISES THE CORPORATION'S MORTGAGE SERVICING
STAFF IN THE CALCULATION AND COLLECTION OF MORTGAGE PAYMENTS
AND REQUIRED ESCROW DEPOSITS.
SHE ALSO ACTS AS A LIAISON BETWEEN THE DEPARTMENT OF FINANCE
AND THE MANAGING AGENTS OF HDC FINANCED PROJECTS REGARDING
REAL ESTATE TAX ABATEMENT AND
SHELTER RENT PROGRAMS.

HDC financed projects, Manhattan Park, a 1,107-unit "80/20" project on Roosevelt Island, and the Westmont, a 162-unit development in the West Side Urban Renewal Area, were unable to generate sufficient revenues to cover all their costs and the project owners defaulted on their mortgage loans.

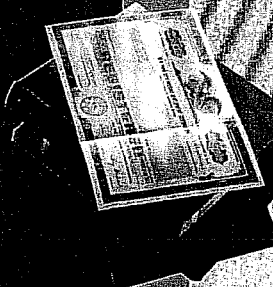
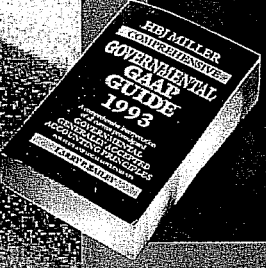
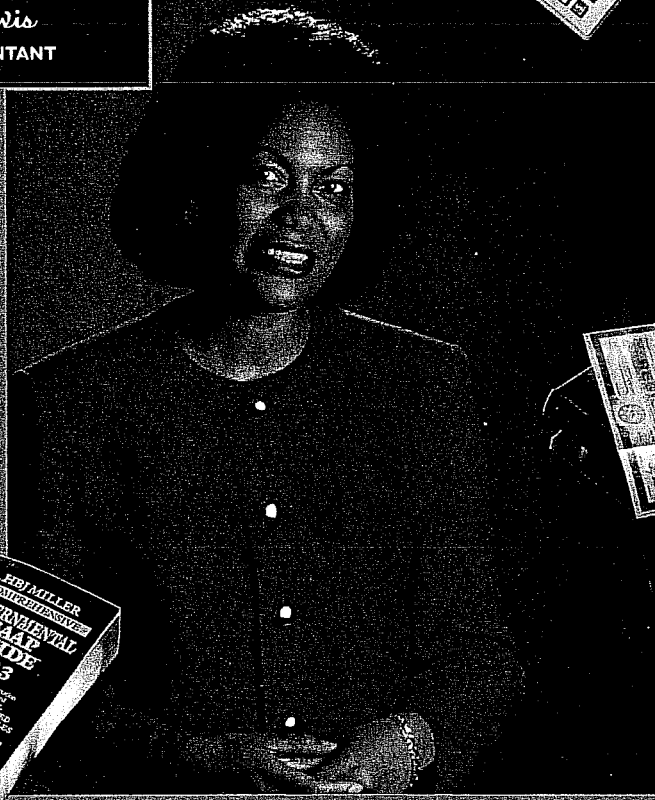
While the Corporation's bondholders were fully protected by HUD insurance in the case of Manhattan Park and by a Citibank letter-of-credit in the case of the Westmont, HDC worked with both project owners and the respective credit enhancers to restructure the financing of these projects in order to lower their debt service obligations. However, prior to doing so, the Corporation verified the validity of each project's operating deficits. Only after carefully reviewing

the operating statements of each project to ascertain that the defaults were the result of legitimate economic distress did the Corporation agree to proceed.

The Manhattan Park restructuring was accomplished in January. At that time, the Corporation assigned the defaulted project mortgage loan to HUD for payment to redeem two series of bonds which the Corporation originally issued in 1985 and 1987 to finance the construction of the project. HDC then utilized the proceeds of \$164,645,000 in bonds the Corporation issued in early January to purchase the Manhattan Park mortgage back from HUD at its full value.

The restructuring of the Manhattan Park project served two significant public purposes. First, by lowering the effective project mortgage interest rate by approximately 3%, the Corporation helped to reestablish the project on a firmer

Shirley Jarvis
CHIEF ACCOUNTANT



THE CHY 1993 CONCERNED

ISSUE DELAY BOND

REPEATING CHANGES

HOSE TO

financial basis, enhancing its continued viability as an affordable housing resource. Second, by purchasing the defaulted loan from HUD for its full amount, HDC prevented the beleaguered Federal mortgage insurance fund from suffering a significant loss.

In May, the Corporation issued \$27,600,000 in variable rate bonds to accomplish the optional redemption of bonds issued by HDC in 1985 on behalf of the Westmont, thus permitting the refinancing of the project. As a result of this financing, the Corporation enabled the project owner to replace a fixed-rate mortgage carrying an interest rate of more than 9% with a variable rate mortgage tied to the weekly rate for tax-exempt bonds. These weekly rates have averaged between 2-3% over the past several years. The substantial debt service savings will place the project on a sounder footing on an ongoing basis into the next century.

HDC'S VACANT BUILDING PARTICIPATION LOAN PROGRAM

During the past year, HDC implemented a new component of its award winning Development Services Program by establishing a Vacant Building Participation Loan Program (the "Program"). Through the Program, HDC provides long-term financing at a 1% rate of interest to accomplish the substantial renovation of vacant properties. Specifically, during 1993, HDC committed to utilize \$7,525,000 of the Corporation's own unrestricted reserves to provide subordinate financing for the gut rehabilitation of 175 units in Harlem, Washington Heights and the South Bronx. The properties and the HDC affordable rental loan commitments are listed below:

PROJECT	UNIT	HDC LOAN AMOUNT
1296 SHERIDAN AVE. (Bronx)	59	\$ 2,537,000
230-45 AND 255-59 W. 116TH ST. (Manhattan)	59	\$ 2,537,000
2445-9 FREDERICK DOUGLASS BLVD. (Manhattan)	39	\$ 1,677,000
2006 AMSTERDAM AVE. (Manhattan)	18	\$ 774,000

In developing the Program, HDC modeled it after the New York City Department of Housing Preservation and Development's highly successful Vacant Building and Participation Loan Programs. Through HDC's Program, the Corporation provides up to \$43,000 per rehabilitated unit of construction and 30-year permanent financing at a 1% interest rate. The project owner must obtain the balance of funds needed to complete each building's rehabilitation from a con-

Shirley Jarvis

CHIEF ACCOUNTANT
IN HER CAPACITY AS CHIEF ACCOUNTANT, SHIRLEY COORDINATES THE ASSIGNMENTS OF THE ELEVEN PERSON ACCOUNTING STAFF AND SUPERVISES THEIR WORK. SHE ASSISTS IN THE PREPARATION OF THE CORPORATION'S FINANCIAL STATEMENTS AND OTHER FINANCIAL REPORTS REQUIRED BY VARIOUS BOND RESOLUTIONS. SHIRLEY HAS BEEN WITH HDC SINCE 1985.

ventional lender. To help attract lenders, HDC subordinates its permanent loan to the conventional lender's first position loan. In addition, owners are required to contribute equity equalling at least 10% of each project's total development costs.

Maximum rents are established by HDC and HPD and are set to be affordable to families of low and moderate income. The maximum rents range from \$425/month for a studio apartment to \$725/month for a three-bedroom unit and are entered into the Rent Stabilization system, ensuring that these once blighted structures will serve their communities as long-term affordable housing resources for future generations of New Yorkers.

OTHER DEVELOPMENT SERVICES PROGRAM ACTIVITIES

In 1993, HDC continued to expand its Development Services Program. As the year ended, the Corporation authorized its second Low Income Housing Tax

Michael Hirst

DIRECTOR OF MANAGEMENT

INFORMATION SYSTEMS

A NINE YEAR VETERAN OF THE CORPORATION, MIKE IS RESPONSIBLE FOR THE DEVELOPMENT, MAINTENANCE, SUPPORT AND OPERATION OF HDC'S DATA PROCESSING SYSTEMS. HE AND HIS STAFF HAVE DEVELOPED AN INTEGRATED FINANCIAL SYSTEM WHICH LINKS THE CORPORATION'S VARIOUS DEPARTMENTS WITH THE ACCOUNTING DEPARTMENT. HIS INNOVATIONS HAVE SIGNIFICANTLY IMPROVED STAFF PRODUCTIVITY, ENABLING THE CORPORATION TO MEET ITS EXPANDING WORK LOAD IN A COST EFFECTIVE MANNER.

Credit Bridge Loan to the 1992 New York Equity Fund (the "Fund"), its third such Bridge Loan overall. Through this latest loan, HDC will provide an additional \$13,000,000 to the Fund which is managed by the Local Initiatives Support Corporation and the Enterprise Social Investment Corporation. The HDC loan will enable these two national not-for-profits to "bridge" the equity investments of corporations in homeless and low-income projects developed by local community groups with subsidies provided by the City, through HPD, and the State of New York.

The latest \$13,000,000 commitment by HDC brings the Corporation's total investment in the Bridge Loan Program to \$38,000,000. This third Bridge Loan will benefit nine additional projects containing 423 units. In total, the Corporation's three Bridge Loans have helped to rehabilitate 1,417 units of homeless and low income housing

over the past two years.

