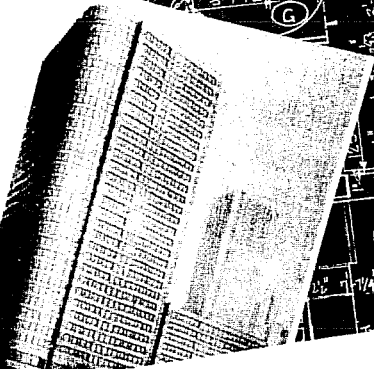


**Real Estate**  
**Bonds Aid Housing in Manhattan**

Alan S. Oser

**T**HANKS to tax-exempt financing, a modest surge of new office building construction is in its construction. One of the buildings will be a 10-story, 100,000-sq-ft office building. The building will have 100 apartments in a tower of 20 stories. The tower will be 20 stories tall and is set on a 10-story lot. The tower will be 20 stories tall and is set on a 10-story lot. The tower will be 20 stories tall and is set on a 10-story lot. The tower will be 20 stories tall and is set on a 10-story lot.



**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
**FAMILY MORTGAGE REVENUE BOND**

83A-13

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION  
Variable Rate Demand Bonds  
(\$68,000,000)  
Carnegie Park Place

DEPARTMENT OF REVENUE FOR CERTAIN DEFINITIONS  
CUSIP 649702 BQ 9  
MATURITY DATE MAY 1, 2015  
INTEREST RATE 8 1/4%

NEW YORK CITY  
HOUSING DEVELOPMENT  
CORPORATION  
1984 ANNUAL REPORT TO  
HONORABLE  
EDWARD J. KOCH, MAYOR  
HONORABLE  
HARRISON J. GOLDIN,  
COMPTROLLER  
HONORABLE  
ALAIR A. TOWNSEND,  
DIRECTOR OF MANAGEMENT  
AND BUDGET.

APPROVED BY  
THE BOARD AND  
MEMBERS OF THE  
NEW YORK CITY  
HOUSING DEVELOPMENT  
CORPORATION



## REPORT OF THE CHAIRMAN AND PRESIDENT

**W**e are pleased to present you with this Annual Report describing the activities and accomplishments of the New York City Housing Development Corporation for the fiscal year ended October 31, 1984.

In the past year, the Corporation successfully completed two major assisted housing programs designed for 100 percent occupancy by low income households. At the same time, we made substantial progress in the planning and development of a number of new, and exciting, multifamily programs designed to stimulate rental housing production despite the end of Section 8 rental subsidy programs for new construction and substantial rehabilitation.

Two multifamily note issues totalling \$252 million provided builders of public housing "turnkey" projects with fixed rate construction financing at interest rates of 8.81% and 9.60%. Upon completion of construction, over 4500 units of housing for low income families in 29 developments will be ready for purchase by the New York City Housing Authority for its public housing portfolio. Each issue was structured so that the risks inherent in construction financing were absorbed by a third party, under an unconditional bank guarantee in the first issue and by an irrevocable direct pay letter of credit in the second. The successful initiation and completion of this turnkey financing program, authorized by legislation enacted in

1982, is particularly gratifying because it prevented the recapture of Federal contract funds needed to purchase and support this essential segment of the City's housing supply.

In September 1984, the Corporation issued \$19,210,000 in construction loan notes to provide construction financing for Newport Gardens, a 240-unit project located in the Brownsville section of Brooklyn. Upon completion, the project is scheduled to receive permanent financing from the Government National Mortgage Association. The financing of Newport Gardens concluded the Corporation's ambitious and highly successful FHA-insured Section 8-subsidized program through which over 10,000 units of 100 percent low income housing in 93 developments will be constructed or substantially rehabilitated throughout the City. The Corporation serves as the Section 8 contract administrator for 62 of these projects.

Despite these proud accomplishments, we continue to have a dire need for low and moderate income housing in New York City. The rental housing market in the City is extremely tight. In fact, the City-wide vacancy rate has in recent years approximated 2 percent, notwithstanding an increase in luxury rental and

owner occupied units as a result of a recent surge of construction activity. When the vacancy rate is adjusted to exclude luxury rentals, a conclusion that an effective vacancy rate of zero percent for safe and sanitary low to middle income rental housing is inescapable. The dramatic decline in interest rates, which only a few years ago exceeded 20 percent, has served to lower construction costs, but not sufficiently to cover the gap between the cost of construction and the rent levels low and moderate income tenants can pay.

**T**he challenge before HDC is to devise effective programs, in cooperation with builders, bankers and government officials, that help private developers overcome this gap. In the summer of 1984, the State Legislature once again demonstrated its confidence in the ability of HDC to serve the housing needs of New York City by expanding the Corporation's bonding authority from \$1.65 to \$2.1 billion. The City's Department of Housing Preservation and Development, investment bankers, developers and housing advocates have shown their willingness to work with HDC in implementing new programs which use every financing tool available to build affordable rental housing.

A key activity of the Corporation during fiscal 1983-84 has been the creation of

programs which will stimulate private development of mixed income rental housing with an assured set aside of 20% of the units for low income tenants for a specified period of time. At the end of this fiscal year, the Corporation initiated its 80% market rate/20% low income rental housing program with the authorization of a \$68 million bond issue to finance the first of several projects totaling several hundred million dollars in mortgages. HDC's 80/20 program will provide the funds to complete the build-out of long vacant vitally important urban renewal sites and privately held sites. In most cases, the low income component of these projects will be subsidized through an internal revenue stream generated by the market rate units.

**A** major development initiative of the Corporation has been its "MAC" program, where \$100 million of surplus revenues generated by the Municipal Assistance Corporation will be used to provide annual interest reduction or operating subsidies. HDC recently announced the availability of below market rate interim and permanent financing under this program for the construction of mixed income (\$15,000—\$48,000) housing on privately held sites. We expect that approximately 5000 units of such rental housing can be generated over the next four years. HDC bonds will be secured by FHA, guarantees of the Federal National Mortgage Association, or other credit enhancements.

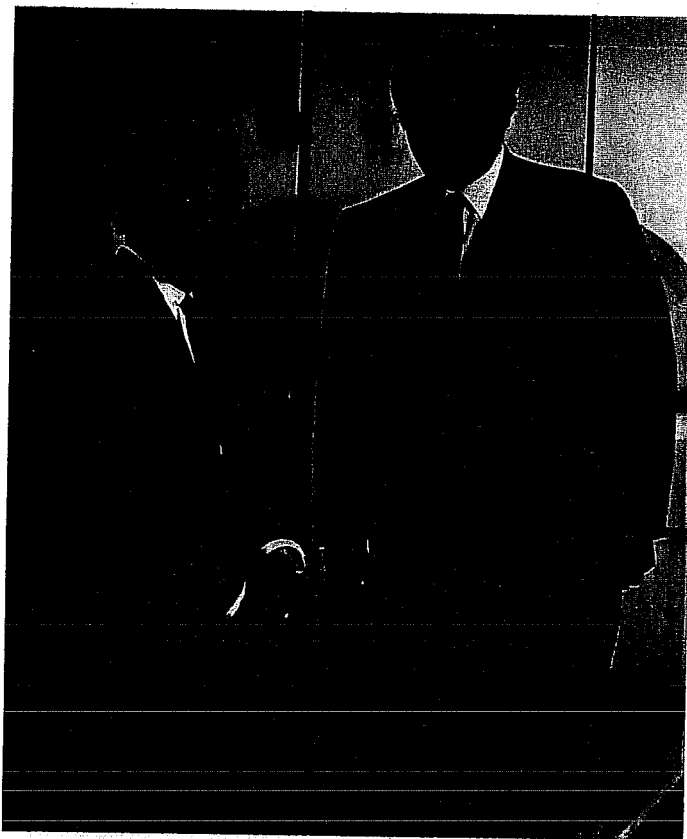
The Corporation is actively structuring a program in conjunction with the new Federal housing development grant program (familarly known as "HoDAG") enacted by Congress in late 1983. The HoDAG program provides a federal grant of up to one-half of the cost of development for the substantial rehabilitation of existing housing or new construction. HDC expects to provide the remaining financing through the sale of tax-exempt bonds. Thirteen City projects have been approved for HoDAG funding and, of a total of \$315 million appropriated for this program over the next two years, New York City expects to receive between \$35 million and \$42 million in grant money.

In addition to the above, the Corpora-

tion's staff is also in the process of developing a Section 223(f) coinsurance program in order to facilitate the refinancing and upgrading of existing serviceable apartments through this shared risk arrangement with HUD.

**T**hese are exciting programs we look forward to implementing throughout the coming year. With the continued cooperation and dedication of the housing development and finance community, we will continue to fulfill our mandate of increasing the supply of affordable rental housing for the residents of this great city.

February 6, 1985



*Lance H. Wilson*

*Anthony Gliedman*

LANCE H. WILSON, President

ANTHONY GLIEDMAN, Chairman

# THE CORPORATION'S HISTORY AND PROGRAMS

The New York City Housing Development Corporation is a public benefit corporation established under Article XII of the New York State Private Housing Finance Law. The Corporation was created in 1971 to meet New York City's critical need for a comprehensive, technically sophisticated housing finance vehicle to focus exclusively on the City's persistent and deepening rental housing crisis and to facilitate the investment of private capital in the development of multifamily rental housing.

It is axiomatic that the City's ability to maintain its great attractiveness as an economic center for employers and employees requires a regenerative and expanding supply of housing at rent and price levels competitive with other urban areas. At the time of HDC's organization, the City was completing plans for a major housing development program and was seeking financing for over \$1 billion of low and moderate income housing. However, the City, having exhausted its housing finance capacity, was unable to continue the issuance of its general obligation bonds for use in a mortgage financing program of the scale envisioned by the City housing officials. Thus, the creation of HDC filled an acute City need, establishing an agency which would exclusively focus its energies on housing finance issues and provide low cost mortgage funds, permitting limited City resources to be allocated to other critical capital needs.

It is certain that at the creation of HDC,

only a prescient few could have envisioned the growth and vitality of HDC during its twelve years of operation. In this period HDC has issued over \$1.8 billion in notes and bonds, providing financing for over 50,000 units of low, moderate and middle income housing establishing itself as a major presence in the tax-exempt credit markets. The cornerstone of HDC's success has been its ability to combine Federal and City housing assistance programs with tax-exempt financing to produce effective program initiatives in response to the varied and fluid requirements of the complex development process.

The Corporation's major program initiatives have included:

□ In October, 1984, HDC authorized its first "80/20" mixed income project, approving a \$68,000,000 bond issue to provide construction and permanent financing for the 462-unit Carnegie Park development. The 80/20 format incorporates an 80% market rate/20% low income rental structure. Carnegie Park is the first 80/20 project to be financed in a project pipeline encompassing in excess of \$500,000,000.

HDC expects that it will finance the development of the City's remaining urban renewal sites and a number of other 80/20 rental projects throughout the City, including in early 1985, two major West Side urban renewal developments, the Columbus Gardens and Columbus Townhouse projects. With the termination of direct Federal development subsidies, HDC's 80/20 program is the only mechanism available for the production of new housing units for low income families.

□ During its 1983-84 fiscal year, HDC issued notes in the amount of \$252,000,000 to provide construction financing for low income public housing projects to be purchased upon completion of construction by the New York City Housing Authority.

The turnkey program was a paradigm inter-agency cooperative effort managed by HDC's development staff, involving coordination with the Housing Authority, the City's Department of Housing Preservation and Development (HPD) and the U.S. Department of Housing and Urban Development (HUD)—each agency occupying a role in the turnkey development program. The program was financed in two issuances, enabling the construction of over 4,500 units of low income housing pursuant to HUD's Turnkey Public Housing Program.

AN OVERVIEW: HDC PROGRAM ACTIVITY (in millions)\* MORTGAGE DWELLING LOANS\* UNITS

YEAR	MORTGAGE LOANS*	DWELLING UNITS
1971	10	100
1972	15	150
1973	20	200
1974	25	250
1975	30	300
1976	35	350
1977	40	400
1978	45	450
1979	50	500
1980	55	550
1981	60	600
1982	65	650
1983	70	700
1984	75	750
1985	80	800
1986	85	850
1987	90	900
1988	95	950
1989	100	1000
1990	105	1050
1991	110	1100
1992	115	1150
1993	120	1200
1994	125	1250
1995	130	1300
1996	135	1350
1997	140	1400
1998	145	1450
1999	150	1500
2000	155	1550
2001	160	1600
2002	165	1650
2003	170	1700
2004	175	1750
2005	180	1800
2006	185	1850
2007	190	1900
2008	195	1950
2009	200	2000
2010	205	2050
2011	210	2100
2012	215	2150
2013	220	2200
2014	225	2250
2015	230	2300
2016	235	2350
2017	240	2400
2018	245	2450
2019	250	2500
2020	255	2550
TOTAL ACTIVITY	\$1,681	51,183

Construction loans to the designated developers of the Authority's public housing turnkey projects are being administered through the real estate divisions of Chemical Bank and Citibank, N.A.

□ From 1979 to 1984, HDC was the primary financing source for the City's Section 8 new construction and substantial rehabilitation pipeline. Culminating a decade of planning subsequent to the congressional enactment of the Housing and Community Development Act of 1974, HDC provided, in eight separate bond and note issuances totalling over \$650,000,000, construction and permanent financing for over 10,000 units of low income rental housing. The rental units provided by HDC's financing are or will be occupied by tenants qualifying for Section 8 housing assistance payments. These projects were insured under Sections 220, 221(d)(3) and 221(d)(4) of the National Housing Act.

□ Between 1977 and 1980, HDC refinanced 81 Mitchell-Lama mortgages originally financed with short-term City debt. Under this program, HDC acquired the mortgage which was then recast into senior and junior mortgage components. The senior mortgages were insured by the Federal Housing Administration pursuant to Section 223(f) of the National Housing Act and used to secure approximately \$480,000,000 in multifamily housing bonds. Net proceeds of each issue were

paid to the City, which continued to hold the junior, uninsured mortgage. Over 28,000 residential units were refinanced including over 12,000 units subsidized under Section 236 of The National Housing Act. The Refinancing Program accomplished two important goals. It generated vitally needed cash proceeds to the City, which was then emerging from its critical mid-1970's financial crisis. Of perhaps equal significance, the recasting of the projects' mortgage debt into affordable fixed rate self-amortizing senior mortgages provided an essential ingredient of long term operational stability.

