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Submitted to  
**Honorable David N. Dinkins**  
Mayor

**Honorable Elizabeth Holtzman**  
Comptroller

**Honorable Philip R. Michael**  
Director of Management  
and Budget

Submitted by  
The Chairman and Members  
of the New York City Housing  
Development Corporation

## REPORT OF THE CHAIRMAN

The New York City Housing Development Corporation began the new decade by continuing its tradition of devising new and innovative mechanisms for financing affordable housing, while simultaneously building on its previous accomplishments and expanding its existing programs. Specifically, in 1990 the Corporation expanded its successful Development Services Program which was launched in the late 1980's, and revived its "80/20" rental housing program which had been inactive for a number of years. Concurrently, HDC's role in housing was significantly broadened in 1990 with the advent of a new and unique program to finance limited-equity cooperative housing projects. These new accomplishments, in the face of a reduction in the availability of private capital for housing, as well as the continued abdication of federal involvement in assisting housing, attests to the Corporation's longstanding ability to play a critical role in New York City's unprecedented efforts to produce and preserve affordable housing for all its citizens.

**Low and Moderate Income Cooperatives** In 1990, the Corporation initiated a unique tax-exempt bond financing program to finance several low and moderate income limited-equity cooperative projects in Brooklyn and the Bronx. The program was formally launched in March 1990, when HDC sold \$6.95 million of Mortgage Revenue Bonds to fund the underlying permanent mortgage of a 105-unit low and moderate income limited-equity cooperative in the South Williamsburg section of Brooklyn. The financing marked the first use in the nation of Mortgage Revenue Bonds, which are typically issued to finance individual mortgages of first-time homebuyers, to finance the permanent underlying mortgage of a cooperative housing corporation.

The South Williamsburg project, which is being developed through the Small Homes Program of the City's Department of Housing Preservation and Development ("HPD") will receive a total of \$50,000/unit in City and State subsidies. When completed in 1991, the units in these attached 3-story row houses will be affordable to households with incomes between \$20,000 to \$35,000/year. This new mechanism provides a valuable additional financing tool for the City to produce affordable owner-occupied housing. As the City seeks to develop its dwindling supply of vacant buildable land sites with higher density housing over the next decade, the ability of HDC to provide financing for limited-equity cooperatives will play a vital role.

In addition, in September, faced with the impending sunset of the Federal law which authorizes the issuance of Mortgage Revenue Bonds, the Corporation issued an additional \$11.25 million in bonds to provide underlying permanent mortgages for six limited-equity cooperatives in the South Bronx being developed by Catholic Charities of the Archdiocese of New York. The six projects, ranging in size from 18 to 50 units, will provide a total of 186 two and three-bedroom apartments in attached row houses in the West Farms and Highbridge sections of the South Bronx. Although the Mortgage Revenue Bond Program was subsequently extended by Congress for an additional year, the Corporation's ability to structure this financing prior to the scheduled sunset was instrumental in permitting these long-planned projects to proceed. Nevertheless, the ability of HDC to undertake future financings would be greatly enhanced by a long-term, if not permanent, extension of the Mortgage Revenue Bond Program as short-term extensions make it difficult to plan for these complex projects.

**"80/20" Rental Program** The Corporation also financed its first unsubsidized "80/20" rental project in three years in August. The 522-unit development is being constructed at East 96th Street and Third Avenue in Manhattan with the proceeds of a \$104.6 million tax-exempt refunding bond issue. The financing is significant, not only because it will result in the construction of 105 units of low income rental housing, but also because it was structured in an economic environment where credit enhancement for tax-exempt rental housing bonds is increasingly difficult to obtain. The project is being developed by The Related Companies, Inc., and was made possible by the provision of an irrevocable, direct-pay letter of credit issued by The Mitsubishi Bank, Limited.

**Development Services Program** In May, the Corporation continued the expansion of its successful Development Services Program by implementing a new Working Capital Loan Program for not-for-profit sponsors of HPD's Special Initiatives Program projects. Through this new initiative, the Corporation will provide up to \$3 million in interest free loans to not-for-profit sponsors of 27 projects which are being rehabilitated by HPD in Manhattan, Brooklyn and the Bronx. When completed, the developments will provide over 1,800 new affordable apartments for homeless and other low and moderate income New Yorkers. The HDC Working Capital Loans will enable the not-for-profit corporations to rent up the projects quickly and to offer critical tenant orientation activities for incoming homeless families, such as counseling and apartment living skills.

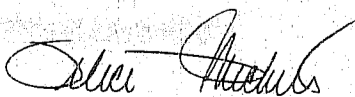
The Working Capital Loan Program builds on the successful completion of the first round of the Corporation's Seed Money Loan Program for HPD's Capital Budget Homeless Housing projects. By the end of 1990, fifteen of the eighteen projects which received HDC Seed Money Loans to fund pre-development expenses had commenced construction. These projects are providing nearly 2,700 units of housing for homeless families and individuals with special needs.