In December 1993, the Corporation also authorized an additional \$500,000 for a fourth round of Working Capital Loans for the not-for-profit sponsors of HPD's Special Initiatives Program projects. These loans will enable the not-for-profit sponsors of eight projects containing 148 units to expeditiously market and rent these apartments to homeless and low income families following their rehabilitation by HPD. In total, the four rounds of SIP Working Capital Loans have enabled community groups to purchase over 100 developments containing more than 4,500 units of affordable housing.

Members of the Board



DEBORAH C. WRIGHT
Chairperson and Member ex-officio. Ms. Wright was appointed Commissioner of HPD effective January 1, 1994. She most recently served as one of the three Board Members of the New York City Housing Authority ("NYCHA"), from May 1992 to December 1993. During her term as a Board Member of NYCHA she took on the broad managerial responsibilities of General Manager. Prior to that Ms. Wright was a member of the New York City Planning Commission from 1990 to 1992, while simultaneously serving as an Adjunct Professor at the Graduate School of Architecture Planning and Preservation at Columbia University. In addition, Ms. Wright was Executive Director of the Community Partnership Development Corporation, a corporation affiliated with the New York City Partnership, Inc. from 1988-1990, and was Director of Marketing of the Partnership from 1987-1988. Ms. Wright started her career as an associate in CS First Boston Corporation's Corporate Finance Group. Ms. Wright is a graduate of Harvard Business School and Harvard Law School and is a member of the New York Bar.



GEORGE GLEE, JR.
Vice-Chairperson and Member, serving pursuant to law. Mr. Glee is Executive Director of the Vanguard Urban Improvement Assn., Inc., a Brooklyn, New York based not-for-profit corporation that administers a wide range of economic development, commercial and residential rehabilitation and youth programs. Prior to that 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.



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.

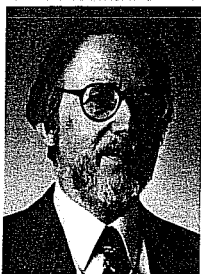


HARRY E. GOULD, JR.
Member, term expires December 31, 1995. Mr. Gould is Chairman, President and Chief Executive Officer of Gould Paper Corporation, the largest independent distributor of printing paper in the United States. He was Chairman and President of Cinema Group, Inc., a major independent film financing and production company, from 1982 to May 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 1977-1980. 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, 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.



BILL GREEN
Member, term expires December 31, 1997. Mr. Green has served as a Board member of The Housing Partnership Development Corporation since 1993. Previously, he represented New York's 15th Congressional District in the U.S. House of Representatives for eight terms, from February 14, 1978 to January 1993. From 1981 to 1992, he served on the House Appropriations Committee and was the Ranking Republican Member of its Veterans Affairs Housing and Urban Development Independent Agencies Subcommittee. Mr. Green co-chaired the National Commission on Severely Distressed Public Housing from 1991 to 1992 and also served as one of the House members on the U.S. Holocaust Memorial Council. Prior to his election to the Congress, from 1970 to 1977, he was the Regional Administrator of the U.S. Department of Housing and Urban Development for the federal region which included New York, New Jersey, Puerto Rico and the Virgin Islands. Before that Mr. Green was a member of the New York State Assembly from 1965 to 1968. From 1961 to 1964, he served as Chief Counsel to the New York Joint Legislative Committee on Housing and Urban Development. Mr. Green has also been an attorney in private practice in New York City.

Principal Officers



ABRAHAM M. LACKMAN
Member ex-officio. Mr. Lackman was appointed Director of the Office of Management and Budget for the City on January 1, 1994. He most recently served as Director of Fiscal Studies for the New York State Senate Finance Committee from 1984 to 1993. He received his Bachelor of Science Degree from New York University and his Masters Degree in Economics from the State University of New York at Albany.



MARC V. SHAW
Member ex-officio. Mr. Shaw was appointed Commissioner of Finance effective January 1, 1994. He most recently served as the Director of Finance for the New York City Council since November 1988. In addition, Mr. Shaw has been an Adjunct Assistant Professor of Public Service at the Robert F. Wagner Graduate School of Public Service of New York University since January 1992. During the period from 1981 to 1988, Mr. Shaw served on the New York State Senate Finance Committee Office of Fiscal Studies, where he held the position of Assistant Director from 1985 to 1988. He received his Bachelor of Arts and his Masters Degree from the State University of New York at Buffalo.



ABRAHAM J. GREENSTEIN
Executive Vice President. Mr. Greenstein was appointed Executive Vice President effective 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 10 years, where he was responsible for the development of financial analysis for the Office of the Special Deputy Comptroller, the State agency established to monitor the City's financial operations for the Financial Control Board and the Municipal Assistance Corporation for the City.



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. Mr. Brass is President of the Association of Local Housing Finance Agencies ("ALHFA"). He has also served on the Board of Directors of ALHFA since 1988.



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.

Projects Financed by the Corporation

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

General Housing Program

PROJECT NAME.....	LOAN AMOUNT.....	NO. OF UNITS.....	PROJECT NAME.....	LOAN AMOUNT.....	NO. OF UNITS.....
BROOKLYN					
Linden Plaza	\$ 50,345,450	1,527	Waterside	\$ 61,577,000	1,100
MANHATTAN			Yorkville Towers	62,717,942	1,258
Independence Plaza	\$ 64,594,680	1,332	QUEENS		
Knickerbocker Plaza	24,844,100	578	Kew Gardens Hills	\$ 10,367,000	1,269
North Waterside	12,859,300	370	Ocean Park	18,265,000	602
			TOTAL.....	\$305,571,372.....	8,036.....

Mitchell-Lama (223-F Refinancings)

PROJECT NAME.....	LOAN AMOUNT.....	NO. OF UNITS.....	PROJECT NAME.....	LOAN AMOUNT.....	NO. OF UNITS.....
BRONX					
Einstein Staff Housing	\$ 8,783,100	634	Essex Terrace	\$ 1,750,000	104
Allerville Arms	2,251,100	212	Middagh Street Apts.	1,008,800	43
Boulevard Towers I	3,299,300	329	Prospect Towers	2,193,800	153
Boulevard Towers II	6,764,600	356	Tivoli Towers	8,098,200	302
Bruckner Towers	2,656,500	208	MANHATTAN		
Candia House	1,406,600	103	1199 Plaza	\$ 39,920,500	1,586
Carol Gardens	3,330,000	314	Beekman Staff Residence	1,226,300	90
Corlear Gardens	972,100	117	Bethune Towers	1,518,400	133
Delos House	1,557,100	124	Clinton Towers	10,298,500	396
Fordham Towers	1,296,100	168	Columbus House	3,502,500	248
Highbridge House	5,872,900	400	Columbus Manor	2,500,000	202
Janel Towers	3,916,200	229	Columbus Park	1,467,900	162
Keith Plaza	6,819,800	301	Confucius Plaza	23,390,400	760
Kelly Towers	4,528,800	301	Cooper-Gramercy	4,766,100	167
Kingsbridge Apts.	2,000,000	90	East Midtown Plaza	17,157,400	746
Kingsbridge Arms	769,700	105	Esplanade Gardens	14,437,500	1,870
Montefiore Hospital II	7,662,400	398	Glenn Gardens	8,196,000	266
Noble Mansion	2,618,800	236	Goddard Towers	2,381,600	193
Park Lane	5,672,000	353	Gouveneur Gardens	5,993,600	778
Robert Fulton Terrace	2,357,900	320	Hamilton House	2,414,600	176
Scott Towers	2,748,700	351	Henry Phipps Plaza	2,167,900	103
Stevenson Commons	25,000,000	947	Heywood Towers	5,398,100	188
Stevenson Towers	2,650,000	122	Hudsonview Terrace	11,546,500	395
University River View	5,798,800	225	Jefferson Towers	1,619,000	189
Woodstock Terrace	2,213,400	319	Lands End I	7,226,800	250
BROOKLYN			Leader House	6,269,400	279
Atlantic Plaza Towers	\$ 5,375,400	716	Lincoln-Amsterdam	6,031,500	186
Atlantic Terminal 2C	4,677,500	200	New Amsterdam House	6,461,300	228
Atlantic Terminal 4A	6,949,400	304	Polyclinic Apartments	1,323,100	139
Brighton House	1,477,000	191	RNA House	1,841,600	207
Cadman Plaza North	2,081,300	250	Riverbend	8,267,900	622
Cadman Towers	9,487,100	421	Riverside Park	26,028,300	1,190
Contello III	1,277,900	160	Rosalie Manning Apts.	903,800	108
Crown Gardens	5,882,600	238	Ruppert House	16,778,000	652

Mitchell-Sama, continued

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS	PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
St. Martin's Tower	\$ 2,865,500	179	QUEENS		
Strycker's Bay	1,971,800	233	Bay Towers	\$ 5,476,900	374
Tanya Towers	2,298,400	138	Bridgeview III	1,951,600	170
Tower West	3,996,100	216	Court Plaza	5,370,800	246
Town House West	1,100,000	47	Dayton Towers	14,871,800	1,752
Tri-Faith House	1,494,800	147	Forest Hills Crescent	1,757,600	240
Trinity House	2,540,500	199	Goodwill Terrace	3,606,100	207
Village East Towers	3,560,600	434	Seaview Towers	13,264,700	461
Washington Sq., S.E.	1,905,200	174	Sky View Towers	3,910,900	232
West Side Manor	3,147,200	245	STATEN ISLAND		
West Village	12,034,500	420	North Shore Plaza	\$ 17,156,100	535
Westview Apartments	1,656,000	137	TOTAL	\$511,676,500	29,763
Westwood House	1,500,000	124			