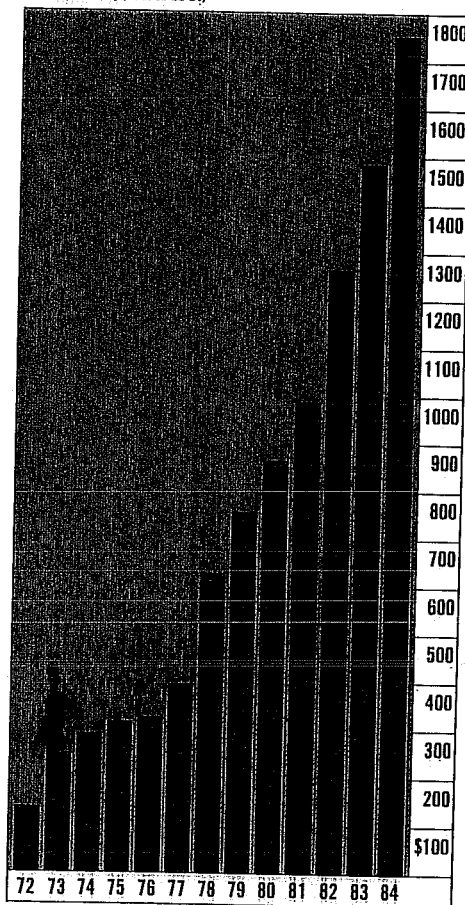
□ HDC's first program initiative was its middle income General Housing Program. Between 1972 and 1978, HDC, through bond and note issues totalling \$306,000,000, provided interim and permanent financing for the construction of seven high-rise developments and the rehabilitation of one garden apartment

complex providing 8,036 units of moderate and middle income housing. Five of the projects receive Section 236 interest reduction subsidies.

In addition to the mortgage revenue stream of each project and a general reserve fund funded from earnings on the bonds, the General Housing Bonds are secured by a capital reserve fund which must be maintained at a level equal to the maximum annual debt service for all bonds outstanding. In the event of a deficiency, the City is authorized by the Corporation's enabling legislation to restore the fund to its required level out of funds specifically appropriated for such purpose. If the City fails or is unable to restore the fund to its required level, the State Comptroller must provide the necessary funds to HDC from unallocated per capita State aid designated for New York City. This unique restoration mechanism, although an integral bond security feature, has never been used by HDC. Notwithstanding a prolonged period of operating expense increases during the inflationary 1970's, the General Housing Bond developments are today financially stable projects with strong management and histories of stable tenancies at virtual 100% occupancy, dramatic and enduring symbols of the City's and HDC's historical commitment to the housing needs of its low, moderate and middle income residents.

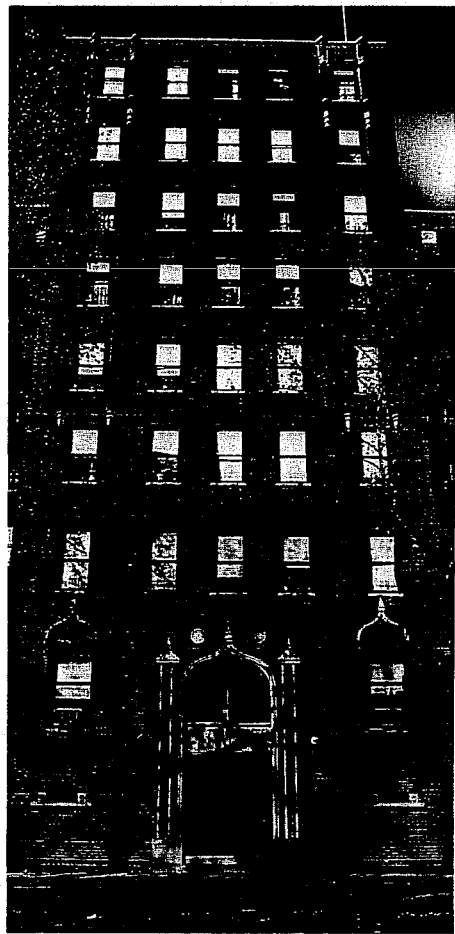
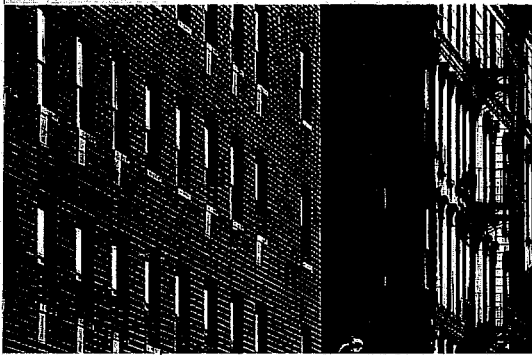
Please see Page 18 of this report for a complete project listing.

**CUMULATIVE TOTALS OF NOTES AND BONDS ISSUED**  
(in millions) (as of 10-31-84)

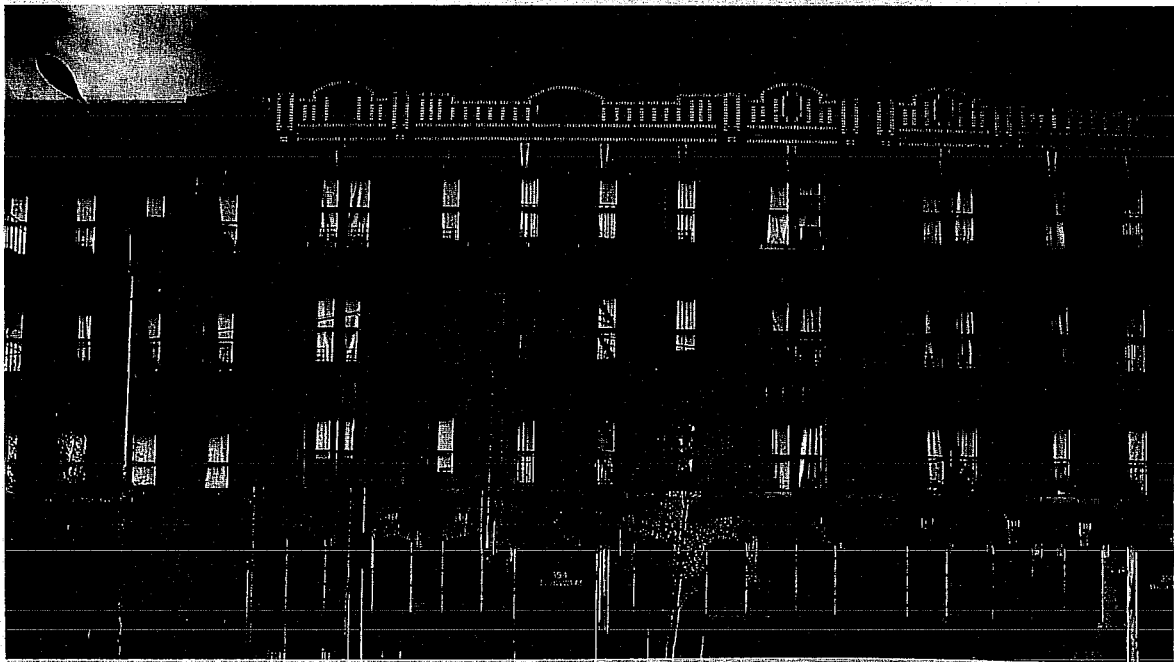




CONTRASTING FACADES, NEW  
AND OLD, AS REFLECTED IN A  
DEVELOPMENT SPONSORED BY  
THE LITTLE ITALY RESTORATION  
ASSOCIATION.



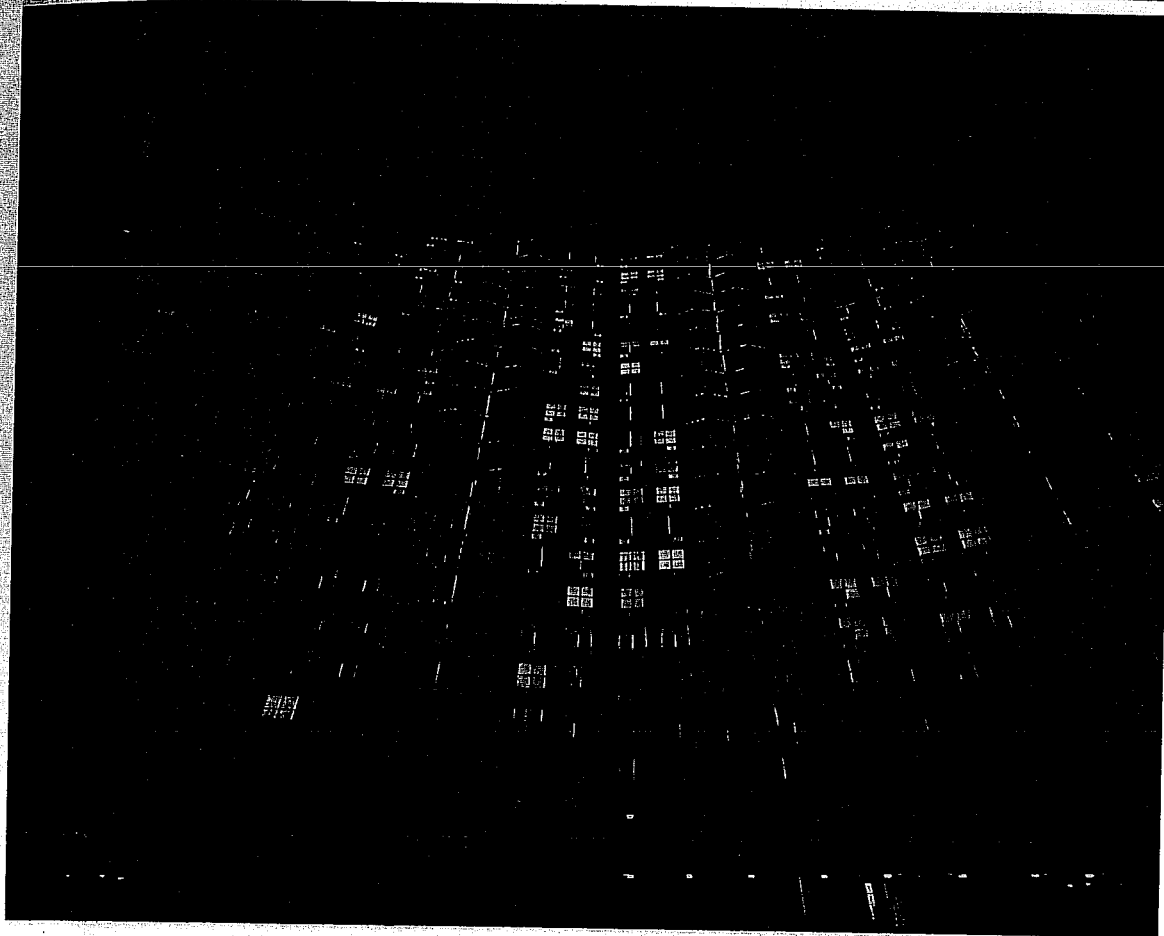
THE REHABILITATION OF THIS  
BRONX PROPERTY RESTORED  
79 DWELLING UNITS.



PENN GARDENS, A 90 UNIT  
REHABILITATION PROJECT,  
ILLUSTRATIVE OF THE CITY'S  
EFFORTS TO REVITALIZE EAST  
NEW YORK.







FOREST PARK CRESCENT, A 240 UNIT COMPLEX AT 9060 UNION TURNPIKE, QUEENS WAS CONSTRUCTED UNDER THE MITCHELL-LAMA PROGRAM AND REFINANCED IN 1977 BY HDC UNDER THE 223(F) PROGRAM.

LANCE WILSON, HDC PRESIDENT, AND JAMES YASSER, HDC EXECUTIVE VICE PRESIDENT, CONFER WITH STEPHEN ROSS, CHAIRMAN OF THE RELATED COMPANIES, AT THE SITE OF

CARNEGIE PARK, A 462 UNIT 80/20 PROJECT CURRENTLY UNDER CONSTRUCTION IN THE RUPPERT BREWERY URBAN RENEWAL AREA.



## 1984 ACHIEVEMENTS

### New Initiatives

*The Turnkey Financings* In 1982 HDC was empowered to provide construction financing to the developers of public housing turnkey projects. At the City's request, the Corporation had sought such authority in order to enable it to assist the New York City Housing Authority to obtain below market fixed rate construction financing for its public housing turnkey pipeline. The financing was intended to ensure the economic feasibility of the Authority's projects, and to insulate this vital segment of the City's low and moderate income housing program from the threat that Federal funds previously allocated to the program would be recaptured as a result of construction delays and cost increases. Given impending Federal recapture and the wildly escalating nature of variable rate conventional construction loans, HDC was under a strict timetable to secure construction funds for the program. Despite difficult program impediments relative to the transfer of construction lending risks to commercial bank participants, HDC brought the program to fruition in its 1983-84 fiscal year with the issuance of over \$252,000,000 in Notes in two series, providing low interest fixed rate construction loans for virtually the entire turnkey pipeline of over 4,500 units.

The first phase of the turnkey financing program was completed in December of 1983 with the issuance of \$125,000,000 of "Loan to Lender Construction Loan Revenue Notes". This initial financing was structured as a loan-to-lender transaction with Citibank Real Estate, Inc. (CREI), a wholly-owned subsidiary of Citibank,

N.A., participating as the construction lender. Under this structure, HDC issued tax-exempt construction loan notes with a 36-month maturity and loaned the proceeds of the note issue to CREI which, in turn, assumed the responsibilities of underwriting and servicing construction loans to the Housing Authority's turnkey developers.

The Corporation's agreement with CREI provided that HDC's loan constituted an absolute, unconditional general obligation of CREI, and required CREI to make payments to HDC in order that the Corporation be able to discharge, in timely fashion, its obligations to noteholders. CREI's obligations were further secured by Citibank, N.A.'s unconditional guarantee as to the principal of and interest on the loan advanced to CREI. Citibank, N.A.'s guarantee is intended to fully insulate HDC from financial and real estate risks, including the possible failure of the projects to be completed in accordance with the turnkey contracts of sale.