The second round of the Seed Money Loan Program saw the Corporation make loans to the not-for-profit sponsors of four of the largest reconstruction projects in the City's history under HPD's Vacant Cluster Program. Two of the projects commenced construction in 1990 with closings on the other two projects scheduled for 1991. Together, these four projects will provide another 2,100 affordable apartments for homeless or doubled-up households and other low and moderate income New Yorkers.

**1991. Despite the enormous financial constraints facing the City, we approach the coming year, and the entire decade, with hope and optimism.** In fact, in the face of a declining economy, over the next several years New York City will not be able to increase its annual capital budget for housing from its recent historic levels. Nevertheless, the City will still be able to continue its ambitious housing program over the long term and will maintain the commitment made by Mayor Dinkins last spring to build on the \$2.1 billion in local funds committed to housing between fiscal years 1987 and 1990 by allocating an equal amount of funds between fiscal years 1991 and 1994. Thus, the City of New York will continue to lead the nation over the coming decade, allocating an average of more than half a billion dollars in local capital funds each year through fiscal year 2001.

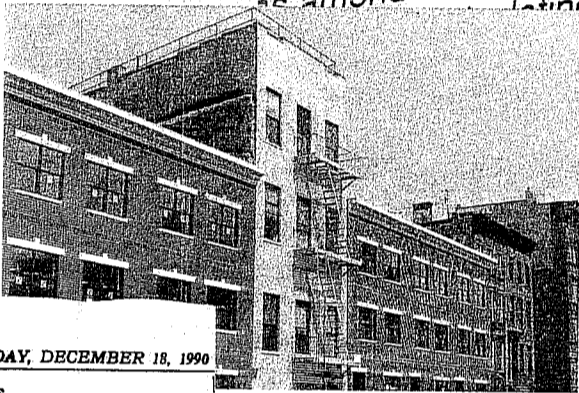
At the same time, as always we must continue our persistent calls for more help from Washington. The passage late last year of the Cranston-Gonzalez National Affordable Housing Act provides great hope for a renewed federal effort to assist in the battle for safe, decent and affordable housing in this nation. Although not yet funded, this legislation marks the first time in seven years that Congress has provided a new direction in housing, and is even more remarkable for the flexibility it provides to state and local governments. We will marshal every possible resource to obtain adequate funding for this legislation and also continue to work toward permanent extensions of both the Mortgage Revenue Bond and Low Income Housing Tax Credit Programs as well as a liberalization of the rules that have impeded the use of tax-exempt bonds to finance rental housing.

Despite all obstacles, New York City will continue its commitment and its innovation. As a full partner in this process, HDC will continue to apply its entire range of unique resources, from working capital loans to tax exempt bond financings, and will continue to play a vital role in the development of new affordable housing for all New Yorkers.



Felice Michetti  
Chairman and President

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THE NEW YORK TIMES, TUESDAY, DECEMBER 18, 1990

REAL ESTATE

**NEW CO-OP APARTMENT HOMES FOR SALE**  
**SOUTH WILLIAMSBURG, BROOKLYN**

In Several Blocks, More or Less Bounded by South 8th & 9th Streets, Driggs Avenue and Derry Street