Section 8 Program

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS	PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
BRONX					
1988 Davidson Ave.	\$ 2,606,400	48	Southern Blvd. IV	\$ 4,999,200	89
2404,2412,2416 Crotona	3,222,800	74	Target V - Phase I	5,552,100	83
Academy Gardens	18,120,300	471	Thessalonica Courts	13,940,000	192
Alexander A. Corprew	4,380,500	78	Villa Alejandrina	4,084,600	71
Beck Street Rehab.	4,361,000	81	Washington Plaza	4,954,000	75
Brookhaven I	5,673,500	95	Woodycrest Court Apts.	6,531,800	115
Clinton Arms	4,962,700	86	Woodycrest Court II	3,199,800	58
Faile Street Rehab.	5,240,600	95	BROOKLYN		
Fairmont Pl. Apts.	1,586,400	28	1451 Development	\$ 1,830,400	34
Felisa Rincon de Gautier Houses	7,420,400	109	1596 Development	843,700	17
Highbridge Concourse II	9,403,700	173	1650 President Street	2,411,200	48
Huntspoint I	7,769,000	125	80-86 Houses	5,153,600	97
Jerome Terrace Apts.	3,875,400	79	Ambassador Terrace	2,990,100	66
Kingsbridge-Decatur I	4,290,300	80	Boro Park Courts	8,459,100	131
Lewis Morris Apts.	11,363,700	271	Brownsville Gardens	10,788,900	162
McGee Hill Apts.	3,677,200	59	Crown Heights -1	2,197,400	36
McKinley Manor	3,738,100	60	Crown Heights -2	1,744,700	32
Macombs Village	10,075,600	172	Fulton Park Sites 7 & 8	13,780,700	209
Mid-Bronx Devel. II	8,833,500	159	La Cabana	9,603,700	167
Mid-Bronx Devel. III	4,215,000	75	Newport Gardens	17,893,300	240
Miramar Court	4,895,900	90	Norgate Plaza	10,608,500	214
Morris Heights Mews	6,146,500	110	Penn Gardens I	4,183,300	90
Morrisania IV	10,932,900	211	President Arms Apts.	1,326,500	32
Pueblo de Mayaguez I	4,103,700	76	Prospect Arms Apts.	3,505,700	91
Rainbow Plaza	9,088,200	127	Prospect Heights 510	1,709,100	32
SEBCO/Banana Kelly	4,510,200	65	Prospect Heights Rehab.	3,469,000	63
SEBCO IV	4,077,600	71	Pulaski Manor	3,319,400	65

Projects Financed by the Corporation

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

Section 8 Program, continued

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS	PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
Rose Gardens	\$ 6,855,300	135	Lower East Side-Phase II	\$ 5,665,000	100
St. John's Phase I	9,134,400	192	McKenna Square Houses	5,817,300	104
Sunset Park NSA I	9,582,900	187	MS Houses	7,714,400	131
Sunset Park NSA II	6,920,800	148	Malcolm X-II Phase A	4,938,600	91
Sutter Gardens	13,800,500	258	Malcolm X-II Phase B	2,710,100	47
Tri Block	4,813,100	96	Manhattan Avenue Apts.	4,124,900	81
Union Gardens I	3,335,500	61	Metro North Court	6,063,300	91
			Mother Zion McMurray	4,631,200	76
MANHATTAN			North Park Apts.	6,856,300	123
Audubon Apts.	\$ 4,773,000	88	Nueva Era Apts.	1,761,400	34
Caparra La Nueva	5,908,800	84	Paul Robeson Houses	4,603,000	81
Charles Hills Towers	7,373,200	101	Pueblo Nuevo	9,940,300	172
Cooper Square	10,678,100	146	Renaissance Courts	2,568,400	49
Ennis Francis Houses	16,794,100	230	Revive 103	4,318,100	60
Hamilton Heights Terrace	8,654,300	132	St. Nicholas Manor	5,680,400	112
Harlem Gateway II	5,229,700	91	Site A-Washington Hts.	6,598,800	110
Hudson Piers II	4,333,000	83	Roberto Clemente Houses	6,470,700	126
IMPAC Houses	6,808,400	120	West 107th Street	3,194,900	61
Icarus	2,125,600	41	Will' A View Apts.	3,777,300	55
L.I.R.A.	9,475,200	152			
Lenoxville	5,584,700	118	STATEN ISLAND		
Lexington Gardens	7,749,800	108	Richmond Gardens	\$ 7,357,000	141
			TOTAL	\$572,372,700	10,093

Public Housing Turnkey Program

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS	PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
Claremont Community-4	\$ 7,924,000	150	Bushwick II		
Claremont Pkwy./			CDA, Group E	\$ 17,634,000	276
Franklin Ave.	10,184,000	188	Crown Heights	5,890,000	121
E. 173rd St./Vyse Ave.	10,372,500	188	Howard-Grafton	9,542,500	150
E. 165th St./Bryant Ave.	6,745,500	111	Lenox Rd. Rockaway Pkwy.	3,915,000	74
Harrison Avenue	10,432,000	184	Park Rock	7,000,000	134
Macombs Road	8,950,000	156	Tapscott Street	8,575,000	155
Morris Heights	15,500,000	315			
South Bronx Site 402	6,970,500	114	MANHATTAN		
Stebbins-Hewitt	7,452,261	120	Lower East Side-5	\$ 3,400,000	55
University Avenue	13,000,000	230	Lower East Side I	11,988,000	180
West Farms Road	12,355,000	208	P.S. 139	6,570,000	125
			UPACA Site 5	11,200,000	200
BROOKLYN			UPACA Site 6	8,679,290	150
Belmont-Sutter	\$ 4,400,000	72	Washington Hts.-Site B	10,200,000	180
			TOTAL	\$218,879,551	3,836

80/20 New Construction Program

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
MANHATTAN		
Carnegie Park	\$ 70,000,000	462
600 Columbus	24,600,000	166
Columbus Green	14,500,000	95
The Ellington Development	33,910,000	216
James Tower	30,000,000	201
Key West	49,000,000	207

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
MANHATTAN Park/ Roosevelt Is.		
	\$ 158,466,700	1,107
Manhattan West	156,086,600	1,000
Monterey/East 96th St.	104,600,000	522
Westmont	32,500,000	163
TOTAL	\$673,663,300	4,139

Moderate Rehabilitation Program

PROJECT NAME	LOAN AMOUNT	NO. 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

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
MANHATTAN		
Kamol Apartments	\$ 995,736	48
White Star Houses	549,147	52
QUEENS		
Cunningham		
Heights 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	NO. OF UNITS
BRONX			
St. Edmond's Court	\$ -	\$ 5,550,000	111
2051 Grand Concourse	4,450,000*	-	63
BROOKLYN			
1010 Dev.	\$ 919,800*	-	16
405 Dev.	-	\$ 945,000	24
Golden Gates Apts.	-	4,225,000	85
196 Rockaway Parkway	-	2,617,000	71
255 Ocean Avenue	-	1,808,000	40
MANHATTAN			
Logan Plaza	\$10,291,000*	\$ 1,845,407	130

PROJECT NAME	HDC LOAN	HAC LOAN	NO. OF UNITS
Upper			
Fifth Avenue	\$ 10,000,000	\$ 9,245,100	151
QUEENS			
Scheur House of Flushing	\$ 13,229,700*	-	155
Queenswood	11,200,600	\$17,929,100	296
Astoria Apartments	2,193,200	3,951,000	62
Staten Island Harbour View	9,713,500*	-	122
TOTAL	\$ 61,997,800	\$48,116,107	1,326
	(HDC)	(HAC)	

*Project receives annual subsidy from the Housing Assistance Corporation

Projects Financed by the Corporation

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

KoDAG Program

PROJECT NAME	LOAN AMOUNT	NO. 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

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
WILLOUGHBY/WYCKOFF		
Willoughby/ Wyckoff Apts.	\$ 2,755,400	68
Woodruff Apartments	3,250,000	84
MANHATTAN		
Revive 103 North	\$ 1,863,000	30
TOTAL	\$ 17,241,400	468

Hospital Staff Housing

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
BRONX		
Montefiore		
Medical Center	\$ 8,400,000	116

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
MANHATTAN		
Beth Israel	\$ 36,600,000	236
New York Hospital	115,582,688	520
TOTAL	\$ 160,582,688	872

Vacant Building Program

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
BRONX		
Sheridan Manor	\$ 10,979,000	450

Limited Equity Cooperative Program

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
BRONX		
<i>South Bronx Cooperatives:</i>		
Daly Avenue	\$ 1,888,304	32
Tremont-Vyse I	1,416,228	24
Tremont-Vyse II	1,062,171	18

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
Tremont-Vyse III	1,770,285	30
BROOKLYN		
South Williamsburg	\$ 6,645,000	105
TOTAL	\$ 12,781,988	209

Housing New York - Construction Management Program

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
BRONX		
New Settlement Apts.	\$ 99,185,602	893
NYC HOUSING		
Authority Harlem Site	\$ 43,414,398	664
TOTAL	\$ 142,600,000	1,557

Vacant Building Participation Loan Program

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
BRONX		
1296 Sheridan Avenue	\$ 2,537,000	59

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
MANHATTAN		
2006 Amsterdam Avenue	\$ 774,000	18
2445-9 F. Douglass Blvd.	1,677,000	39
230-45, 255-9 West 116 St.	2,537,000	59
TOTAL	\$ 7,525,000	175