**T**he second series of Turnkey Construction Loan Revenue Notes in the amount of \$127,000,000 was issued in August of 1984. This turnkey financing was structured as a "direct loan" program with Chemical Bank securing the payments due on loans made to turnkey developers through the Bank's irrevocable direct pay letter of credit equal to the amount of the loans outstanding on any date, plus interest thereon. Although HDC acts as the mortgagee in this program phase, Chemical Bank assumed complete responsibility, as well as the correlative risk, for the entire construction underwriting and loan servicing process, including the failure of the projects to be completed in accordance with the turnkey contracts of sale.

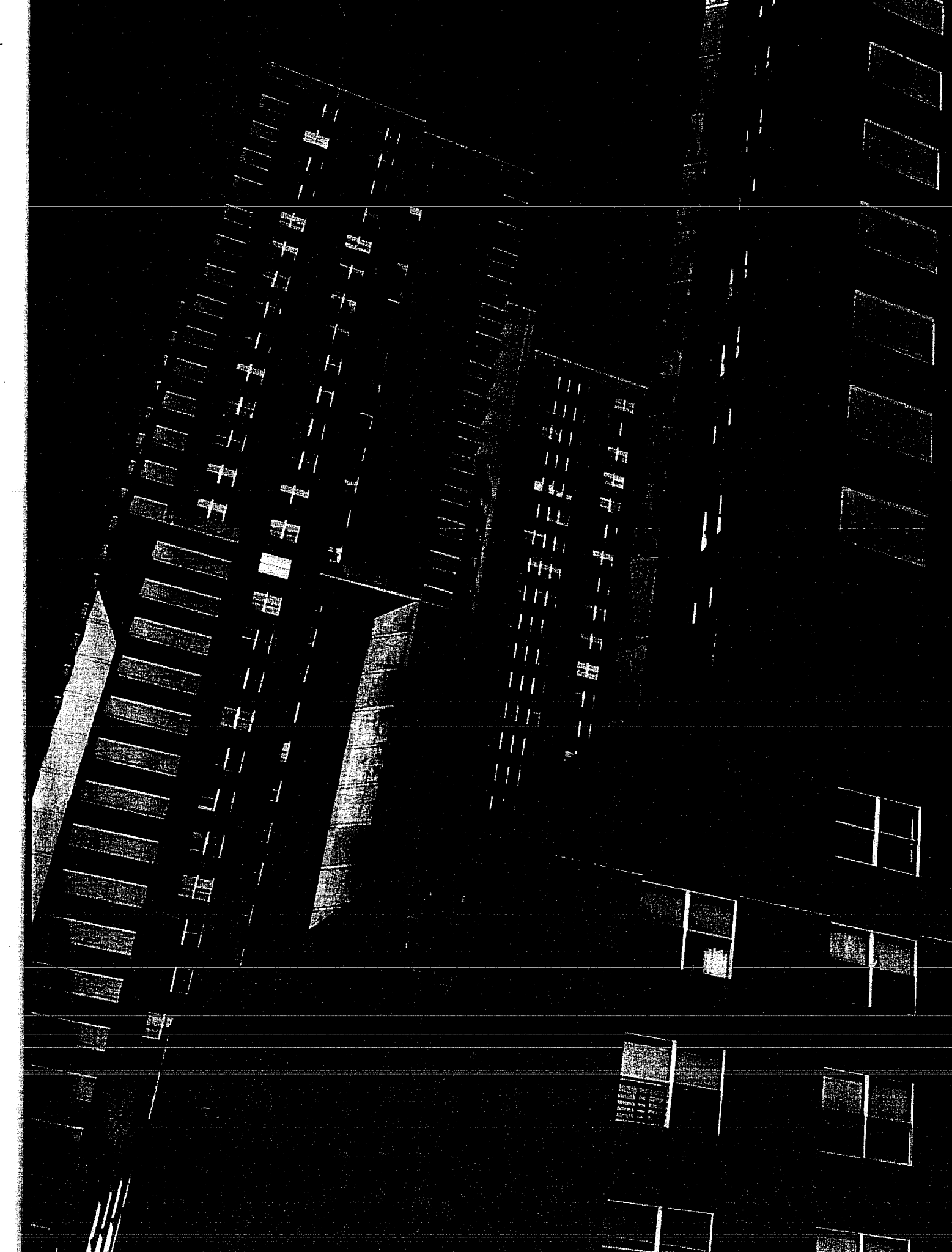
As a result of HDC's turnkey financings, twenty-nine new construction and substantial rehabilitation turnkey projects are targeted for construction financing at interest rates of 8.81% and 9.60%. As of November 1, 1984, eleven of the projects

had closed their construction loans and commenced construction. The Housing Authority has contracted to purchase the projects upon completion of construction.

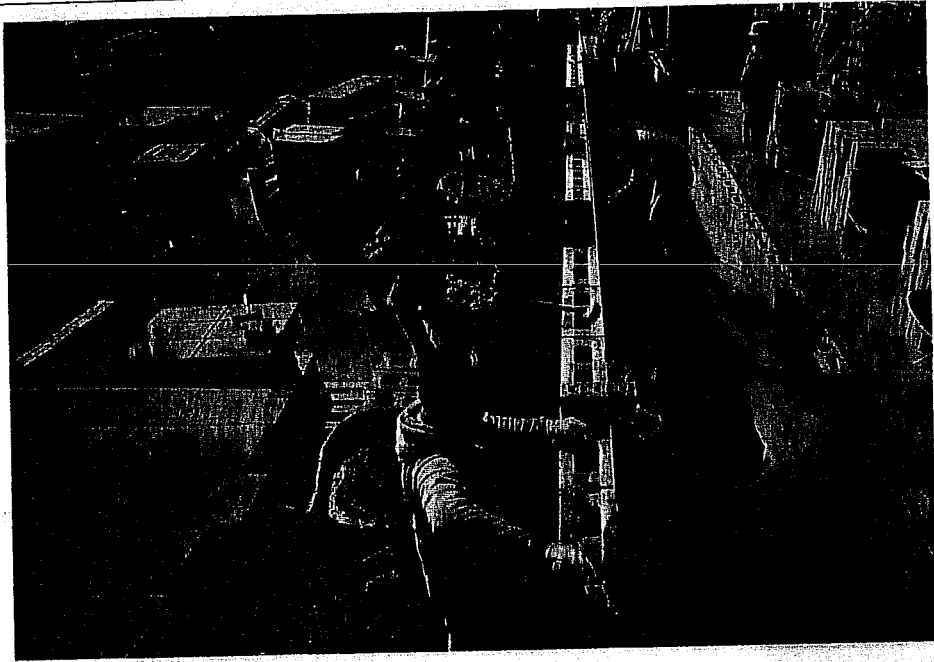
*The 30/20 Program: Assisting the City in its Urban Renewal Commitment* For twenty-five years the City has been committed to the rebuilding of blighted neighborhoods in designated urban renewal areas throughout the City. During this period, the City has made a substantial investment in its urban renewal areas, assembling and acquiring sites to be sold to developers responsible for the construction of housing affordable to low, moderate and middle income families. The majority of these sites have been developed in conjunction with a variety of local and Federal housing assistance programs, as well as tax-exempt financing. During the 1970's, HDC provided financing for some of the City's major urban renewal projects, including Yorkville Towers and Knickerbocker Plaza, located in the Ruppert Brewery Urban Renewal Area, and Independence Plaza North, in the Washington Market Urban Renewal Area, developments which contributed significantly to the revitalization of their neighborhoods.

Today, as HDC and the City reach the mid-decade point of the 1980's and approach the thirtieth anniversary of the birth of the Urban Renewal Program, continuing escalation in construction costs and the unavailability of affordable fixed rate long term financing for rental housing threatens the City's ability to

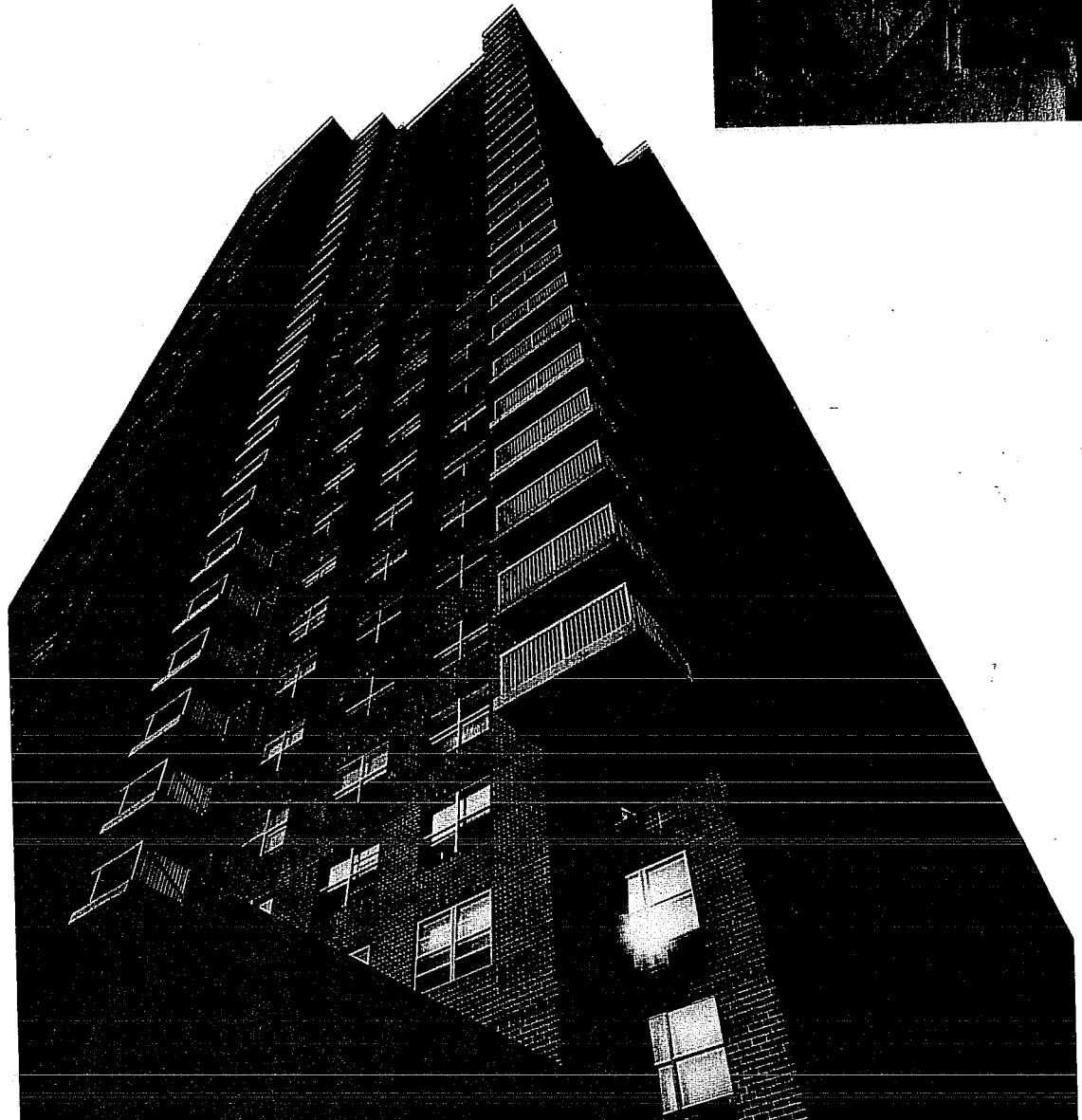
THE BOLDLY ANGULAR FACADE  
OF INDEPENDENCE PLAZA—  
LOCATED AT 40 HARRISON  
STREET IN THE WASHINGTON  
MARKET URBAN RENEWAL AREA  
OF MANHATTAN. THIS PROMI-  
NENT DEVELOPMENT IS VIEWED  
BY CITY PLANNERS AS A CATA-  
LYST IN THE REVITALIZATION OF  
LOWER MANHATTAN.

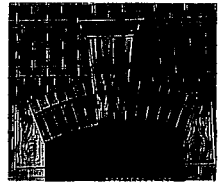


CONSTRUCTION ACTIVITY AT A PUBLIC HOUSING TURNKEY SITE. FINANCED IN SEPTEMBER, 1984, THE TURNKEY PROGRAM ASSISTED THE NEW YORK CITY HOUSING AUTHORITY IN COMPLETING ITS NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION PIPELINE, A VITAL COMPONENT OF THE CITY'S LOW INCOME HOUSING PROGRAM.

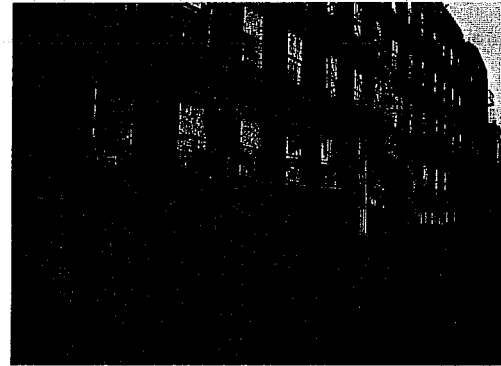


COURT PLAZA, LOCATED AT 82-37 KEW GARDENS RD., QUEENS, WAS FINANCED IN 1977 UNDER THE 223(F) PROGRAM AND PROVIDES 246 UNITS FOR MIDDLE INCOME FAMILIES.





RIVERSIDE PARK COMMUNITY,  
LOCATED AT BROADWAY AND  
135TH ST. IN MANHATTAN, WAS  
FINANCED BY HDC IN 1978  
AND PROVIDES 1190 UNITS OF  
LOW AND MODERATE INCOME  
HOUSING.



1650 PRESIDENT STREET, A  
SECTION 8 ASSISTED REHABIL-  
TATION PROJECT LOCATED IN  
BROOKLYN, IS ONE OF 93  
SIMILAR PROJECTS FINANCED  
BY HDC.

execute the final phases of its urban renewal program—which includes many long vacant and geographically important sites. At present, over 2000 new housing units are planned for development on or in proximity to the remaining urban renewal sites, requiring approximately \$500,000,000 in financing. Given the demise of virtually all direct Federal deep subsidy housing programs and the continuing need for low and moderate income rental housing in New York City's urban renewal areas, tax-exempt financing has emerged as the primary mechanism in the City's determined effort to ensure that its undeveloped urban renewal sites do not lie fallow for many years to come.

**T**he task of developing a financing program for the City's major urban renewal sites has required the development of innovative program initiatives. As it is not expected that the projects planned for these sites will be eligible for FHA insurance, HDC will require the utilization of an alternate security device to shield the Corporation from real estate and credit market risks and ensure an investment grade rating on the financing. Additionally, the projects will be composed of two distinct tenant components: a market rate segment, comprising 80% of the units, and a low income component constituting 20% of the units, in which tenant incomes cannot exceed 80% of the area median. Since no form of public funds, such as Section 8 assistance, will be available to subsidize the low income rents in the majority of the projects, these low income units must be internally subsidized by the project, and the presence of market rate tenants is essential to the financial feasibility of the development. The 80/20 format offers two significant advantages over previous programs: first, it eliminates the use of continuing public subsidies by relying on the market rate units to generate an income stream to

subsidize the low income units; and second, it provides a mixed income environment which permits low income tenants to reside in more desirable developments and areas than might otherwise have been available.

After months of intensive efforts on the part of HDC and the City, the 80/20 multifamily housing program was inaugurated with the financing of Carnegie Park, one of the largest projects planned for development in the City's urban renewal pipeline.

*The Financing of Carnegie Park* At the very close of the Corporation's 1984 fiscal year, October 31, 1984, the HDC Members approved the issuance of \$68,000,000 in Variable Rate Demand Bonds to provide construction and permanent financing for the construction of Carnegie Park, a multifamily rental housing development to be located at 93rd Street and Third Avenue in Manhattan within the Ruppert Brewery Urban Renewal Area. The development contains 462 units, expected to include 49 efficiencies, 279 one bedroom units and 134 two bedroom units. Ninety-two units, including 74 one bedroom units and 18 two bedroom units, are expected to receive housing assistance payments for low and moderate income tenants pursuant to a Section 8 Housing Assistance Payments Contract. The complex consists of a 30 story tower rising from a base of varying heights of 10, 9 and 8 stories. In addition to the residential units, commercial, parking and open space facilities will be provided. As part of their commitment to the revitalization of the community, the developers have agreed to upgrade and maintain a public park for 10 years at their own expense, and to contribute to the development of a nearby 170-unit rental project for the elderly.

The financing marked the commencement of a new era of innovative financing techniques for HDC. It is HDC's first true variable rate project development

financing, and one in which both the terms of security and the method of computing interest are subject to change. Although the bonds are scheduled to mature in 32 years, they will be initially marketed as 7-day demand obligations, at an interest rate set weekly by a Bankers Trust index (TENR) plus 1/4%. The bonds may be converted to a fixed interest rate or to an adjustable rate using a different index or subject to adjustment on an annual or longer basis. Additionally, it is HDC's first long term letter of credit backed bond. The innovations built into the structure of this issuance reflect the Corporation's flexibility and ability to react to the sophisticated requirements of the conventional development process and to produce, without reliance upon Federal insurance, a housing finance program acceptable to the capital markets.

**I**n developing its 80/20 program, HDC has been working with many of the major New York City commercial banks, which are expected to provide irrevocable letters of credit as security for HDC's bonds and to serve as construction loan and mortgage servicer in complex 80/20 transactions. HDC's strong relationships with the development community and major commercial banks are important elements in the Corporation's ability to structure a successful 80/20 program. HDC's ability to work closely with the commercial banks was manifested in the turnkey program, which resulted in the issuance of bank letters of credit and guarantees to secure \$252,000,000 in HDC construction notes.

MAGNIFICENT ARCHITECTURAL  
DETAIL PRESERVED IN THE  
REHABILITATION OF ST. NICHOLAS  
MANOR, A SECTION 8  
ASSISTED PROJECT LOCATED AT  
ST. NICHOLAS AVENUE AND  
145TH ST.



The Corporation expects that several additional "80/20" projects, including the Columbus Gardens and Columbus Townhouse developments, and other major Westside urban renewal projects will reach the market in early 1985.

### Development Activities

HDC has joined forces with HPD and the housing development and finance community in an aggressive campaign to utilize all available resources in the continued revitalization and expansion of the City's housing inventory. Several major new programs are in advanced stages of development and, if consummated, could provide financing for up to 17,000 low, moderate and middle income housing units in the near future.

*The MAC Program* The most innovative program initiative on HDC's development agenda is the MAC Program. An essential ingredient of the program is \$100,000,000 of Municipal Assistance Corporation surplus funds, which have been allocated for moderate income housing. The City of New York has designated HDC as the finance agency through which the funds will flow over a four year period.

The MAC initiative is an innovative effort to stimulate the construction of new rental housing for the segment of the City's population for which housing needs

have been largely unaddressed since the demise of the Mitchell-Lama Program in the early 1970's. Similarly, it seeks to attract the participation of the development community in a rental housing development effort unassisted by direct Federal or deep construction or operating subsidies.

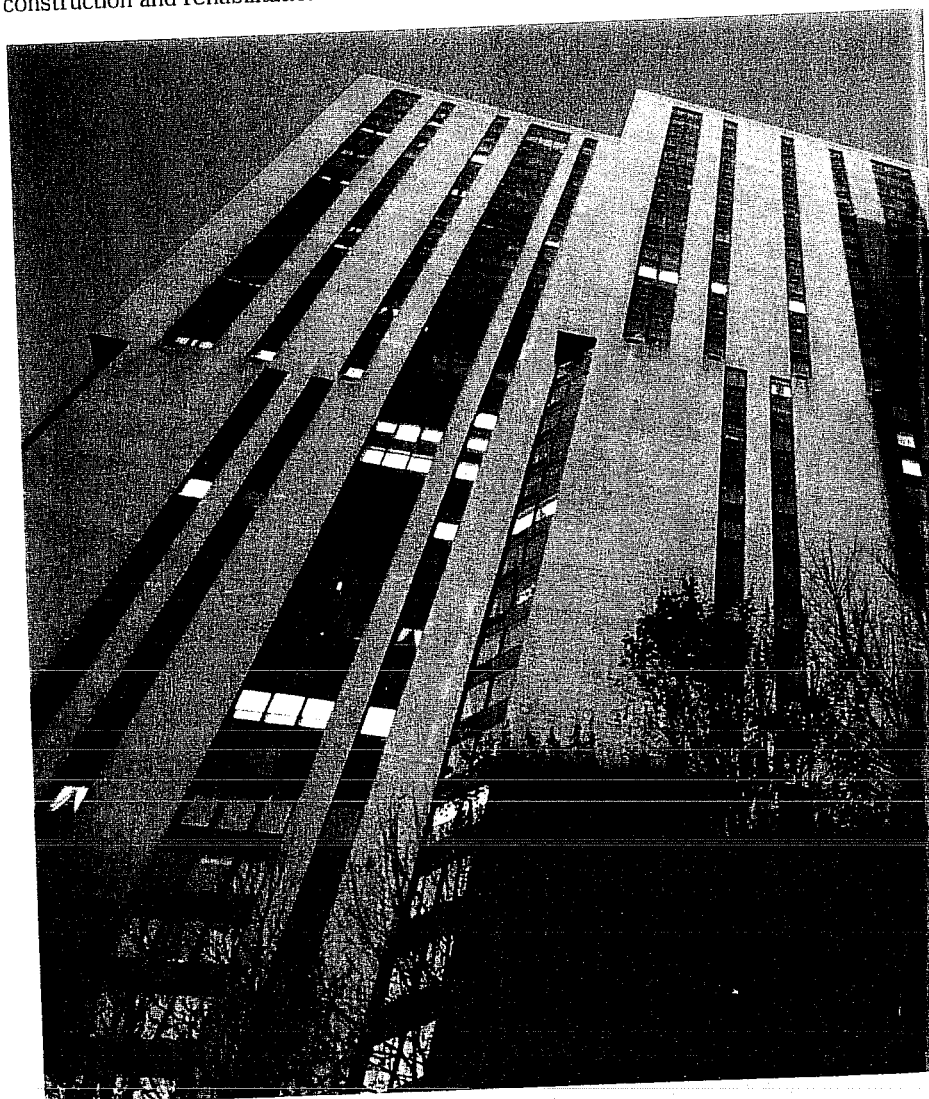
For the past several months, HDC has been deeply involved in the process of developing credit enhancement facilities and financing structures which will enable HDC to leverage the MAC funds to the fullest extent. Recently, HDC and HPD jointly announced the availability of funding under the program in the form of a Request for Proposals. The announcement enunciates the MAC program objectives and solicits proposals for the construction and rehabilitation of rental

housing to be made available to families in the \$15,000 to \$48,000 income range. The program is structured so that 20% of the units are set aside for low income tenants.

Under the MAC program, HDC hopes to finance approximately 5,000 housing units in developments located throughout the City's five boroughs.

*The HoDAG Program* In August of 1984, HUD requested project proposals for funding under its Section 17(d) Housing Development Grant (HoDAG) program. The program offers funds to localities for use in making loans, grants, interest reduction payments or other forms of assistance to new construction and sub-

YORKVILLE PLAZA, LOCATED AT 3RD AVENUE BETWEEN 90TH-92ND STREETS, WAS FINANCED BY HDC IN 1973. THE YORKVILLE DEVELOPMENT, TOGETHER WITH KNICKERBOCKER PLAZA, COMPRISE A MAJOR ELEMENT IN THE CITY'S URBAN RENEWAL PROGRAM. THE STRIKING COMPLEX CONTAINS 1258 LOW, MODERATE AND MIDDLE INCOME UNITS.





stantial rehabilitation projects where 20% of the units will be occupied for 20 years by tenants earning less than 80% of area median; however, the rents in those units cannot exceed 30% of the income of a family earning only 50% of median income. HoDAG funding is available to provide up to 50% of total development cost. Project selection is based on several factors. One of the most important factors is the amount of non-Federal and private resources needed in relation to the HoDAG grant amount. Therefore, the use of HDC below market interest rate financing greatly enhances a project's eligibility for HoDAG funding.

In the summer of 1984, the City and HDC announced the availability of HoDAG funding and HDC construction and permanent financing in a Request for Proposals. Eighteen project proposals contemplating HDC financing were eventually submitted to HUD, and in the fall, HUD approved 13 of these projects for HoDAG funding. While HUD is establishing procedures for the operation of the HoDAG program, HDC is exploring the use of various credit enhancements such as FHA, SONYMA and REMIC mortgage insurance and the use of Federal National Mortgage Association (FNMA) mortgage backed securities to guarantee timely payment of principal and interest on HDC bonds.

*The Moderate Rehabilitation-Participation Loan Program* Another cooperative effort is being undertaken with the City in which HDC financing will be used to provide maximum leveraging of HPD's Participation Loan Program funds. The Participation Loan Program blends conventional financing with 1% City loans funded with Community Development Block Grant funds to reduce the costs of financing the moderate rehabilitation of

occupied apartments. The PLP Program is the City's primary means of upgrading the City's existing housing stock and providing an anchor against decay in the City's older neighborhoods. In the joint HDC/PLP financing, construction funds will be provided by a mixture of conventional and City monies. Upon completion of the work, the conventional funds will be replaced by HDC bond proceeds. The HDC bonds are expected to be guaranteed by FNMA mortgage backed securities.

At present, 5000 units in 48 projects have been identified for possible inclusion in the program. HDC mortgage commitments are expected to exceed \$50,000,000.

*The 223(f) Coinsurance Program* HDC is also actively exploring participation in the FHA Section 223(f) coinsurance program. In this program undertaking, the proceeds of HDC obligations may be used to provide permanent financing for the acquisition and rehabilitation of existing buildings situated throughout New York City. HDC will require rehabilitation scopes approximating 25% of the total funds allocated to each property.

Section 223(f) permits 35 year mortgages for up to 85% of property value. The 223(f) coinsurance program employs a risk sharing approach undertaken by FHA in conjunction with approved coinsurers. The Corporation is working with an FHA-approved coinsurance lender, which will assume the real estate risk not covered by FHA. Additional security for HDC's bonds are expected to be provided by Government National Mortgage Association mortgage backed securities, which should ensure a AAA rating on the financing.

### **Program Update**

*Newport Gardens* In September of 1984, HDC issued \$19,210,000 in 38-month Construction Loan Notes to provide con-

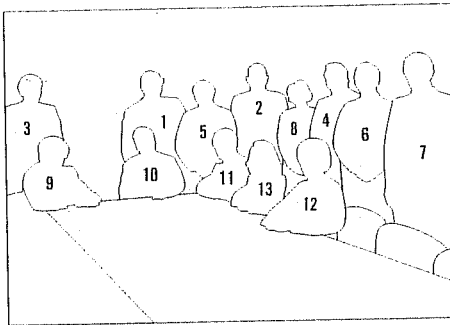
struction financing for Newport Gardens, an eight building low rise new construction complex in the Brownsville section of Brooklyn. This major project, fifteen years in the planning, contains 240 one, two and three bedroom apartments, including 12 units designed for the handicapped, and is the final installment in the City's 100% Section 8 assisted pipeline. Construction commenced in October, 1984. Permanent financing will be provided by the Government National Mortgage Association (GNMA) at a 7.50% interest rate pursuant to its Section 25F Tandem Program.

HDC has previously issued over \$191 million in Construction Loan Notes to provide construction financing for 30 FHA-insured Section 8 assisted projects totalling over 3000 units. The Notes were issued in three issues: 1981 Issues A and B and 1982 Issue 1. Each project mortgage financed with the proceeds of the 1981 Notes has been sold to GNMA. In February and September of 1984, the 1981 Issues A and B Notes were retired in full. As of October 31, 1984, two of the eleven projects financed with 1982 Issue 1 Notes have been sold to GNMA.

*Status of Project Portfolio* The Corporation services the mortgage loans on all projects in its portfolio with the exception of Carnegie Park and the Turnkey projects. Presently, the Corporation is servicing 153 FHA-insured and 8 uninsured mortgage loans. The Corporation has never assigned any of its FHA insured mortgage loans and each project in HDC's uninsured portfolio is current in its debt service obligation. Significantly, in a recent reevaluation and downgrading of numerous issuances involving FHA-insured loans, Standard & Poor's did not downgrade a single HDC debt issuance.

# MEMBERS AND OFFICERS

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



## Members

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

**2) THOMAS E. DEWEY, JR.** Vice Chairman and Member, serving pursuant to law. Mr. Dewey is President of Thomas E. Dewey Jr. & Co., Inc., a firm specializing in financial advisory services. He is also Chairman of the Board of Lenox Hill Hospital and a Trustee of Apple Bank for Savings. Formerly, he was a General Partner in the investment banking firm of Kuhn, Loeb & Co.