Tax Credit Bridge Loan Program

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
<i>New York Equity Fund 1992</i>		
BRONX		
Bronx Beulah Houses	\$ 2,235,881	70
Daniel Nickerson Terrace	2,123,676	65
Harry DeRienzo	281,042	17
King Third Ave./ Franklin Ave.	1,845,320	42
Tolisano Gardens*	128,276	13
Webster/Clay*	1,366,987	46
BROOKLYN		
CCD Two*	\$ 1,106,303	43
Malcolm-Hancock and Bainbridge	1,654,361	50
Mt. Carmel Houses*	1,692,849	60
New Lots West	1,593,488	51
PAD	2,158,121	67
Sheshbazzar*	1,702,349	61
St. John's Apartments	1,649,545	48
Union Sutter*	655,394	36
Von King Apartments	1,734,603	55
MANHATTAN		
La Casa	\$ 1,380,324	41
Mandela Apartments	2,260,230	70
Mandela Apartments II	1,404,738	42
Mutual Housing Partnership*	768,937	30
Roosevelt Lane LP	1,221,387	46
Sass Houses*	4,287,308	40
Triboro Houses*	1,289,648	94
TOTAL	\$ 34,540,767	1,087

PROJECT NAME	LOAN AMOUNT	NO. OF UNITS
<i>Corporate Housing Initiatives Limited Partnership</i>		
BROOKLYN		
Abraham Residence	\$ 814,049	75
MANHATTAN		
219 Henry Street	\$ 370,396	22
305 West 97th Street	1,126,836	97
107-109 Avenue D	612,673	46
Casa Mutua	351,670	54
STATEN ISLAND		
Buckingham House	\$ 227,640	36
TOTAL	\$ 3,503,264	330

* committed

Combined Balance Sheet

October 31, 1993 (with comparative combined total as of October 31, 1992, in thousands)

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

	HOUSING	HOUSING	HOUSING	RESIDENTIAL	COMBINED TOTAL	
	DEVELOPMENT CORPORATION PROGRAMS	ASSISTANCE CORPORATION PROGRAMS	NEW YORK CORPORATION PROGRAMS	MORTGAGE INSURANCE CORPORATION PROGRAMS	1993	1992
▶ ASSETS						
Cash	\$ 336	1	457	3	797	763
Investments (note 4)	443,791	33,875	31,504	23,742	532,912	651,080
TOTAL CASH AND INVESTMENTS	444,127	33,876	31,961	23,745	533,709	651,843
<i>Receivables:</i>						
Mortgage loans (note 5)	1,645,576	44,165	—	—	1,689,741	1,681,125
Accrued interest	11,997	774	—	—	12,771	11,658
Sale of mortgages	5,540	—	—	—	5,540	5,862
Other (note 6)	34,210	—	192,420	—	226,630	216,529
TOTAL RECEIVABLES	1,697,323	44,939	192,420	—	1,934,682	1,915,174
Unamortized issuance costs	11,995	—	3,100	—	15,095	18,425
Due from (to) other funds	(5,744)	6,077	(25)	(308)	—	—
Fixed assets	319	—	—	30	349	406
Other assets	242	—	—	—	242	269
TOTAL ASSETS	\$ 2,148,262	84,892	227,456	23,467	2,484,077	2,586,117
▶ LIABILITIES AND FUND BALANCES						
<i>Liabilities:</i>						
Bonds and notes payable (note 7)	\$ 1,599,863	—	201,651	—	1,801,514	1,882,745
Discount on bonds payable	(3,066)	—	(168)	—	(3,234)	(3,793)
Accrued interest payable	36,615	—	16,492	—	53,107	86,856
Payable to the City of New York (note 9)	100,148	84,892	9,104	—	194,144	206,074
Payable to mortgagors	78,443	—	—	—	78,443	73,785
Restricted earnings on investments	1,489	—	—	—	1,489	1,306
Accounts and other payables	493	—	—	148	641	517
Deferred fee and mortgage income	27,783	—	—	—	27,783	26,293
Due to the United States						
Government (note 11)	4,025	—	—	—	4,025	1,684
TOTAL LIABILITIES	1,845,793	84,892	227,079	148	2,157,912	2,275,467
<i>Fund balances:</i>						
Restricted	272,332	—	—	23,319	295,651	235,369
Unrestricted	30,137	—	377	—	30,514	75,281
TOTAL FUND BALANCES	302,469	—	377	23,319	326,165	310,650
Commitments and						
Contingencies (notes 5, 7, 9, 12 & 13)						
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,148,262	84,892	227,456	23,467	2,484,077	2,586,117

See accompanying notes to the combined financial statements.

Combined Statement of Revenues and Expenses

October 31, 1993 (with comparative combined total as of October 31, 1992, in thousands)

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

	HOUSING DEVELOPMENT CORPORATION PROGRAMS	HOUSING ASSISTANCE CORPORATION PROGRAMS	HOUSING NEW YORK CORPORATION PROGRAMS	RESIDENTIAL MORTGAGE INSURANCE CORPORATION PROGRAMS	COMBINED TOTAL	
					1993	1992
► REVENUES						
Interest on loans (note 5)	\$ 117,437	—	—	—	117,437	123,149
Earnings on investments (note 4)	20,984	—	2,003	526	23,513	34,382
Fees and charges (note 11)	5,065	—	195	177	5,437	4,280
Gain on early retirement of debt	—	—	—	—	—	88
Other	29	—	16,515	—	16,544	15,661
TOTAL REVENUES	143,515	—	18,713	703	162,931	177,560
► EXPENSES						
Interest and amortization (note 7)	111,587	—	18,181	—	129,768	138,787
Salaries and related expenses	4,145	—	—	189	4,334	4,078
Services of New York City	335	—	—	—	335	335
Trustees' and Other fees (note 5)	1,254	—	125	15	1,394	1,743
Amortization of debt issuance costs	2,820	—	207	—	3,027	1,478
Corporate operating expenses (note 8)	1,514	—	—	106	1,620	1,468
Non-operating expenses (note 9)	4,337	—	—	—	4,337	3,333
TOTAL EXPENSES	125,992	—	18,513	310	144,815	151,222
EXCESS OF REVENUES OVER EXPENSES	17,523	—	200	393	18,116	26,338
<i>Allocation of Excess of Revenues Over Expenses:</i>						
Restricted fund balance	8,994	—	—	393	9,387	13,907
Unrestricted fund balance	8,529	—	200	—	8,729	12,431
TOTAL	\$ 17,523	—	200	393	18,116	26,338

See accompanying notes to the combined financial statements.

Combined Statement of Changes in Fund Balances

October 31, 1993 (with comparative combined total as of October 31, 1992, in thousands)

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

	HOUSING DEVELOPMENT CORPORATION PROGRAMS	HOUSING ASSISTANCE CORPORATION PROGRAMS	HOUSING NEW YORK CORPORATION PROGRAMS	RESIDENTIAL MORTGAGE INSURANCE CORPORATION PROGRAMS	COMBINED TOTAL	
					1993	1992
► RESTRICTED						
Balance at beginning of year	\$ 235,192	—	177	—	235,369	205,760
Excess of revenues over expenses	8,994	—	—	393	9,387	13,907
Distributions to New York City (note 5)	(2,561)	—	—	—	(2,561)	—
Net transfers from (to) unrestricted fund balances	30,707	—	(177)	22,926	53,456	15,702
BALANCE AT END OF YEAR	272,332	—	—	23,319	295,651	235,369
► UNRESTRICTED						
Balance at beginning of year	75,281	—	—	—	75,281	85,303
Excess of revenues over expenses	8,529	—	200	—	8,729	12,431
Distributions to New York City	—	—	—	—	—	(6,751)
Distributions to mortgagors	(40)	—	—	—	(40)	—
Net transfers from (to) restricted fund balances	(53,633)	—	177	—	(53,456)	(15,702)
BALANCE AT END OF YEAR	30,137	—	377	—	30,514	75,281
TOTAL FUND BALANCES AT END OF YEAR	\$ 302,469	—	377	23,319	326,165	310,650

See accompanying notes to the combined financial statements.