**3) GEORGE GLEE, JR.** Member, serving pursuant to law. Mr. Glee is Executive Director of the Vanguard Urban Improvement Assn., Inc., a Brooklyn, New York based non-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 with the Bedford Stuyvesant Restoration Corporation for nine years.

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

**5) PAZEL G. JACKSON, JR.** Member, term expires December 31, 1985. Mr. Jackson is Senior Vice President and Mortgage Officer of The Bowery Savings Bank of New York. He is also Vice Chairman, Battery Park City Authority and a director of the National Corporation for Housing Partnerships. He was formerly Assistant Commissioner of the City Department of Buildings and Chief of Design of the New York World's Fair Corporation.

**6) PHILIP R. MICHAEL** Member ex-officio. Mr. Michael served as Commissioner of Finance of the City until November 30, 1984. He served as first Deputy Commissioner of the Department of Investigation from February 1978 until his appointment as Finance Commissioner in November, 1980. Mr.

Michael began his service with New York City in 1972 as the Police Department Deputy Commissioner for Trials, and later served as Deputy Commissioner for Legal Matters. From 1965 to 1972, Mr. Michael was a Supervising Trial Attorney in the U.S. Department of Justice in its Organized Crime and Racketeering Section in Washington, D.C. and San Francisco, California. He has served since 1978 as Chairman of the Board of Trustees of the New York City Employees' Retirement System.

**7) PAUL A. CROTTY** succeeded Philip R. Michael effective December 3, 1984.

**8) ALAIR A. TOWNSEND** Member ex-officio. Ms. Townsend is Director of Management and Budget of The City of New York, to which office she was appointed on September 9, 1981. She was formerly Assistant Secretary for Management and Budget with the United States Department of Health and Human Services and Associate Director for Budget Priorities of the United States House of Representatives Budget Committee.



## Principal Officers

**9) LANCE H. WILSON**  
President. Mr. Wilson, an attorney and member of the New York Bar, assumed the office of President on June 4, 1984. His immediate prior position was Executive Assistant to the Secretary, United States Department of Housing and Urban Development. Before entering government service, Mr. Wilson held legal positions with The Equitable Life Assurance Society of the United States and the law firm of Mudge Rose Guthrie Alexander & Ferdon. Among his

civic and charitable activities, Mr. Wilson is a Public Member of the Administrative Conference of the United States, a Director of the Visiting Nurse Service of New York, and a Trustee of the St. Luke's—Roosevelt Hospital Center.

**10) JAMES M. YASSER**  
Executive Vice President. Mr. Yasser, an attorney and member of the New York Bar, joined the Corporation in November 1982. In addition to his responsibilities as Executive Vice President, Mr. Yasser serves as the

Corporation's chief development officer. Prior to joining the Corporation, he was an independent real estate consultant. Previously, Mr. Yasser was associated with the P.J. Carlin Construction Company and Carlin-Atlas Corporation as Vice President for Development Finance and served as an investment banker specializing in housing finance with Matthews and Wright, Inc.

**11) ABRAHAM J. GREENSTEIN**  
Senior Vice President—Finance. Mr. Greenstein joined the Corporation in January

1983. An accountant, he served in the New York State Comptroller's Office for 10 years reviewing New York City's fiscal operations. Most recently, he was in charge of financial analysis for the Office of the Special Deputy Comptroller, the State agency responsible for the monitoring of New York City's finances for the Financial Control Board and The Municipal Assistance Corporation for the City of New York.

**12) ALICE I. BAKER**  
Senior Vice President—Operations and Secre-

tary. Ms. Baker was appointed General Counsel and Secretary to the Corporation on September 24, 1979 and appointed Senior Vice President—Operations and Secretary on October 28, 1982. She joined the Corporation in May 1978 as Assistant Counsel and served as Acting General Counsel from January 1979 until her appointment as General Counsel. Previously, she worked as an attorney and consultant in the subsidized housing field and as an attorney with Pan American World Airways.

**13) BABETTE E. KROLIK**  
General Counsel. Ms. Krolik was appointed General Counsel on October 28, 1982. She previously was Assistant General Counsel to the National Corporation for Housing Partnerships, a national developer and syndicator of multifamily housing. Prior to that, she held legal and policy positions with the United States Department of Housing and Urban Development. She is admitted to practice before the Bars of Connecticut, Massachusetts and New York.



# PROJECTS FINANCED BY THE CORPORATION

## CONSTRUCTION AND PERMANENT LOANS

PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS	NEW CONSTRUCTION/REHABILITATION	HDC PROGRAM/ISSUE
<b>BRONX</b>				
Academy Gardens	\$ 18,120,300	471	Rehabilitation	FHA-insured/Sec. 8/1979 Series A Bonds
Alexander A. Corprew	4,380,500	78	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Brookhaven I	5,673,500	95	Rehabilitation	FHA-insured/Sec. 8/1983 Series A Bonds
Clinton Arms	4,962,700	86	Rehabilitation	FHA-insured/Sec. 8/1983 Series B Bonds
Faile Street Rehab. Aldus I	5,240,600	95	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Fairmont Place Apartments	1,586,400	28	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Felisa Rincon de Gautier Houses	7,540,700	109	New Construction	FHA-insured/Sec. 8/1983 Series B Bonds
Hunts Point I	7,769,000	125	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Lewis Morris Apartments	10,098,700	271	Moderate Rehabilitation	FHA-insured/Sec. 8/1983 Series A, C Bonds
Macombs Village	10,075,600	172	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
McGee Hill Apartments	3,693,600	59	Rehabilitation	FHA-insured/Sec. 8/1983 Series B Bonds
McKinley Manor	3,738,100	60	Rehabilitation	FHA-insured/Sec. 8/1983 Series B Bonds
Mid-Bronx Development II	8,833,500	159	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Mid-Bronx Development III	4,215,000	75	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Miramar Court	4,895,900	90	Rehabilitation and New Construction	FHA-insured/Sec. 8/1979 Series A Bonds
Rainbow Plaza	9,221,700	127	New Construction	FHA-insured/Sec. 8/1983 Series B Bonds
Sebco IV	4,077,600	71	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Sebco/Banana Kelly Restoration	4,510,200	65	Rehabilitation	FHA-insured/Sec. 8/1983 Series B Bonds
Southern Boulevard IV	4,999,200	89	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Target V-Phase I	5,026,000	83	Rehabilitation	FHA-insured/Sec. 8/1983 Series B Bonds
Thessalonica Court	14,018,900	192	New Construction	FHA-insured/Sec. 8/1983 Series A Bonds
2402, 2412, 2416 Crotona Ave.	3,222,800	74	Rehabilitation	FHA-insured/Sec. 8/1979 Series A Bonds
Villa Alejandrina	4,112,500	71	Rehabilitation	FHA-insured/Sec. 8/1983 Series A Bonds
Washington Plaza	4,954,000	75	Rehabilitation	FHA-insured/Sec. 8/1983 Series B Bonds
Woodycrest Courts Apartments	6,531,800	115	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Woodycrest Court II	3,293,500	58	Rehabilitation	FHA-insured/Sec. 8/1983 Series A Bonds
<b>TOTAL</b>	<b>\$164,792,300</b>	<b>2,993</b>		
<b>BROOKLYN</b>				
Ambassador Terrace Apartments	2,990,100	66	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Boro Park Courts	8,459,100	131	Rehabilitation	FHA-insured/Sec. 8/1983 Series A Bonds
Crown Heights Development #1	2,197,400	36	Rehabilitation	FHA-insured/Sec. 8/1983 Series B Bonds
Crown Heights Development #2	1,744,700	32	Rehabilitation	FHA-insured/Sec. 8/1983 Series B Bonds
1596 Development	843,700	17	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
1451 Development	1,830,400	34	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Fulton Park Site 7 & 8	14,135,800	209	New Construction	FHA-insured/Sec. 8/1983 Series A Bonds
La Cabana	9,603,700	167	New Construction	FHA-insured/Sec. 8/1983 Series A Bonds
Linden Plaza	50,351,000	1,527	New Construction	General Housing Bonds
Penn Gardens I	4,183,300	90	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
President Arms Apts.	1,326,500	32	Rehabilitation	FHA-insured/Sec. 8/1979 Series A Bonds
Prospect Arms Apts.	3,505,700	91	Rehabilitation	FHA-insured/Sec. 8/1979 Series A Bonds
Pulaski Manor	3,319,400	65	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Rose Gardens	6,855,300	135	New Construction	FHA-insured/Sec. 8/1982 Series A Bonds
Sallie Mathis Gardens	10,788,900	162	New Construction	FHA-insured/Sec. 8/1982 Series A Bonds
1650 President Street	2,411,200	48	Rehabilitation	FHA-insured/Sec. 8/1979 Series A Bonds
Sunset Park NSA I	9,582,900	187	New Construction	FHA-insured/Sec. 8/1979 Series A Bonds
Sutter Gardens	13,800,500	258	New Construction	FHA-insured/Sec. 8/1982 Series A Bonds
TriBlock	4,813,100	96	New Construction	FHA-insured/Sec. 8/1982 Series A Bonds
<b>TOTAL</b>	<b>\$152,742,700</b>	<b>3,383</b>		
<b>MANHATTAN</b>				
Carnegie Park	68,000,000	462	New Construction	80% market rate/20% low-income 1984 Series A Bonds
Caparra La Nueva	5,956,600	84	New Construction	FHA-insured/Sec. 8/1983 Series A Bonds
Charles Hill Towers	7,475,400	101	New Construction	FHA-insured/Sec. 8/1983 Series B Bonds
Cooper Square	10,726,100	146	New Construction	FHA-insured/Sec. 8/1983 Series A Bonds
Ennis Francis	16,794,100	230	New Construction	FHA-insured/Sec. 8/1983 Series A Bonds
Hamilton Heights Terrace	8,654,300	132	New Construction	FHA-insured/Sec. 8/1983 Series A Bonds
Independence Plaza North	64,595,000	1,332	New Construction	General Housing Notes and Bonds
Knickerbocker Plaza	24,844,000	578	New Construction	General Housing Notes
Lenoxville	5,584,700	118	Rehabilitation	Multi-family Housing Bonds
Lexington Gardens	7,786,900	108	New Construction	FHA-insured/Sec. 8/1979 Series A Bonds
Lower East Side Phase II	5,665,000	100	Rehabilitation	FHA-insured/Sec. 8/1983 Series A Bonds
Malcolm X-II Phase A	4,938,600	91	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
McKenna Square Houses	5,817,300	104	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Metro North Court	6,063,300	91	New Construction	FHA-insured/Sec. 8/1983 Series B Bonds
Mother Zion-McMurray	4,631,200	76	New Construction	FHA-insured/Sec. 8/1982 Series A Bonds
North Waterside	12,859,000	370	New Construction	General Housing Notes
				Multi-family Variable Rate Bonds

PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS	NEW CONSTRUCTION/REHABILITATION	HDC PROGRAM/ISSUE
Paul Robeson Houses	4,603,000	81	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Pueblo Nuevo	9,940,300	172	New Construction	FHA-insured/Sec. 8/1982 Series A Bonds
Renaissance Courts	2,568,400	49	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
Revive 103	4,318,000	60	Rehabilitation	FHA-insured/Sec. 8/1983 Series B Bonds
Waterside	61,577,000	1,100	New Construction	General Housing Notes and Bonds
Will A View Apartments	3,777,300	55	Rehabilitation	FHA-insured/Sec. 8/1983 Series B Bonds
Yorkville Towers	62,712,000	1,258	New Construction	General Housing Bonds
<b>TOTAL</b>	<b>\$409,887,500</b>	<b>6,898</b>		

### QUEENS

Kew Gardens Hills	10,367,000	1,269	Rehabilitation	General Housing Bonds
Ocean Park	18,266,000	602	New Construction	General Housing Bonds
<b>TOTAL</b>	<b>\$28,633,000</b>	<b>1,871</b>		

### STATEN ISLAND

Richmond Gardens	7,357,000	141	Rehabilitation	FHA-insured/Sec. 8/1982 Series A Bonds
<b>TOTAL</b>	<b>\$763,412,500</b>	<b>15,286</b>		

### CONSTRUCTION LOANS

#### BRONX

Beck Street Rehab	\$ 4,361,000	81	Rehabilitation	FHA-insured/Sec.8/GNMA/1982 Issue 1 Notes
Claremont Community Board #4, Group #4	7,924,000	150	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
Claremont Parkway/ Franklin Avenue	9,720,000 E	188	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
East 173rd St.-Vyse	9,601,200 E	168	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
East 165th St.	6,745,500 E	111	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Harrison Avenue	10,432,000	184	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
Highbridge Concourse-Phase II	9,403,700	173	New Construction	FHA-insured/Sec.8/GNMA/1981 Issue B Notes
Jerome Terrace Apartments	3,875,400	79	Rehabilitation	FHA-insured/Sec.8/GNMA/1981 Issue A Notes
Kingsbridge-Decatur I	4,290,300	80	Rehabilitation	FHA-insured/Sec.8/GNMA/1981 Issue A Notes
Morris Heights	15,458,400 E	315	Rehabilitation	FHA-insured/Sec.8/GNMA/1983, 1984 Series A Notes
Morris Heights Mews	6,146,500	110	Rehabilitation	FHA-insured/Sec.8/GNMA/1981 Issue B Notes
Morrisania IV	10,932,900	211	Rehabilitation	FHA-insured/Sec.8/GNMA/1981 Issue A Notes
1988 Davidson Avenue	2,606,400	48	Rehabilitation	FHA-insured/Sec.8/GNMA/1981 Issue B Notes
Pueblo de Mayaguez Section I	4,103,700	76	Rehabilitation	FHA-insured/Sec.8/GNMA/1981 Issue A Notes
South Bronx-Site 402	6,970,500 E	144	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Stebbins-Hewitt	6,985,800 E	120	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Union Avenue/E. 166 St.	7,020,000 E	120	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
University Avenue	13,000,000	230	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
West Farms Road	9,640,800 E	208	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
West Tremont Infill	4,095,000 E	115	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
<b>TOTAL</b>	<b>\$153,313,100</b>	<b>2,911</b>		

#### BROOKLYN

Belmont-Sutter	4,400,000	72	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Bushwick	17,544,600 E	300	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Crown Heights	5,950,800 E	121	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
80-86 Houses	5,153,600	97	New Construction	FHA-insured/Sec.8/GNMA/1981 Issue A Notes
Howard-Grafton	8,539,200 E	150	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Lenox Road-Rockaway Parkway	3,915,000	74	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
Newport Gardens	17,893,300	240	New Construction	FHA-insured/Sec.8/GNMA/1984 Issue 1 Notes
Norgate Plaza	10,608,500	214	Rehabilitation	FHA-insured/Sec.8/GNMA/1981 Issue A Notes
Park Rock	7,000,000	134	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
Prospect Heights Rehab	3,469,000	63	Rehabilitation	FHA-insured/Sec.8/GNMA/1981 Issue B Notes
Prospect Heights 510-Phase I	1,709,100	32	Rehabilitation	FHA-insured/Sec.8/GNMA/1982 Issue 1 Notes
St. Johns Phase I	9,134,400	192	New Construction	FHA-insured/Sec.8/GNMA/1981 Issue B Notes
Sunset Park NSA Group II	6,920,800	148	Rehabilitation/ New Construction	FHA-insured/Sec.8/GNMA/1982 Issue 1 Notes
Tapscott Street	7,638,300 E	155	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
Union Gardens I	3,335,500	61	Rehabilitation	FHA-insured/Sec.8/GNMA/1981 Issue B Notes
Williamsburg Triangle	8,300,700 E	150	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
<b>TOTAL</b>	<b>\$121,512,800</b>	<b>2,203</b>		

#### MANHATTAN

Audubon Apartments	4,773,000	88	Rehabilitation	FHA-insured/Sec.8/GNMA/1981 Issue B Notes
East 6th Ave. C	13,000,000 E	200	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Garden Gateway II	5,229,700	91	Rehabilitation	FHA-insured/Sec.8/GNMA/1982 Issue 1 Notes
Hudson Piers II	4,333,000	83	Rehabilitation	FHA-insured/Sec.8/GNMA/1982 Issue 1 Notes
Lefferts	2,125,600	41	Rehabilitation	FHA-insured/Sec.8/GNMA/1982 Issue 1 Notes
MPAC Houses	6,808,400	120	New Construction	FHA-insured/Sec.8/GNMA/1981 Issue A Notes
NYCRA	9,475,200	152	New Construction	FHA-insured/Sec.8/GNMA/1981 Issue A Notes
Lower East Side Group 5	3,400,000	55	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
Lower East Side I	10,772,100 E	180	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Macombs Avenue Rehab	8,950,000	156	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
Malcolm X II-Phase B	2,710,100	47	Rehabilitation	FHA-insured/Sec.8/GNMA/1982 Issue 1 Notes
Manhattan Avenue Apartments	4,124,900	81	Rehabilitation	FHA-insured/Sec.8/GNMA/1982 Issue 1 Notes

PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS	NEW CONSTRUCTION/REHABILITATION	HDC PROGRAM/ISSUE
Manhattanville Phase II	5,989,500 E	100	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
MS Houses	7,714,400	131	New Construction	FHA-insured/Sec.8/GNMA/1982 Issue 1 Notes
North Park	6,856,300	123	Rehabilitation	FHA-insured/Sec.8/GNMA/1982 Issue 1 Notes
Nueva Era Apartments	1,761,400	34	Rehabilitation	FHA-insured/Sec.8/GNMA/1981 Issue A Notes
*P.S. 139	6,120,000 E	125	Rehabilitation	Housing Authority Turnkey/1983, 1984 Series A Notes
St. Nicholas Manor Apartments	5,680,400	112	Rehabilitation	FHA-insured/Sec.8/GNMA/1981 Issue A Notes
Site A-Washington Heights	6,598,800	110	New Construction	FHA-insured/Sec.8/GNMA/1981 Issue B Notes
UPACA-Site 5	11,200,000	200	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
UPACA-Site 6	8,679,000	150	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
Valley Apartments	6,470,700	126	Rehabilitation	FHA-insured/Sec.8/GNMA/1981 Issue A Notes
a.k.a. Roberto Clemente Houses				
Washington Heights URA-Site B	10,200,000	180	New Construction	Housing Authority Turnkey/1983, 1984 Series A Notes
West 107th Street	3,194,900	61	Rehabilitation	FHA-insured/Sec.8/GNMA/1982 Issue 1 Notes
<b>TOTAL:</b>	<b>\$156,167,400</b>	<b>2,746</b>		
<b>TOTAL:</b>	<b>\$430,993,300</b>	<b>7,860</b>		E Estimate * Possible additions

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

PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS	TYPE	PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS	TYPE
<b>BRONX</b>				*Goodwill Terrace	3,596,881	207	Rental
Albert Einstein Staff Housing	\$ 8,779,982	634	Rental	Gouveneur Gardens	5,993,600	778	Cooperative
Allerville Arms	2,251,100	212	Rental	*Heywood Towers	5,396,763	188	Rental
Boulevard Towers I	3,299,300	329	Rental	*Hudsonview Terrace	11,546,500	395	Rental
*Boulevard Towers II	6,762,925	356	Rental	Jefferson Towers	1,619,000	189	Cooperative
Bruckner Towers	2,656,500	208	Rental	*Lands End I	7,206,404	250	Rental
Candia House	1,405,093	103	Rental	*Leader House	6,267,800	279	Rental
Carol Gardens	3,330,000	314	Rental	*Lincoln-Amsterdam	6,028,500	186	Cooperative
Delos House	1,555,431	124	Rental	*New Amsterdam House	6,459,700	228	Rental
Fordham Towers	1,296,100	168	Rental	*1199 Plaza	39,708,979	1,586	Cooperative
*Janel Towers	3,914,254	229	Rental	Polyclinic Apartments	1,323,100	139	Rental
*Keith Plaza	6,816,400	301	Rental	Riverbend	8,267,900	622	Cooperative
*Kelly Towers	4,526,500	301	Rental	*Riverside Park Community	26,021,800	1,190	Rental
*Kingsbridge Apartments	1,997,998	90	Rental	RNA House	1,841,600	207	Cooperative
Kingsbridge Arms	769,700	105	Cooperative	Rosalie Manning Apts.	903,100	108	Cooperative
Montefiore Hospital Housing- Section II	7,662,400	398	Rental	*Ruppert House	16,778,000	652	Cooperative
Noble Mansion	2,618,800	236	Rental	St.Martin's Tower	2,865,500	179	Cooperative
Robert Fulton Terrace	2,357,900	320	Rental	Strycker's Bay	1,792,700	233	Cooperative
Scott Towers	2,748,700	351	Cooperative	*Tower West	3,985,859	216	Rental
*Stevens Commons	25,000,000	947	Rental	*Town House West	1,100,000	47	Rental
*University River View	5,797,364	225	Rental	Tri-Faith House	1,494,800	147	Cooperative
Woodstock Terrace	2,213,400	319	Cooperative	Trinity House	2,540,500	199	Rental
<b>TOTAL</b>	<b>\$97,759,847</b>	<b>6,270</b>		Washington Sq. Southeast	1,905,200	174	Cooperative
<b>BROOKLYN</b>				West Side Manor	3,147,200	245	Rental
Atlantic Plaza Towers	5,375,400	716	Rental	Westview Apartments	1,656,000	137	Rental
*Atlantic Terminal 2C	4,666,776	200	Cooperative	West Village	12,034,500	420	Rental
*Atlantic Terminal 4A	6,933,501	304	Cooperative	*Westwood House	1,498,878	124	Rental
Brighton House	1,477,000	191	Cooperative	<b>TOTAL</b>	<b>\$274,659,496</b>	<b>14,675</b>	
Cadman Plaza North	2,081,300	250	Cooperative	<b>QUEENS</b>			
Cadman Towers	9,487,100	421	Cooperative	*Bay Towers	5,475,544	374	Rental
Contello III	1,277,900	160	Cooperative	Bridgeview III	1,950,907	170	Rental
*Crown Gardens	5,882,600	238	Cooperative	Court Plaza	5,368,893	246	Rental
*Essex Terrace	1,749,130	104	Rental	Dayton Towers	14,871,800	1,752	Cooperative
Middagh Street Studio Apts.	1,008,800	43	Rental	Forest Park Crescent	1,756,976	240	Cooperative
Prospect Towers	2,193,800	153	Rental	*Seaview Towers	13,264,700	461	Rental
*Tivoli Towers	8,098,200	302	Rental	Sky View Towers	3,910,900	232	Rental
<b>TOTAL</b>	<b>\$50,231,507</b>	<b>3,082</b>		<b>TOTAL</b>	<b>\$46,599,720</b>	<b>3,475</b>	
<b>MANHATTAN</b>				<b>STATEN ISLAND</b>			
Beekman Staff Residence	1,226,300	90	Rental	*North Shore Plaza	17,112,240	535	Rental
Bethune Towers	1,518,400	133	Rental	<b>TOTAL</b>	<b>\$486,362,810</b>	<b>28,037</b>	
*Clinton Towers	10,288,191	396	Rental				* Section 236 subsidized projects
Columbus House	3,502,500	248	Rental	<b>TOTAL ALL PROGRAMS</b>			
*Columbus Manor	2,500,000	202	Rental		ORIGINAL MORTGAGE	NUMBER OF UNITS	
Columbus Park	1,467,900	162	Cooperative	<b>BRONX</b>	\$415,865,247	12,174	
*Confucius Plaza	23,266,433	760	Cooperative	<b>BROOKLYN</b>	324,487,007	8,668	
Cooper-Gramercy	4,764,408	167	Rental	<b>MANHATTAN</b>	840,714,396	24,319	
Corlear Gardens	972,100	117	Cooperative	<b>QUEENS</b>	75,232,720	5,346	
East Midtown Plaza	17,157,400	746	Cooperative	<b>STATEN ISLAND</b>	24,469,240	676	
Esplanade Gardens	14,437,500	1,870	Cooperative	<b>GRAND TOTAL</b>	<b>\$1,680,768,610</b>	<b>51,183</b>	
*Glenn Gardens	8,196,000	266	Rental				
Goddard Towers	2,381,600	193	Cooperative				

**FINANCIAL STATEMENTS**

FOR THE YEAR ENDED OCTOBER 31, 1984

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**

# COMBINED BALANCE SHEET

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

OCTOBER 31, 1984  
(in thousands)

	GENERAL HOUSING PROGRAMS	SECTION 223(f) HOUSING PROGRAMS	SECTION 8 HOUSING PROGRAMS	CONSTRUCTION LOAN NOTE PROGRAMS	CORPORATE SERVICES FUND	COMBINED TOTAL
<b>Assets (note 5):</b>						
Cash	\$ 160	196	21	1	220	598
Investments	51,932	94,370	180,527	176,662	25,808	529,299
Total cash and investments	52,092	94,566	180,548	176,663	26,028	529,897
<b>Receivables:</b>						
Mortgage loans (note 4)	293,842	467,193	302,834	143,690	—	1,207,559
Accrued mortgage interest and escrow receivables	—	3,134	4,738	4,436	—	12,308
Loans from reserves for replacement funds	—	881	—	—	—	881
Deferred interest	1,617	—	—	—	—	1,617
Other	15	1	—	—	—	16
Total receivables	295,474	471,209	307,572	148,126	—	1,222,381
Other assets	1	44	41	2	651	739
Unamortized issuance costs	864	—	5,293	4,143	—	10,300
Due from (to) other funds	(716)	(3,071)	3,176	323	288	—
Total assets	\$347,715	562,748	496,630	329,257	26,967	1,763,317
<b>Liabilities and Fund Balances:</b>						
Bonds payable (note 5)	\$307,915	475,686	443,080	—	—	1,226,681
Discount on bonds payable	(2,888)	—	(583)	—	—	(3,471)
Notes payable (note 5)	—	—	—	316,360	—	316,360
Payable to the City of New York (note 7)	28	32,625	—	—	—	32,653
Accrued interest payable	10,151	8,117	23,181	5,406	—	46,855
Accrued earnings, reserves for replacement and escrows payable	—	37,029	2,661	5	—	39,695
Accounts payable, accrued expenses and other liabilities	—	1	—	1	523	525
Advance payments from mortgagors	739	—	—	—	—	739
Due to mortgagors	—	3,921	78	—	—	3,999
Deferred income	—	—	6,906	178	—	7,084
Deferred interest	1,617	—	—	—	—	1,617
Total liabilities	317,562	557,379	475,323	321,950	523	1,672,737
<b>Fund balances:</b>						
Restricted	17,459	5,369	21,307	7,307	—	51,442
Unrestricted	12,694	—	—	—	26,444	39,138
Commitments (note 9)	—	—	—	—	—	—
Total fund balances	30,153	5,369	21,307	7,307	26,444	90,580
Total liabilities and fund balances	\$347,715	562,748	496,630	329,257	26,967	1,763,317

See accompanying notes to combined financial statements.



COMBINED STATEMENT OF REVENUES AND EXPENSES

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

OCTOBER 31, 1984  
(in thousands)

	GENERAL HOUSING PROGRAMS	SECTION 223(f) HOUSING PROGRAMS	SECTION 8 HOUSING PROGRAMS	CONSTRUCTION LOAN NOTE PROGRAMS	CORPORATE SERVICES FUND	COMBINED TOTAL
<b>Revenues:</b>						
Interest income:						
Mortgage loans	\$21,248	37,599	29,738	12,346	—	100,931
Investments	5,380	2,852	23,532	12,045	2,224	46,033
Fees and charges	766	—	3,083	111	949	4,909
Gain on early retirement of debt	130	—	20	—	—	150
Other	—	—	1	—	10	11
	27,524	40,451	56,374	24,502	3,183	152,034
<b>Expenses:</b>						
Interest:						
Bonds	20,666	34,129	44,523	—	—	99,318
Notes	—	—	—	18,546	—	18,546
Salaries and related expenses	—	—	—	—	1,636	1,636
Services of New York City Department of Housing Preservation and Development	335	—	—	—	—	335
Trustees' fees	51	121	140	134	—	446
Bond and note issuance costs	56	—	422	1,117	—	1,595
Other expenses	—	—	—	—	1,204	1,204
Non-operating expenses (note 7)	—	3,477	—	—	—	3,477
	21,108	37,727	45,085	19,797	2,840	126,557
Excess of revenues over expenses before operating transfers	6,416	2,724	11,289	4,705	343	25,477
Operating transfers to Corporate Services Fund	(435)	(1,550)	(783)	(30)	2,798	—
Excess of revenues over expenses after operating transfers	\$ 5,981	1,174	10,506	4,675	3,141	25,477
Allocation of excess of revenues over expenses after operating transfers:						
Restricted funds	\$ 4,951	1,174	10,506	4,675	—	21,306
Unrestricted funds	1,030	—	—	—	3,141	4,171
	\$ 5,981	1,174	10,506	4,675	3,141	25,477

See accompanying notes to combined financial statements.