Combined Statement of Cash Flows

October 31, 1993 (with comparative combined totals as of October 31, 1992, in thousands)

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

	HOUSING DEVELOPMENT CORPORATION PROGRAMS	HOUSING ASSISTANCE CORPORATION PROGRAMS	HOUSING NEW YORK CORPORATION PROGRAMS	RESIDENTIAL MORTGAGE INSURANCE CORPORATION PROGRAMS	COMBINED TOTAL	
					1993	1992
▶ CASH FLOWS FROM OPERATING ACTIVITIES						
Excess of revenues over expenses	\$ 17,523	—	200	393	18,116	26,338
Net adjustments to reconcile excess of revenues over expenses to net cash provided by (used in) operating activities (note 2)	5,408	(2)	225	(519)	5,112	1,813
<i>Changes in assets and liabilities:</i>						
Net change in accrued bond and note interest payable	(35,308)	—	1,559	—	(33,749)	6,282
Net change in investment interest receivable	1,616	2	5	—	1,623	1,553
Net change in accrued earnings payable to mortgagors	688	—	—	—	688	71
Net change in accrued earnings payable to the City of New York	9,278	2,893	141	—	12,312	8,362
Net change in other assets	17	—	10	—	27	65
Net change in accounts and other payables	(14)	—	—	148	134	(73)
Net change in accrued mortgage and loan interest receivable	(621)	(170)	—	—	(791)	(1,906)
Net change in other receivables	(4)	—	(12,378)	—	(12,382)	(16,493)
Net change in receivable from Battery Park City	—	—	2,019	—	2,019	1,209
Net change in servicing fee receivable	31	—	—	—	31	(6)
Net transfers between programs	(23,302)	68	—	23,234	—	—
Net change in deferred bond refunding costs	(5,101)	—	—	—	(5,101)	—
Net change in due to the United States Government	518	—	(41)	—	477	358
TOTAL CHANGES IN ASSETS AND LIABILITIES	(52,202)	2,793	(8,685)	23,382	(34,712)	(578)
Restricted earnings on investments	183	—	—	—	183	806
Loan principal payments received	51,616	—	—	—	51,616	19,166
Mortgage and loan advances	(60,179)	—	—	—	(60,179)	(60,525)
Receipt of mortgagor and other escrows	167,317	—	16,730	—	184,047	260,819
Deferred commitment and financing fees	2,012	—	—	—	2,012	1
Disbursements of mortgagor escrows	(59,768)	—	—	—	(59,768)	(56,796)
Disbursements to the City of New York	(128,301)	(2,509)	(17,536)	—	(148,346)	(167,460)
Issuance costs	(4,155)	—	—	—	(4,155)	—
TOTAL ADJUSTMENTS TO RECONCILE EXCESS OF REVENUES OVER EXPENSES	(78,069)	282	(9,266)	22,863	(64,190)	(2,754)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (60,546)	282	(9,066)	23,256	(46,074)	23,584

See accompanying notes to the combined financial statements.

Combined Statement of Cash Flows, continued

October 31, 1993 (with comparative combined total as of October 31, 1992, in thousands)

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

	HOUSING DEVELOPMENT CORPORATION PROGRAMS	HOUSING ASSISTANCE CORPORATION PROGRAMS	HOUSING NEW YORK CORPORATION PROGRAMS	RESIDENTIAL MORTGAGE INSURANCE CORPORATION PROGRAMS	COMBINED TOTAL	
					1993	1992
► CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Proceeds from sale of bonds and notes	\$ 367,245	—	—	—	367,245	—
Retirement of bonds and notes	(434,619)	—	(4,310)	—	(438,929)	(103,334)
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES	\$ (67,374)	—	(4,310)	—	(71,684)	(103,334)
► CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES						
Purchase of fixed assets	(82)	—	—	(34)	(116)	(110)
NET CASH PROVIDED BY (USED IN) CAPITAL FINANCING ACTIVITIES	\$ (82)	—	—	(34)	(116)	(110)
► CASH FLOWS FROM INVESTING ACTIVITIES						
Sale of investments, at cost	10,860,102	187,277	1,166,539	125,382	12,339,300	15,472,196
Purchase of investments	(10,732,521)	(187,559)	(1,152,711)	(148,601)	(12,221,392)	(15,391,704)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	\$ 127,581	(282)	13,828	(23,219)	117,908	80,492
Increase (decrease) in cash	(421)	—	452	3	34	632
Cash at beginning of year	757	1	5	—	763	131
CASH AT END OF YEAR	\$ 336	1	457	3	797	763

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"), the Housing New York Corporation ("HNYC") and the New York City Residential Mortgage Insurance Corporation ("REMIC") have been included in the Corporation's combined reporting entity (see notes 3 B, C and D). 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 1993 for the Corporation and HNYC was \$145,550,000 and \$16,611,000, respectively. The following schedule details the net adjustments to reconcile excess of revenues over expenses after operating transfers to net cash provided by (used

Notes to the Combined Financial Statements

as of October 31, 1993

NEW YORK CITY
HOUSING DEVELOPMENT
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in) operating activities for the year ended October 31, 1993, with comparative combined totals for 1992:

	TOTAL	TOTAL	TOTAL	TOTAL	COMBINED	
	HDC	HAC	HNYC	REMIC	1993	1992
<i>(in thousands)</i>						
AMORTIZATION OF:						
Debt Issuance Costs	\$ 2,820	—	207	—	3,027	1,478
Original Bond Issue Discount	549	—	11	—	560	63
Investment Discount and Premium	2,570	(2)	7	(523)	2,052	581
Mortgage Discount	(125)	—	—	—	(125)	(130)
Deferred Fee and Mortgage Income	(575)	—	—	—	(575)	(289)
Depreciation and Amortization	169	—	—	4	173	198
Gain on Early Debt Extinguishment	—	—	—	—	—	(88)
TOTAL ADJUSTMENTS	\$5,408	(2)	225	(519)	5,112	1,813

Included in the caption Disbursements to The City of New York is an amount of \$114,858,000 which represents mortgage advances made in accordance with servicing agreements entered into with the City within the Corporation's Development Services Program ("DSP") (see notes 5 & 9). For HNYC this caption includes \$17,537,000 of mortgage and loan advances.

The caption Interest and Amortization for 1993 includes a call premium of \$822,000 for the 1983 Series A Bond Program and \$964,000 for the 1983 Series B Bond Program. For 1992 this category includes a call premium of \$424,000 for the General Housing Bond Program.

I. Allowance for Credit Losses

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 is remote and therefore material charges against income will not be required. Thus no provision nor allowance for credit losses is recorded in the accompanying combined financial statements.

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

(iii) HOUSING ASSISTANCE CORPORATION

(iii) HOUSING NEW YORK CORPORATION

(iv) NEW YORK CITY RESIDENTIAL MORTGAGE INSURANCE CORPORATION

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

K. Combined Total

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

L. Deferred Bond Refunding Costs

The Corporation has elected to adopt Governmental Accounting Standards Board's Statement 23, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities for fiscal year 1993. This statement requires that gains or losses arising from debt refundings be deferred and amortized over the lesser of the remaining life of the old debt or the life of the new debt. Note 7: Bonds Payable describes these refundings.

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 \$18,118,100 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 under the 1991 Multi-Unit Mortgage Refunding Bonds (see note 7).

(c) Section 8

The 1979 Series A, 1983 Series A, B and C Bonds under this program 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. All of these bonds were refunded in 1993 through the issuance of the 1993 Series A and B Bonds (see note 7).

(d) 80/20

The bonds under this program 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 financing for three residential facilities for hospital staff.

(f) Residential Cooperative Housing

The bonds under this program were issued to provide a portion of the permanent financing for 5 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.

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 or GNMA mortgage-backed securities 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 has used these monies to fund all or a portion of the substantial rehabilitation and/or construction of approximately 1,557 residential housing units and related facilities in the boroughs of Manhattan and The Bronx.

(D) NEW YORK CITY RESIDENTIAL MORTGAGE INSURANCE CORPORATION

The New York City Residential Mortgage Insurance Corporation is a public benefit corporation established pursuant to Section 654-d of the New York State Private Housing Finance Law as a subsidiary of HDC. REMIC is the successor entity to the New York City Rehabilitation Mortgage Insurance Corporation ("Old REMIC") which was dissolved on January 27, 1993. REMIC has the authority to insure residential mortgage loans throughout the City in order to promote the preservation of neighborhoods which are blighted, are becoming blighted or may become blighted, to discourage divestment and encourage the investment of mortgage capital in such neighborhoods and to provide safe, sanitary and affordable housing accommodations to persons and families for whom the ordinary operations of private enterprise cannot supply such accommodations. REMIC is to continue in existence until terminated by law; provided, however, that no such law shall take effect so long as contracts to insure mortgages, commitments to insure, or other obligations remain outstanding, unless adequate provision has been made for the payment thereof. Upon termination of REMIC, all of its rights and properties shall pass to and be vested in the Corporation.

Pursuant to the provisions of Chapter 702, REMIC is required to maintain certain reserves, one of which is the housing insurance fund which shall be used as a revolving fund solely for the payment of liabilities arising from housing insurance contracts. The housing insurance fund requirement as of any particular date must be in an amount equal to the aggregate of (i) one hundred percent of the insured amounts due and payable pursuant to housing insurance contracts, plus (ii) twenty percent of the insured amounts under housing insurance contracts other than insured amounts which are due and payable pursuant to (i) above, plus (iii) twenty percent of the amounts to be insured under REMIC's commitments to insure. The housing insurance fund requirement at October 31, 1993 is \$317,000.

REMIC must also maintain a mortgage insurance fund which shall also be used as a revolving fund solely for the payment of liabilities arising from mortgage insurance contracts which are contracts of the Old REMIC or contracts based on commitments of the Old REMIC. The mortgage insurance fund requirement as of any particular date shall be an amount equal to the aggregate of (i) one hundred percent of the insured amounts due and payable pursuant to mortgage insurance contracts, plus (ii) an amount equal to the greater of (A) \$7,500,000 or (B) twenty percent of the sum of the insured amounts under mortgage insurance contracts and the amounts to be insured under commitments to insure. The mortgage insurance fund requirement at October 31, 1993 is \$7,805,000.

Any income or interest earned on the funds described above due to the investment of those funds in excess of their respective requirements shall be transferred at least annually to the premium reserve fund described below.

A premium reserve fund must also be maintained for the purpose of providing for the payment of REMIC's liabilities arising from its operations, including liabilities arising from housing and mortgage insurance contracts. The balance of this fund at October 31, 1993 is \$14,818,000.

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, HNYC and REMIC are authorized to engage in investment activities pursuant to Section 654-b, Section 654-c and Section 654-d of the New York State Private Housing Finance Law, respectively, and in the case of HNYC, its bond resolution. Investment policies are set by the Members of the Corporation, HAC, HNYC and REMIC. 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 ("CDs"), open time deposits ("OTDs") and repurchase agreements. Neither HDC, HAC, HNYC nor REMIC entered into any reverse repurchase agreements. According to management, the Corporation and its subsidiaries were not in violation of any provisions of the foregoing policies.

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 1993, investment gains amounted to \$10,456,000 while losses amounted to \$99,000. At October 31, 1993, the market value including accrued interest exceeded the amortized cost basis of the portfolio by \$23,446,000.

The interest rate under one revolving fixed term repurchase agreement is 6.59% with a maturity date of April 1, 2030. Margin requirements under this agreement are 103% with weekly pricing of securities. This investment for \$984,000 is included in the caption Fixed Term Repurchase Agreements in the table below. During the fiscal year, HDC and its subsidiaries entered into 1 OTD. Interest rates on all OTDs ranged from 1.75% to 7.92%. Maturity dates ranged from March 28 through March 31, 1994.

In addition to cash deposits, funds were invested in OTDs, CDs, and Money Market and NOW accounts. Funds deposited into Money Market and NOW accounts were Section 8 Annual Contract Contribution funds received from 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 collectively. Various bond programs and the Corporate

Services Fund have invested in CDs and OTDs.

The Corporate Services Fund held \$144,000 in CDs which are insured in the amount of \$100,000. Bond programs hold the remaining CDs and OTDs. These deposits are FDIC insured in the amount of \$100,000 per individual bond holder for each of the respective bond programs. OTDs amounting to \$1,871,000 of \$5,607,000 were collateralized by securities held by the respective bond program's trustee. All CDs have a total cost basis including accrued interest of \$146,000 and a bank balance of \$144,000. OTDs have a total cost basis including accrued interest of \$5,607,000 and a bank balance of \$5,498,000.

Repurchase agreements amounted to \$132,820,000 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 3 to 32 days. Margin requirements are 101% for overnight repurchase agreements and 102% for repurchase agreements maturing up to 32 days, all of which are priced daily.

New York State General Obligation Bonds amounted to \$902,000 with a maturity date of August 1, 1998.

Combined cash deposits totaled \$797,000 at October 31, 1993. These accounts were maintained with bond trustees as well as with major commercial banks. Cash deposits amounting to \$343,000 are FDIC insured, while \$454,000 held in the HPD Escrow Account is collectively insured with other City funds in an amount up to \$100,000.

Investments held in the Corporation's name by the Corporation, its agents and bond trustees at October 31, 1993:

SECURITY	CURRENT		EXCESS OF MARKET VALUE
	MARKET VALUE PLUS ACCRUED TOTAL COST	INTEREST	
(in thousands)			
U.S. Treasury Bonds	\$ 91,453	114,433	22,980
U.S. Treasury Bills	91,529	91,504	(25)
U.S. Treasury Notes	168,333	168,526	193
Fixed Repurchase Agreements	132,820	132,820	-
G.N.M.A.	39,451	39,749	298
Open Time Deposits	5,607	5,607	-
Certificates of Deposit	146	146	-
NYS General Obligation Bonds	902	902	-
Money Market and NOW Accounts	2,671	2,671	-
TOTALS	\$532,912	556,358	23,446

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.

In December 1991, the Corporation purchased the Village East FHA Insured mortgage loan from the City.

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 the program's mortgage loans were transferred to the 1991 Multi-Unit Mortgage Refunding Bond Program.

(c) Section 8

The mortgage loans made to the projects financed under the 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.

During 1993, the 1979 Series A, 1983 Series A, B and C Bonds were refinanced and the programs' mortgage loans were transferred to the 1993 Series A & B Bond programs (see note 7).

(d) 80/20

The mortgage loans made to the projects in this program financed various construction costs, bond issue 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

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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 ten of the programs are held or serviced by the financial institution providing the credit enhancement for the respective bond program.

On May 27, 1993, the Corporation issued the 1993 Series A Multi-Family Mortgage Revenue Bonds to refinance the mortgage loan on the Columbus Gardens project and to refund the Multi-Family Development Bonds (Columbus Gardens Project), 1985 Series A (see note 7).

On January 14, 1993, the defaulted mortgages for the Manhattan Park Project were assigned by the Corporation to the Secretary of Housing and Urban Development in exchange for FHA insurance benefits. As a result of this assignment, the 1985 & 1987 Bonds were defeased and/or redeemed. The Corporation then acquired from HUD this mortgage loan with funds provided by the issuance of the 1993 Series A & B Multi-Family Mortgage Revenue Bonds (see note 7).

In addition, the mortgage loan for the Roslingate project is no longer held by HDC (see note 7).

Certain projects 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 three projects include various acquisition and construction costs, bond issuance costs, and capitalized accrued interest. Under one program, 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. The loans under the remaining two programs are held and serviced by the financial institution providing the credit enhancement for the respective bond program.

(ii) Other Loans:

Development Services Program:

In 1987, the DSP was created to assist the City in implementing its many housing programs for low, moderate and middle income residents. As of October 31, 1993 the DSP consists of eight 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 low interest rates. The Corporation's role in seven subprograms involves the expenditure of the funds on deposit in the Dedicated Account. In the other subprogram, the Corporation has servicing responsibilities with regard to loans made by the City's Department of Housing Preservation and Development ("HPD"), (see note 12).

(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 first and subordinate mortgage loans were made to fund certain expenses of constructing new projects. The secondary loans bear no interest for approximately twenty-five years from completion of construction and then bear interest at a rate of 1% per annum. As of October 31, 1993, HAC has made a total of 8 loans with an aggregate balance of \$44,165,000.

HAC has committed \$6,145,000 to finance an FHA-Insured first mortgage loan and a subordinate mortgage loan for Astoria Towers. To facilitate the processing of FHA insurance, the Corporation holds the first mortgage loan within the Corporate Services Fund on behalf of HAC. At October 31, 1993, the loan balance was \$6,077,000.

(ii) Subsidy:

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

Note Six: Other Receivables

(A) NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

Other Receivables amounts to \$34,210,000, which represents commitment and financing fees, servicing fees, reserve for replacement loans, and Corporate Services Fund Other Loans described in note 5.

(B) HOUSING NEW YORK CORPORATION

Other Receivables amounts to \$192,420,000, which represents \$142,728,000 in funds advanced to the City through October 31, 1993 in accordance with the 1987 Series A Revenue Bond Resolution. The City used 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 a description of the manner in which advances made to the City will be repaid to the HNYC see note 3C. The remaining balance of \$49,692,000 represents funds used to cover debt service. On May 1, 1993, HNYC began to require payment of 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 mortgageor or HUD.

The 1991 Multi-Unit Mortgage Refunding bonds 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 & B programs were 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.

On August 12, 1993, the Corporation issued \$130 million Multi-Family Housing Revenue Bonds, 1993 Series A & B to redeem all of its Multi-Family Mortgage Revenue Bonds (FHA Insured Mortgage Loans), 1979 Series A, 1983 Series A, 1983 Series B and 1983 Series C on September 13, 1993 except for \$44,025,000 of the 1979 Series A Bonds which are defeased and will be redeemed on November 1, 1993. The 1979 Series A Bonds have interest rates ranging from 6.00% to 7.50%. The 1993 Series A & B Bonds have interest rates ranging from 2.75% to 5.85% and mature in 2026. As a result of the

refunding, the Corporation reduced its total debt service requirement by \$228,249,000, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$37,429,000. No current expense was recognized on this refunding as a result of the implementation of GASB 23 which required that the cost associated with the old debt issue be deferred as described in note 2(L).

(d) 80/20

The bonds under this heading 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 and GNMA mortgage-backed securities, each as the case may be.

The 1987 Series A (FHA Insured Mortgage Loan) Multi-Family Mortgage Revenue Bonds and the 1993 Series B Multi-Family Mortgage Revenue Bonds are the only bonds to date issued by the Corporation whose interest is not excludable from gross income for federal income tax purposes.

On January 15, 1993, the Corporation issued its \$164,645,000 Multi-Family Mortgage Revenue Bonds (FHA Insured Mortgage Loan), 1993 Series A and 1993 Series B to acquire the FHA-insured mortgage loan for the Manhattan Park Project from HUD. On February 15, 1993, the Corporation redeemed all of the 1985 Series A and 1987 Series A bonds except for \$13,910,000 of the 1985 Series A bonds which are defeased and will be redeemed on February 15, 1995.

The 1985 and 1987 Series A Bonds maturing in 2030 had interest rates ranging from 5.00% to 10.625% and the mortgage notes had interest rates of 9.70% and 11.30%, respectively. The 1993 Series A & B Bonds maturing in 2030 have interest rates ranging from 6.25% to 8.00% and the mortgage notes have rates of 6.66% and 8.66%, respectively. As a result of the refunding, the Corporation was able to reduce its total debt service requirement by \$197,407,000 which resulted in an economic gain of \$47,501,000 all of which was passed through to the Manhattan Park Project, and the Corporation will not be subject to any gain or loss on this refunding.