# COMBINED STATEMENT OF CHANGES IN FUND BALANCES

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

OCTOBER 31, 1984  
(in thousands)

	GENERAL HOUSING PROGRAMS	SECTION 223(D) HOUSING PROGRAMS	SECTION 8 HOUSING PROGRAMS	CONSTRUCTION LOAN NOTE PROGRAMS	CORPORATE SERVICES FUND	COMBINED TOTAL
<b>Restricted Funds:</b>						
Balance at beginning of year	\$13,093	4,195	10,801	10,614	—	38,703
Excess of revenues over expenses after operating transfers	4,951	1,174	10,506	4,675	—	21,306
Net transfers from (to) restricted funds:						
General Housing Bond Programs	(585)	—	—	—	—	(585)
Other programs	—	—	—	(7,982)	—	(7,982)
Balance at end of year	17,459	5,369	21,307	7,307	—	51,442
<b>Unrestricted Funds:</b>						
Balance at beginning of year	11,079	—	—	—	15,321	26,400
Excess of revenues over expenses after operating transfers	1,030	—	—	—	3,141	4,171
Net transfers from (to) restricted funds:						
General Housing Bond Programs	585	—	—	—	—	585
Other programs	—	—	—	—	7,982	7,982
Balance at end of year	12,694	—	—	—	26,444	39,138
<b>Total fund balances at end of year</b>	<b>\$30,153</b>	<b>5,369</b>	<b>21,307</b>	<b>7,307</b>	<b>26,444</b>	<b>90,580</b>

See accompanying notes to combined financial statements.

# COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

OCTOBER 31, 1984  
(in thousands)

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

	GENERAL HOUSING PROGRAMS	SECTION 223(f) HOUSING PROGRAMS	SECTION 8 HOUSING PROGRAMS	CONSTRUCTION LOAN NOTE PROGRAMS	CORPORATE SERVICES FUND	COMBINED TOTAL
<b>Funds Provided:</b>						
From operations:						
Excess of revenues over expenses after operating transfers	\$ 5,981	1,174	10,506	4,675	3,141	25,477
Add (deduct), net adjustment for noncash items, principally accrued interest income and expense and payable to the City of New York	(714)	11,804	2,929	(1,610)	(62)	12,347
Funds provided from operations	5,267	12,978	13,435	3,065	3,079	37,824
Sale of investments, at cost	79,627	469,716	791,149	341,259	249,222	1,930,973
Sale of mortgage loans	—	—	—	42,199	—	42,199
Proceeds from sale of bonds and notes	—	—	2,500	271,210	—	273,710
Repayment of mortgage principal	1,583	2,771	446	—	—	4,800
Receipt of reserves for replacement funds	—	4,234	—	89	—	4,323
Receipt of escrow funds	—	16,426	134	42	—	16,602
Transfers between programs	—	2,023	50	2,067	7,458	11,598
Repayment of loans from reserve for replacement	—	417	—	—	—	417
Sale of fixed assets	—	—	—	—	9	9
Commitment and financing fees	—	—	2,793	—	—	2,793
Other	—	—	—	201	—	201
Total funds provided	86,477	508,565	810,507	660,132	259,768	2,325,449
<b>Funds Applied:</b>						
Retirement of bonds and notes	2,145	2,783	525	145,775	—	151,228
Purchase of investments	84,190	466,170	678,250	374,019	259,541	1,862,170
Distributions from escrows, reserves for replacement, and advances to mortgagors	—	21,332	131,601	125,753	—	278,686
Loans made from reserves for replacement funds	—	30	—	—	—	30
Disbursements to the City of New York	—	16,459	—	—	—	16,459
Transfers between programs	17	1,717	130	9,734	—	11,598
Bond and note issuance costs	—	—	—	4,888	19	4,907
Purchase of fixed assets	—	—	—	—	134	134
Total funds applied	86,352	508,491	810,506	660,169	259,694	2,325,212
Increase (decrease) in cash	125	74	1	(37)	74	237
Cash at beginning of year	35	122	20	38	146	361
Cash at end of year	\$ 160	196	21	1	220	598

See accompanying notes to combined financial statements.

# NOTES TO COMBINED FINANCIAL STATEMENTS

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

OCTOBER 31, 1984

## (1) Organization

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

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

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

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

In accordance with Statement No. 3, *Defining the Governmental Reporting Entity*, of the National Council On Governmental Accounting, the Corporation is included in the City of New York's financial statements as a component unit for financial reporting purposes.

## (2) Summary of Significant Accounting Policies

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

### (a) Investments

Investments, which consist principally of securities of the United States and its agencies, certificates of deposit and open time deposits, are carried at cost, which approximates market, plus accrued interest.

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

Bond discount and bond and note issuance costs are recognized as expenses when the related bonds or notes are issued, except for debt issuances subsequent to 1982 issued at substantial discounts, in which case bond discount and issuance costs are amortized over the life of the related bond and note issues, using the effective yield method of amortization.

### (c) Operating Transfers

Transfers from the various programs to the Corporate Services Fund represent fees earned by the Corporation for administering the respective programs and excess interest earnings of escrow funds not required by the programs.

### (d) Mortgage Loan Interest Income

Mortgage loan interest is recognized on the accrual basis. Deferred interest including interest on the amounts deferred, is recognized as income as cash is received.

### (e) Amortization of Leasehold Improvements

Leasehold improvements, included in other assets of the Corporate Services Fund, are amortized over a ten-year life, the lease term, using the straight-line method.

### (f) Fees and Charges

Fees and charges are recorded on the accrual basis. Fees and charges that are intended to cover costs of issuance that are amortized over future periods are deferred and amortized into income over the life of the related mortgage using the interest method. Commitment fees are recorded as income when cash is received, which method does not differ materially from the accrual basis of accounting.

### (g) Combined Total

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

### (h) Combined Financial Statement Presentation

For purposes of financial statement presentation, the accounts of certain programs have been combined as follows: The reporting classification "General Housing Programs" includes the combined accounts of the General Housing Bond

Program, and the 1982 Multi-Family Housing Bond Program.

The reporting classification "Section 223(f) Housing Program" includes the combined accounts of the Section 223(f) Multifamily Housing Bond Program and the Section 223(f) Multi-Unit Housing Bond Program.

The reporting classification "Section 8 Housing Programs" includes the combined accounts of the 1979 Series A Bond Program, the 1982 Series A Bond Program, the 1983 Series A Bond Program, the 1983 Series B Bond Program, and the 1983 Series C Bond Program.

The reporting classification "Construction Loan Note Program" includes the combined accounts of the Construction Loan Notes 1981 A and B Programs, the Construction Loan Note 1982 Issue I Program, the Loan to Lender Construction Loan Note 1983 Series A Program, the Construction Loan Note 1984 Issue I Program, and the Turnkey Construction Loan Note 1984 Series A Program.

*(i) Other*

Certain prior year amounts have been reclassified to conform with the 1984 presentation.

**(3) Description of Programs and Corporate Services Fund**

The Corporation operates four separate programs which are governed by their respective bond and note resolutions. A description of the programs and their funds and accounts established by bond or note resolutions follows:

*(a) General Housing Programs*

The General Housing Bond Program was established when the Corporation was created and accounts for financing the construction of six multifamily projects. Service fees in excess of the cost of services of the Department of Housing Preservation and Development of the City of New York ("HPD") are transferred to the Corporate Services Fund for the payment of corporate administrative expenses.

An unrestricted general reserve fund is maintained by the Corporation and is available for any corporate purpose provided in the General Housing Bond Resolution. Cash and investments, excluding accrued interest, may not exceed 2% of outstanding bonds. Any excess must be used to redeem outstanding bonds.

A capital reserve fund for this program was established as additional security for bondholders. The capital reserve fund is required to maintain cash and investments in an amount equal to the largest annual debt service requirement for any fiscal year. If for any reason the capital reserve fund should fall below this requirement, the Chairman of the Corporation must certify that fact to the Mayor and Director of the Budget of the City of New York (the "City"). If the City fails, or is unable, to restore the capital reserve fund to the minimum requirement, then the Chairman must so certify to the Comptroller of the State of New York, who must pay the Corporation the necessary amount out of the first monies available from the next payment of unallocated Per Capita State Aid to the City. The only prior claimant to this money is the City University Construction Fund. Any such payment would be considered a non-interest bearing loan from the City to the Corporation.

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. Accordingly, the mortgages of Knickerbocker Plaza Housing Co., Inc. and the North Waterside Redevelopment Co. were transferred to this program from the Multi-Family Variable Rate Program, which then ceased to exist.

*(b) Section 223(f) Housing Programs*

The Multifamily and Multi-Unit Housing Bond programs were established in 1977 and 1980, respectively, in connection with the refinancing of Mitchell-Lama mortgage loans payable to the City, of existing multifamily housing projects. The mortgages assigned to the Corporation by the City were modified, divided and recast into Federal Housing Administration ("FHA") insured first mortgages and subordinate non-insured second mortgages which were reassigned to the City.

Due to escalating operating costs, several Multifamily Program and Multi-Unit Program housing companies experienced temporary cash flow difficulties during the period beginning in 1981 and continuing through October 31, 1984. The respective mortgagors petitioned the U.S. Department of Housing and Urban Development ("HUD") for loans from their reserve for replacement funds held by the Corporation. The non-interest bearing loans, approved by HUD, have repayment terms ranging from 12 to 36 months. The Corporation does not anticipate that any losses will be incurred on these loans and, accordingly, no loss reserve has been set up.

*(c) Section 8 Housing Programs*

The 1979 Series A Bond Program financed the construction and permanent financing of eight multifamily housing projects occupied by tenants who qualify for Section 8 housing assistance payments made pursuant to the United States Housing Act of 1937, as amended.

The 1982 Series A, 1983 Series A, 1983 Series B, and 1983 Series C Bond Programs account for the proceeds of bonds issued to finance the construction and permanent financing of 54 multifamily housing projects occupied by tenants who qualify for Section 8 housing assistance payments made pursuant to the United States Housing Act of 1937, as amended.

*(d) Construction Loan Note Program*

This program accounts for the proceeds of notes issued to finance the new construction or substantial rehabilitation of approximately 56 multifamily housing projects.

*(e) Corporate Services Fund*

This fund accounts for (i) fees and earnings transferred from the programs described above; (ii) Section 8 administrative fees as described in footnote (10); (iii) income from Corporate Services Fund investments; and (iv) the payment of the Corporation's administrative expenses.

**(4) Mortgage Loans**

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

*(a) General Housing Programs*

The General Housing Programs mortgages are first liens on the respective properties and, except for the mortgage loans receivable from Waterside Housing Co., Inc., Yorkville Towers Housing Co., Inc., and Carlton Gardens Housing Co., Inc., the projects receive interest subsidies under Section 236 of the National Housing Act from HUD. Except as noted below, all mortgage principal and interest payments are current. Final maturity dates on these loans range from 2009 to 2023.

Mortgage loan repayment depends on the ability of each of the housing companies to generate sufficient funds to service its

debt which, in turn, is predicated on its maintaining sufficient occupancy levels and obtaining rent increases to offset escalating operating costs. Such rent increases are subject to the approval of HPD. In the event the housing company or HPD does not institute proceedings to implement a rent increase deemed necessary by the Corporation, or HPD, after conducting a hearing, to grant such necessary increase, the Corporation can, pursuant to law, order such increase, and must do so pursuant to the General Housing Bond Resolution.

Should any of the housing companies be unable to meet its debt service obligations, the Corporation can commence foreclosure proceedings and operate the project or sell it to a third party. To the extent that the project does not generate sufficient funds to meet the annual debt service requirements of the corporation, payments may be made first from the general reserve fund to the extent available and then from the capital reserve fund.

In 1977, certain housing companies were unable to obtain sufficient rent increases to offset working capital deficits and increasing operating costs. Loans were made to the housing companies by their owners and were matched by the Corporation through a deferral of mortgage interest payments amounting to \$1,850,000. Repayments of the deferred interest is required over a ten year period which commenced in 1980. The outstanding balance at October 31, 1984 for these deferrals is \$864,682.

The 1982 Multi-Family Housing Bond Program mortgages were transferred from the Multi-Family Variable Rate Program. The projects in this program receive interest subsidies under Section 236 of the National Housing Act from HUD. The final maturity date on the mortgages is 2025.

As in the General Housing Program, repayment of these mortgage loans depends on the ability of each of the housing companies to generate sufficient funds to service its debt.

*(b) Section 223(f) Housing Programs*

The mortgages are first liens on the properties and are insured by FHA. Final maturity dates range from 2017 to 2019. In 1981, the City assigned a Mitchell-Lama Housing Company Mortgage Loan in the amount of \$3,560,600 to the Corporation. The mortgage, was modified and recast into (i) a federally insured first mortgage, which will either be sold on behalf of the

City or held to be assigned as collateral for bonds to be issued, and (ii) a non-insured second mortgage, which was reassigned to the City.

With respect to the Multifamily Program (i) excess of debt service payments from mortgagors over debt service payments to bondholders and service fees to the Corporation and (ii) the earnings on certain restricted funds are payable to the City. With respect to the Multi-Unit Program, the earnings on certain restricted funds are payable to the City.

*(c) Section 8 Housing Programs*

The 1979 Series A Bond Program mortgage loans include advances disbursed to projects for various construction costs, each project's proportionate share of bond issue costs and accrued interest. These advances are FHA-insured. During construction, the loan advances bear interest at 9.5%. When construction is complete, permanent financing is arranged and debt service payments commence, the interest rate will be reduced to 7.5%.

At October 31, 1984, all of the projects had completed construction and had received final endorsement from HUD. Accordingly, the interest rate was reduced from 9.5% to 7.5% on the mortgage loans.

The 1982 Series A Bond Program mortgage loan advances are FHA-insured. During construction, the loan advances bear interest at 14.5% per annum. When construction is complete and permanent financing is arranged, the interest rates will be reduced to between 12% and 13.25%.