On May 27, 1993, the Corporation issued \$27,600,000 of its Multi-Family Mortgage Revenue Bonds (Columbus Gardens Project), 1993 Series A, to refinance the mortgage loan for the project and to refund all of the outstanding Multi-Family Development Bonds, 1985 Series A, on June 7, 1993. The 1985 Series A Bonds maturing in 2007 had interest rates ranging from 5.40% to 9.125% and the mortgage note had an interest rate of 9.58%. The 1993 Series A Bonds are variable rate bonds having an initial stated rate of 2.9% and a maximum rate of 12% and mature

Notes to the Combined Financial Statements

as of October 31, 1993

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

in 2007. The mortgage loan documents require the mortgagor to pay sufficient funds to cover the interest and principal on the bonds plus various fees. As a result of the refunding, the Corporation will experience a reduction in its total debt service requirement at 2.9% of \$24,496,000, and an increase in its total debt service requirement at 12% of \$6,452,000. The economic gain or loss will depend upon the fluctuation of interest rates over the term of the 1993 Series A Bonds. The difference between the present value of the debt service requirement at the rate of 2.9% would result in an economic gain of \$15,321,000 and an economic loss at 12% of \$8,087,000. The resulting gain or loss and the change in debt service requirement will be passed through to the Columbus Gardens Project, and the Corporation will not be subject to any gain or loss on this refunding.

On October 17, 1993, the Corporation retired its outstanding Multi-Family Development Bonds (Roslingate Development), 1985 Issue 1. The mortgage on this project is no longer held by HDC. The Corporation did not recognize any gain or loss as a result of this transaction.

(e) Hospital Residence

The bonds under this program are secured by either bond insurance and/or a letter of credit and are special revenue obligations of the Corporation.

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 advance refunding met the requirements of an insubstance defeasance, and, accordingly on October 31, 1993, none of the 1985 Series 1 Bonds are an outstanding obligation of the Corporation. At October 31, 1993, the defeased MBIA Insured Residential Revenue Bonds (Royal Charter Properties-East Inc. Project), 1985 Series I totaled \$76,122,000.

(f) 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.

The bonds and notes payable caption on the Combined Balance Sheet includes \$9,547,000 of deferred bond refunding costs on programs that were refinanced in fiscal year 1993.

(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.

Revenue Bond Program:

The 1987 Series A Bonds are special revenue obligations of HNYC secured by a pledge of excess revenues from a lease 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 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.

(D) NEW YORK CITY RESIDENTIAL MORTGAGE INSURANCE CORPORATION

REMIC is not authorized to issue any bonds or notes.

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
	1994	\$ 61,682
1995	21,121	4,940
1996	24,450	5,310
1997	28,117	5,710
1998	29,355	6,155
TOTAL	\$ 164,725	\$ 26,725

(E) BONDS OUTSTANDING

Bonds payable comprise the following for the year ended October 31, 1993:

DESCRIPTION (in thousands)	BALANCE AT OCTOBER 31, 1992	ISSUED	RETIRED	BALANCE AT OCTOBER 31, 1993	ANNUAL DEBT SERVICE
HOUSING DEVELOPMENT CORPORATION					
MULTI-FAMILY BOND PROGRAMS:					
GENERAL HOUSING:					
General Housing Bond Program – 3.75% to 9% Bonds maturing in varying installments through 2023	\$ 234,285	–	(1,730)	232,555	16,438
1982 Multi-Family Bond Program – 6% to 11.125% Serial and Term Bonds maturing in varying installments through 2012	30,585	–	(365)	30,220	3,394
TOTAL GENERAL HOUSING	\$ 264,870	–	(2,095)	262,775	19,832
SECTION 223(F):					
Multifamily Housing Bond Program – 6.5% to 7.25% Bonds maturing in varying installments through 2019	339,176	–	(4,447)	334,729	26,867
1991 Multi-Unit Mortgage Refunding Bond Program – 4.4% to 7.35% Serial and Term Bonds maturing in varying installments through 2019	101,935	–	(1,360)	100,575	8,621
TOTAL SECTION 223(F)	\$ 441,111	–	(5,807)	435,304	35,488
SECTION B:					
1979 Series A Bond Program – 6% to 7.5% Serial and Term Bonds maturing in varying installments through 2021	44,725	–	(700)	44,025	45,648
1983 Series A Bond Program – 5.75% to 8.875% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2025	120,110	–	(120,110)	–	–
1983 Series B Bond Program – 6% to 9.5% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2026	69,990	–	(69,990)	–	–
1983 Series C Bond Program – 1% Term Bonds maturing in increasing installments through 2015	1,995	–	(1,995)	–	–
1993 Series A & B Bond Program – 2.75% to 5.85% Serial and Term Bonds maturing in varying installments through 2026	–	130,000	–	130,000	5,424
TOTAL SECTION B	\$ 236,820	130,000	(192,795)	174,025	51,072

Notes to the Combined Financial Statements

as of October 31, 1993

NEW YORK CITY
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DESCRIPTION <i>(in thousands)</i>	BALANCE AT	ISSUED	RETIRED	BALANCE AT	ANNUAL DEBT SERVICE
	OCTOBER 31, 1992			OCTOBER 31, 1993	
BO/20:					
1984 Series A Variable Rate Bond Program – Variable Rate Bonds due upon demand through 2016	\$ 66,400	–	(500)	65,900	2,427
1985 Series A Development Bond Program – 5.4% to 9.125% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2007	21,763	–	(21,763)	–	–
1985 Series A Bond Program – 5% to 10% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2030	155,778	–	(155,778)	–	–
1985 First Series Bond Program – 6.75% to 9.875% Serial and Term Bonds maturing in varying installments through 2017	16,310	–	(265)	16,045	1,847
1985 Issue A Bond Program – 6.75% to 8.5% Serial and Term Bonds maturing in varying installments through 2015	23,975	–	(195)	23,780	2,222
1985 Issue 1 Development Bond Program – 4.75% to 8.625% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2005	25,743	–	(920)	24,823	2,668
1985 Series A GNMA Mortgage-Backed Securities Bond Program – 5.90% to 8.75% Serial and Term Bonds maturing in varying installments through 2016	23,295	–	(325)	22,970	2,324
1985 Series A Variable Rate Bond Program – Variable Rate Bonds due upon demand through 2009	14,100	–	(100)	14,000	509
1985 Issue 1 Development Bond Program – 9.12% Term Bonds maturing in varying installments through 2007	31,691	–	(31,691)	–	–
1985 First Series Insured Bond Program – 5% to 8.5% Term and Serial Bonds maturing in varying installments until 2007	15,315	–	(590)	14,725	1,816
1985 Resolution 1 Variable Rate Bond Program – Variable Rate Bonds due upon demand through 2007	48,270	–	(570)	47,700	1,853
1987 Series A GNMA Mortgage-Backed Securities Bond Program – 8.125% Term Bonds maturing in varying installments through 2019	4,320	–	(45)	4,275	396
1987 Series A Mortgage Revenue Bond Program – 10.625% Term Bonds maturing in varying installments through 2030	12,815	–	(12,815)	–	–
1987 Series A Housing Bond Program – 8.265% and 9.625% Term Bonds maturing in varying installments through 2019	9,150	–	(125)	9,025	995
1988 Series A Variable Rate Demand Bond Program – Variable Rate Bonds due upon demand through 2016	2,000	–	–	2,000	61
1989 Series A Multi-Family Revenue Bond Program – Variable Rate Bonds due upon demand through 2016	10,000	–	–	10,000	233

DESCRIPTION (in thousands)	BALANCE AT		ISSUED	RETIRED	BALANCE AT		ANNUAL DEBT SERVICE
	OCTOBER 31, 1992				OCTOBER 31, 1993		
1989 Series A Multi-Family Revenue Bond Program - Variable Rate Bonds due upon demand through 2017	12,400	-	-	-	12,400	-	273
1989 Series A Multi-Family Revenue Bond Program - 7.2% and 7.45% Term Bonds maturing in varying installments through 2008	11,605	-	-	(370)	11,235	-	1,223
1990 Series A Variable Rate Demand Bond Program - Variable Rate Bonds due upon demand through 2015	104,600	-	-	-	104,600	-	2,439
1993 Series A Variable Rate Demand Bond Program - Variable Rate Bonds due upon demand through 2007	-	27,600	-	-	27,600	-	1,033
1993 Series A & B Bond Program - 6.25% to 8.0% Term Bonds maturing in varying installments through 2030	-	164,645	-	(170)	164,475	-	11,965
TOTAL HO/DO	\$ 609,530	192,245	(226,222)		575,553		34,284
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	106,238	-	-	(3,050)	103,188	-	9,234
1993 Series A Bond Program - Variable Rate Term Bonds maturing in varying installments through 2023	-	36,600	-	-	36,600	-	860
1993 Series A Bond Program - Variable Rate Term Bonds maturing in varying installments through 2030	-	8,400	-	-	8,400	-	193
TOTAL HOSPITAL RESIDENCE	\$ 106,238	45,000	(3,050)		148,188		10,287
RESIDENTIAL COOPERATIVE HOUSING:							
1990 Series A Mortgage Revenue Bond Program - 7.90% Term Bonds maturing in varying installments through 2023	6,955	-	-	(30)	6,925	-	606
1990 Series A Mortgage Revenue Bond Program - 8.10% Term Bonds maturing in varying installments through 2023	11,260	-	-	(4,620)	6,640	-	577
TOTAL RESIDENTIAL COOPERATIVE HOUSING	\$ 18,215	-	(4,650)		13,565		1,183
TOTAL BONDS PAYABLE HOUSING DEVELOPMENT CORPORATION	\$ 1,676,784	367,245	(434,619)		1,609,410		152,146
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	205,961	-	-	(4,310)	201,651	-	20,904
TOTAL BONDS PAYABLE HOUSING NEW YORK CORPORATION	\$ 205,961	-	(4,310)		201,651		20,904
TOTAL BONDS PAYABLE	\$ 1,882,745	367,245	(438,929)		1,811,061		173,050

Notes to the Combined Financial Statements

as of October 31, 1993

NEW YORK CITY
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Note Eight: Consultants' Fees

(A) NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

The fees paid by the Corporation for legal and consulting services in fiscal 1993 for HDC include: \$58,366 to Hawkins, Delafield & Wood, \$42,324 to Brownstein, Zeidman and Lore, \$40,000 to Willkie, Farr & Gallagher and \$4,591 to Timothy P. Fisher for legal services. The Corporation paid consulting fees in the amount of \$12,425 to Omotayo Mebude, CPA, to assist in the preparation of the Corporation's financial statements.

In addition, the following legal fees were paid: \$491,405 to Hawkins, Delafield & Wood and \$52,600 to Brownstein, Zeidman & Lore. Consulting fees paid were \$69,288 to Kenneth Leventhal & Company. \$3,600 was paid to Hillman Environmental Company for an environmental study. The Corporation has been reimbursed for these expenses from either bond proceeds or project developers.

(B) NEW YORK CITY RESIDENTIAL MORTGAGE INSURANCE CORPORATION
REMIC paid legal fees of \$15,080 to Breed, Abbott & Morgan.

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, 1993, 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 \$3,148,000 for fiscal 1993. As of October 31, 1993, the total liability to the City was \$8,834,000.

Under the 1991 Multi-Unit Program non-operating expenses amounted to \$1,057,000 for fiscal year 1993. As of October 31, 1993, the total liability to the City was \$1,836,000.

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 \$79,000 and \$53,000, respectively. As of October 31, 1993, all funds had been advanced under the 1985 bond program and the funds yet to be advanced under the 1987 bond program amounted to \$184,000. The total funds payable to the City over the life of the bond programs are \$7,211,000 and \$7,214,000, respectively.

The City provided funds for a subordinate mortgage loan to Sheridan Manor which were advanced pursuant to a mortgage held and serviced by the Corporation. The total liability to the City was \$18,666,000 on October 31, 1993.

The Corporation under its DSP has initiated an HPD Loan Servicing Program. During 1991 and 1992, HPD transmitted \$5,538,000 and \$134,365,000, respectively, and for 1993 \$102,890,000 to the Corporation for this activity. At October 31, 1993, the Corporation held \$56,359,000 in the Corporate Services Fund for the City.

(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 Combined Balance Sheet. At October 31, 1993, total resources payable to the City amounted to \$84,892,000.

(C) HOUSING NEW YORK CORPORATION

The Corporation is currently servicing four loans under the Vacant Cluster Program with funds received from the City. At October 31, 1993, total funds held for the City amounted to \$9,104,000.

Note Ten Retirement System

The Corporation is a participating employer in the New York City Employee's Retirement System (the "System") of which 9 employees of the Corporation are members. The Corporation paid \$33,000 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 participates 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, 1993, the Corporation held \$2,671,000 in prefunded annual contributions. Related fees earned during fiscal 1993 amounted to \$1,689,000 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, 1993, HDC had set aside \$1,354,000 in rebateable funds.

Note Twelve Commitments

(A) NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

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

YEAR ENDING OCTOBER 31	
1994	\$ 504,000
1995	535,000
1996	537,000
1997	545,000
1998	552,000
TOTAL	\$ 2,673,000

For fiscal year 1993, the Corporation's rental expense amounted to \$551,000.

Notes to the Combined Financial Statements

as of October 31, 1993

NEW YORK CITY
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Remaining mortgage commitments and other loan commitments at October 31, 1993 are as follows:

Mortgage Loans:

Multi-Family Bond Programs:

80/20	\$ 4,677,000
Hospital Residence	900,000
Residential Cooperative Housing	8,279,000
TOTAL MORTGAGE LOAN COMMITMENTS	\$13,856,000

Other Loans:

Development Services Program	\$ 8,125,000
TOTAL COMMITMENTS	\$21,981,000

(B) NEW YORK CITY RESIDENTIAL MORTGAGE INSURANCE CORPORATION REMIC is committed under one operating lease for office space for minimum annual rentals for the next five years as follows:

YEAR ENDING OCTOBER 31	
1994	\$ 92,000
1995	92,000
1996	92,000
1997	92,000
1998	92,000
TOTAL	\$ 460,000

For fiscal year 1993, REMIC's rental expense amounted to \$87,000.

As of October 31, 1993, REMIC insured loans with coverage totaling \$32,403,000 and had outstanding commitments to insure loans with a maximum insurance coverage of \$8,209,000.

Note Thirteen: Contingencies

In the normal conduct of the Corporation's business, it is involved in 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 combined financial position of the Corporation.

Note Fourteen: Subsequent Events

A. On November 1, 1993, all the 1979 Series A (FHA Insured Mortgage Loans) Bonds were retired in the amount of \$44,025,000.

B. On December 1, 1993, the Corporation retired all of its outstanding 1982 Multi-Family Housing Bonds in the amount of \$29,825,000 thereby eliminating the moral obligation of the City and the State to make payments on these bonds in the event of default.

C. On December 16, 1993, the Housing New York Corporation issued \$258,690,000 Senior Revenue Refunding Bonds, Series 1993 to provide funds to advance refund HNYC's Revenue Bonds, 1987 Series A.

D. On December 27, 1993, the Corporation issued \$141,735,000 Multi-Family Housing Revenue Bonds (FHA Insured Mortgage Loan - Manhattan West Development), 1993 Series A to enable HDC to fund a mortgage loan which will provide construction and permanent financing for Manhattan West, a 1,000 unit 80/20 multi-family rental building.

Independent Auditor's Report

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

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, 1993, and the related combined statement 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 from 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, 1993, 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, 1994

HDC'S STAFF

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Executive Vice President

Helen Bojcenik
Secretary to the Executive Vice President

DEVELOPMENT

Charles A. Brass
Vice President

Donald Rubenstein
Director of Development Services

Matthew Kelly
Director of Program Development

June Ricketts
Betty Scarlett
Administration

LEGAL

Martin I. Siroka
Vice President and General Counsel

David S. Boccio
Deputy General Counsel and Secretary

Deborah Evans
Assistant General Counsel

Michelle Abbott-Smith
Yvonne Glenn
Paralegals

OPERATIONS

Charlena Lance
Director

Mary McConnell
Deputy Director

Blanche Hodges
Office Manager

Agnes M. Abraham
Miguel Alvarez
Ellie Candelario
John Evans
Dahlia Itzhaki
Joan O'Brien
Edward Overton

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Assistant Treasurer

Maria N. Arroyo
Purchasing Manager

Nancy Wolf
Administration

FINANCIAL ANALYSIS

Bernard Hecht
Director

CASH MANAGEMENT

Harry Fried
Assistant to the Treasurer

Giacomo Tafuro
Investment Analyst

Karyn Raguette
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Kevin Moore
Joseph Porsia
Renee Shepperson
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Director

Nancy Lauck
Senior Financial Analyst

Karen Mattics
Assistant Director

Mei H. Kiang
Elise Marconi
Ana Morales

COMPUTER OPERATIONS

Joan Berkeley
Supervisor

ACCOUNTING

Kenneth Mertz
Controller

Shirley Jarvis
Chief Accountant

Cathleen Baumann
Juliet Bolden
Judith Clark
Rhoda Dean-Yhap
Laura Driscoll
Mary John
Michelle Korchinski
Cherrill McPhoy
Frieda Schwartz
Bharat Shah
Lucille Tufano
Cheuk Yu

INTERNAL AUDIT

Teresa Gigliello
Internal Auditor

ASSET MANAGEMENT

Peggy Joseph
Director

Sylvia Ramos
Assistant Director

Geraldine Brown
Christine Chan

Lucille Engram
Brian Karim
Scott Lakow
Delia Lau
Annabel Mazzeo

Joan Morrison
Robert Ramirez
Shirell Taylor
Fridrey Uwoghiren
Patricia Waller
Hershel Weiss
Gwendolyn Williams

MANAGEMENT INFORMATION SYSTEMS

Michael Hirst
Director

John Woelz
Assistant Director

Giuseppe D'Agosto
Jeffrey DeVito
Peter Malecki
Irene Yau

REMIC'S STAFF

Seymour Trommer
Senior Insurance Officer

Julio Colon
Director of Development

Edythe Solomon
Administration

THE CORPORATION WISHES TO EXTEND ITS GRATITUDE TO FELICE MICHETTI FOR HER SERVICE AS CHAIRPERSON AND PRESIDENT OF THE CORPORATION. DURING HER FIVE YEAR TENURE, THE CORPORATION EXPANDED ITS PARTNERSHIP WITH THE CITY IN ORDER TO FINANCE THE DEVELOPMENT OF AFFORDABLE HOUSING.

WE ALSO OFFER OUR APPRECIATION TO PAZEL G. JACKSON, JR. WHO SERVED AS A MEMBER FROM THE CORPORATION'S INCEPTION UNTIL JANUARY 1994. HIS GUIDANCE HELPED HDC BECOME ONE OF THE LEADING FINANCE AGENCIES IN THE COUNTRY.