The 1983 Series A Bond Program mortgage loan advances are FHA-insured. During construction, the loan advances bear interest at 14% per annum. When construction is completed and permanent financing is arranged, the interest rates will be reduced to between 9.7% and 9.9%.

The 1983 Series B Bond Program mortgage loan advances are FHA-insured. During construction, the loan advances bear interest at 12.5% per annum. When construction is completed and permanent financing is arranged, the interest rates will be reduced to 10.36%.

The 1983 Series C Bond Program mortgage loan advances, which are for the completion of the Lewis Morris Project, are FHA-insured. The loan advances, which can aggregate \$2,500,000 will bear interest at 1.0% per annum from the advance date to maturity of the mortgage note. 1983 Series C proceeds will be advanced subsequent to 1983 Series A committed proceeds of \$7,598,700, for a total project commitment of \$10,098,700.

*(d) Construction Loan Note Program*

Mortgage Loans include advances disbursed to projects for various construction costs and each project's share of accrued interest capitalized. These advances are FHA-insured. During construction, the loan advances bear interest at 10.75% for 1981 Issue A, 10.9% for 1981 Issue B and 11% for 1982 Issue I, 8.06% for 1983 Loan to Lender, 8.6% for 1984 Turnkey and 10% for 1984 Issue I. Upon completion of construction and final endorsement of the loans for FHA insurance, it is expected that the mortgages will be purchased by the Government National Mortgagor Association ("GNMA") at a 2.5% discount, or by the New York City Housing Authority. Mortgagors have provided unconditional and irrevocable letters of credit to cover the 2.5% discount. The proceeds from the sale of the mortgage loans to GNMA and the letters of credit will be used to redeem the notes payable.

**(5) Bonds and Notes Payable**

The Corporation is authorized to issue bonds and notes for its housing programs in an aggregate principal amount outstanding, exclusive of refunding bonds or notes, not to exceed \$2,100,000,000 or such amount which would not cause the maximum capital reserve fund requirement to exceed \$85,000,000; however, the Corporation cannot issue bonds that would cause the maximum capital reserve fund requirement to rise above \$30,000,000 without a concurrent resolution of the Legislature and the Governor's written agreement with such resolution. The Corporation is able to issue bonds for any corporate purpose without making a deposit into a capital reserve fund (except as required by the General Housing Bond Resolution and the 1982 Multi-Family Housing Bond Resolution).

Bonds and notes payable comprise the following for the year ended October 31, 1984:

DESCRIPTION	BALANCE AT OCT. 31, 1983	ISSUED	RETIRED	BALANCE AT OCT. 31, 1984	CURRENT ANNUAL DEBT SERVICE
(in thousands)					
<b>General Housing Programs:</b>					
General Housing Bond Program: 3.75% to 9% Bonds maturing in varying annual installments through 2023.	\$ 275,105	—	2,125	272,980	19,313
Multifamily Housing Bond Program: 6% to 11 <sup>1</sup> / <sub>8</sub> % Serial and Term Bonds maturing in varying annual installments through 2012.	35,215	—	280	34,935	3,851
<b>Total General Housing Programs</b>	<b>310,320</b>	<b>—</b>	<b>2,405</b>	<b>307,915</b>	<b>23,164</b>
<b>Section 223 (f) Housing Programs:</b>					
Multifamily Housing Bond Programs: 6.5% to 7.25% Bonds maturing in increasing monthly installments through 2019.	370,475	—	2,254	368,221	26,782
Multi-Unit Housing Bond Program: 5% to 9.125% Serial and Term Bonds maturing in varying annual installments through 2021.	107,995	—	530	107,465	10,175
<b>Total Section 223 (f) Housing Programs</b>	<b>478,470</b>	<b>—</b>	<b>2,784</b>	<b>475,686</b>	<b>36,957</b>
<b>Section 8 Housing Programs:</b>					
1979 Series A Bond Program: 6% to 7.5% Serial and Term Bonds maturing in annual installments through 2021.	49,590	—	525	49,065	3,981
1982 Series A Bond Program: 8.25% to 12.75% Serial and Term Bonds maturing in varying annual installments through 2024.	173,775	—	—	173,775	31,466
1983 Series A Housing Bond Program: 5.75% to 8.875% Serial, Term and Capital Appreciation Bonds maturing in varying annual installments through 2025.	138,600	—	—	138,600	11,211
1983 Series B Housing Bond Program: 6% to 9.5% Serial, Term and Capital Appreciation Bonds maturing in varying annual installments through 2026.	79,140	—	—	79,140	6,511
1983 Series C Bond Program: 1% Term Bonds maturing in increasing annual installments through 2015.	—	2,500	—	2,500	25
<b>Total Section 8 Programs</b>	<b>441,105</b>	<b>2,500</b>	<b>525</b>	<b>443,080</b>	<b>53,194</b>
<b>Total Bonds Payable</b>	<b>\$1,229,895</b>	<b>2,500</b>	<b>5,714</b>	<b>1,226,681</b>	<b>113,315</b>
<b>Construction Loan Note Program:</b>					
9% Issue A, Coupon Notes due February 1, 1984.	\$ 75,775	—	75,775	—	—
8.95% Issue B, Coupon Notes due September 1, 1984.	47,000	—	47,000	—	—
9% Issue I, Coupon Notes due April 15, 1985.	68,150	—	23,000	45,150	4,064
6 <sup>5</sup> / <sub>8</sub> % Loan to Lender Construction Loan Revenue Notes due December 1, 1986.	—	125,000	—	125,000	8,281
7 <sup>1</sup> / <sub>4</sub> % Turnkey Construction Loan Revenue Notes, 1984 Series A, due September 1, 1987.	—	127,000	—	127,000	9,208
7 <sup>1</sup> / <sub>2</sub> % Construction Loan Notes, 1984 Issue I, due November 1, 1987.	—	19,210	—	19,210	1,441
<b>Total Notes Payable</b>	<b>\$ 190,925</b>	<b>271,210</b>	<b>145,775</b>	<b>316,360</b>	<b>22,994</b>



(a) The General Housing Bond Program bonds are general obligations of the Corporation. Substantially all General Housing Program assets are pledged as collateral for the payment of principal and interest on its bonds.

The 1982 Multi-Family Housing Bonds are general obligations of the Corporation. Substantially all 1982 Multi-Family Housing Bond Program assets are pledged as collateral for payment of principal and interest on its bonds. The bonds are subject to optional redemption by the Corporation after December 1, 1992 at 103% of par, decreasing in annual decrements of 1% until 1995. Thereafter, the bonds may be redeemed at par. The term bonds maturing in 2012 may be redeemed at a price that yields 11% per annum compounded semi-annually. The bonds are also subject to optional redemption at any time at par from any recoveries of mortgage principal.

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

The Corporation may redeem the bonds at any time at an amount equal to the unpaid principal plus accrued interest if the funds are from condemnation awards, casualty insurance proceeds or a prepayment of a related mortgage required by the federal insurer. Otherwise, a redemption premium of 3%, reduced by 1/3 of 1% for each elapsed year in excess of 15% of the mortgage prepaid, is required. After July 1, 1997 under the first bond resolution, and November 15, 1998 under the second bond resolution, the City may require the redemption of bonds prior to maturity at 105% of the unpaid principal balance plus accrued interest.

The Multi-Unit Housing Bond Program mortgage bonds are special revenue obligations of the Corporation collateralized by substantially all the assets of the program. The bonds may be redeemed at the option of the Corporation beginning in 1990 at 103% of par, decreasing in biennial decrements of 1% until 1996. Thereafter, the bonds may be redeemed at par. The bonds are also subject to redemption at any time at the option of the Corporation at par from any recoveries of mortgage loan principal.

(c) The 1979 Series A Bond Program bonds are limited obligation bonds collateralized by substantially all the assets of the program. The bonds may be redeemed at the option of the Corporation beginning in 1989 at 103% of par, decreasing in annual decrements of 1/2% until 1995. Thereafter, the bonds can be redeemed at par. The City may redeem the bonds at 105% of par after October 31, 1999.

The 1982 Series A Bond Program bonds are special revenue obligations of the Corporation and are secured solely by a

pledge of the revenues derived from the FHA-insured mortgage loans, monies, and securities. The bonds may be redeemed at the option of the Corporation beginning in 1992 at 102% of par, decreasing in annual decrements of 1/2% until 1996. Thereafter, the bonds may be redeemed at par. The bonds are subject to special redemption at the option of the Corporation at 100% of par plus accrued interest to the date of redemption from unexpended bond proceeds or any recoveries of mortgage principal.

The 1983 Series A and the 1983 Series B Bond Program bonds are special revenue obligations of the Corporation and are secured solely by a pledge of the revenues derived from the FHA-insured mortgage loans and monies and securities held in the program accounts. The term bonds may be redeemed at the option of the Corporation on or after May 1, 1993 at 102% of par, decreasing in annual decrements of 1/2% until 1997. Thereafter, the term bonds may be redeemed at par.

The capital appreciation bonds are also subject to optional redemption on or after May 1, 1993 at a redemption price of 110% of the accreted amount, decreasing in annual decrements of 1% until May 1, 2003. Thereafter, the capital appreciation bonds may be redeemed at 100% of the accreted amount. All other bonds must be redeemed prior to the optional redemption of the capital appreciation bonds. The bonds are also subject to special redemption at the option of the Corporation at 100% of par plus accrued interest, and with respect to the capital appreciation bonds, 100% of the accreted amount from unexpended bond proceeds or from recoveries of mortgage principal.

The 1983 Series C Bond Program bonds are special revenue obligations of the Corporation and are secured solely by the pledge of the revenues derived from the FHA-insured mortgage loans and monies and securities held in program accounts. This issue which was privately placed at 1%, is not expected to be reissued to the public. The serial bonds mature in increasing increments from May 1, 1984 to May 1, 2015.

(d) The Construction Loan Note Program notes are special obligation notes collateralized by substantially all the assets of the program. The 1983 Series A Notes are subject to call on June 1, 1986, the 1984 Series A Notes on March 1, 1987, and the 1984 Issue I Notes on May 1, 1987.

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

YEAR ENDING OCTOBER 31	GENERAL HOUSING	SECTION 223(F) HOUSING	SECTION 8 HOUSING	CONSTRUCTION LOAN NOTE
	(in thousands)			
1985	\$2,340	2,993	805	45,150
1986	2,465	3,216	2,390	—
1987	2,645	3,460	3,710	252,000
1988	2,560	3,726	3,930	19,210
1989	3,005	4,015	4,150	—

### (6) Consultant's Fees

The fees paid by the Corporation in fiscal 1984 include \$51,266 to Peat, Marwick, Mitchell & Co. for computer systems design; \$56,876 to Brownstein, Ziedman & Schomer, \$111,244 to Skadden Arps, Slate Meagher and Flom and \$3,629 to Newrock Reporting Services for legal services; \$25,562 to Zahor Design Inc., \$11,085 to J. Miller Printing, Inc., and \$375 to Robert Essel for Annual Report design and printing; \$11,050 to William Schneck, CPA, and \$6,270 to John L. Warren for financial consulting services and \$96 to Roxanne Geller for administrative consulting services.

In addition, the following legal fees were paid: \$219,819 to Hawkins, Delafield & Wood, \$7,600 to Brownstein, Ziedman & Schomer, \$30,000 to Seward & Kissel. These expenses were related to bond, note and mortgage closings. The Corporation has collected fees and charges from the respective mortgagors to offset these expenses.

### (7) Payable to the City of New York

Mortgages in the Section 223(f) Housing Programs were assigned to the Corporation by the City in order to generate monies for the City. The assignment requires, in part, that the Corporation remit to the City the proceeds from the sale of the assigned mortgages or sales of limited obligation bonds secured by the assigned mortgages, net of certain costs.

Additionally, the Corporation remits to the City any excess of mortgage and investment interest income over related debt expense, trustee fees and servicing fees. These expenses are considered non-operating.

As of October 31, 1984, all mortgages assigned by the City to the corporation have been sold or used as security for debt financing, except the assigned mortgage loan of Village East Towers. That mortgage is being held by the Corporation for possible future sale or bonding.

### (8) Retirement System

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

### (9) Commitments

The Corporation is committed under a lease for office space for minimum annual rentals as follows:

YEAR ENDING OCTOBER 31	AMOUNTS
1985	\$ 170,779
1986	177,040
1987	177,040
1988	177,040
1989	188,290
1990	188,290
Total Future Rents	\$1,078,479

Remaining mortgage commitments at October 31, 1984 are as follows:

The 1982 Series A Bond Program	\$ 3,293,389
The 1983 Series A Bond Program	46,227,270
The 1983 Series B Bond Program	33,980,637
The 1983 Series C Bond Program	2,500,000
Construction Loan Note Program	130,727,859
Total Commitments	\$216,729,155

### (10) Amounts Held Under HUD Contracts

The Corporation has entered into contracts with HUD to administer housing assistance payment contracts with housing projects occupied or to be occupied by tenants qualifying for Section 8 housing assistance payments. Pursuant to the contracts, HUD makes annual contributions to the Corporation in an amount equal to the annual assistance payments plus an administrative fee for the Corporation. Funds held by the Corporation on behalf of HUD for housing assistance payments, which are not reflected in the accompanying balance sheet, amounted to \$8,508,476 at October 31, 1984. Related fees earned during fiscal 1984 amounting to \$948,661 are included in the Corporate Services Fund.

### (11) Subsequent Events

(a) On December 20, 1984, the Corporation sold \$68,000,000 aggregate principal amount of 1984 Series A Variable Rate Demand Bonds. The bond proceeds will be used to provide construction and permanent financing for the Carnegie Park Project, a multifamily rental housing facility.

(b) On February 7, 1985, the Corporation sold \$32,497,691.25 aggregate principal amount of Multi-Family Development (Columbus Gardens Project) 1985 Series A Bonds. The bond proceeds will be used to provide construction and permanent financing for the Columbus Gardens Project, a multifamily rental housing facility.

# REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have examined the combined balance sheet of the New York City Housing Development Corporation as of October 31, 1984 and the related combined statements of revenues and expenses, changes in fund balances and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned combined financial statements present fairly the financial position of the New York City Housing Development Corporation at October 31, 1984 and the results of its operations, the changes in its fund balances and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Peat, Marwick, Mitchell & Co.*

New York, New York  
February 8, 1985