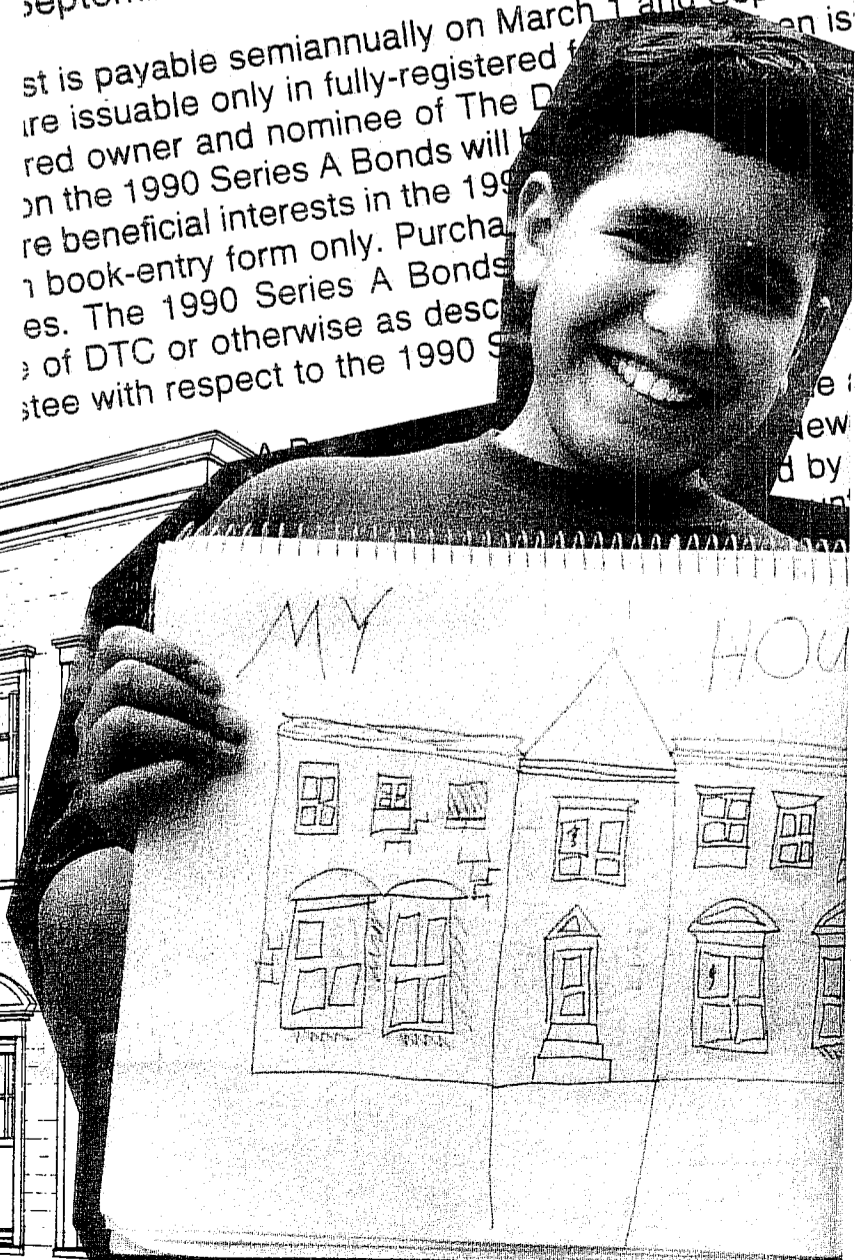
# York City Housing Development Mortgage Revenue (South Bronx Cooperative) 1990 Series

**\$11,260,000**

September 1, 1990

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 are issuable only in fully-registered form...  
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## THE YEAR IN REVIEW

1990 marked the beginning of a new direction for the New York City Housing Development Corporation, highlighted by the creation of a unique financing program for low and moderate income limited-equity cooperatives being developed in Brooklyn and the Bronx. The past year also witnessed an expansion of the Corporation's previous landmark efforts, marked by the revival of the Corporation's "80/20" rental housing program with the financing of a 522-unit project to be constructed in Manhattan and the inauguration of an expansive Working Capital Loan Program for local not-for-profit sponsors of City-assisted homeless and low-income rental housing projects. By the end of the year, the partnership forged between HDC and the City had clearly come to full fruition.

## LOW AND MODERATE INCOME LIMITED-EQUITY COOPERATIVES —

### EXPANDING HOMEOWNERSHIP OPPORTUNITIES IN

### NEW YORK CITY NEIGHBORHOODS

In responding to the City's need to expand homeownership opportunities for low and moderate income families, the staff of the Corporation worked to develop a unique program to provide below market rate tax-exempt financing for limited-equity cooperatives. The Corporation inaugurated this program with the issuance of nearly \$6.95 million of Mortgage Revenue Bonds in March 1990 to provide the underlying permanent mortgage loan for a 105-unit limited-equity cooperative being developed in the South Williamsburg section of Brooklyn. Similarly, a second \$11.25 million bond issue in September 1990 will enable the Corporation to finance mortgage loans for six limited-equity cooperatives being developed in the South Bronx.

#### The Financings

**The bond issues were unique in several aspects.** They marked the first time in the nation in which tax-exempt Mortgage Revenue Bonds have been used to finance the underlying or "blanket" mortgage loans for limited-equity cooperative housing corporations. Such bonds have traditionally been issued across the country to provide mortgage loans to individual purchasers of 1-4 family homes. While the Corporation had previously issued tax-exempt bonds to refinance Mitchell-Lama cooperatives in the late 1970's, the ability of tax-exempt issuers such as HDC to finance cooperatives was dramatically curtailed in the 1980's by the enactment of the various Federal laws which require cooperative projects financed with tax-exempt bonds to meet the income and purchase price limits imposed on 1-4 family homes purchased with the proceeds of Mortgage Revenue Bonds. These restrictions must be met by all initial purchasers of units in a cooperative housing project financed with tax-exempt bonds, as well as by all subsequent purchasers, for as long as the HDC-financed mortgage loan remains outstanding. Pursuant to regulatory agreements which the cooperative housing corporations will enter into with both HDC and the New York City Department of Housing Preservation and Development ("HPD"), the income and purchase price limits which will govern the initial and subsequent sale of all units in the cooperatives will actually be stricter than those contained in the Federal Internal Revenue Code. These income and purchase price limits will ensure that these limited-equity cooperatives provide a critical affordable housing resource for New York City neighborhoods not only now, but over the long-term as well.

The cooperative financings were also unique in that they were the first to be primarily secured by mortgage insurance to be provided by the State of New York Mortgage Agency ("SONYMA"). HDC had previously structured

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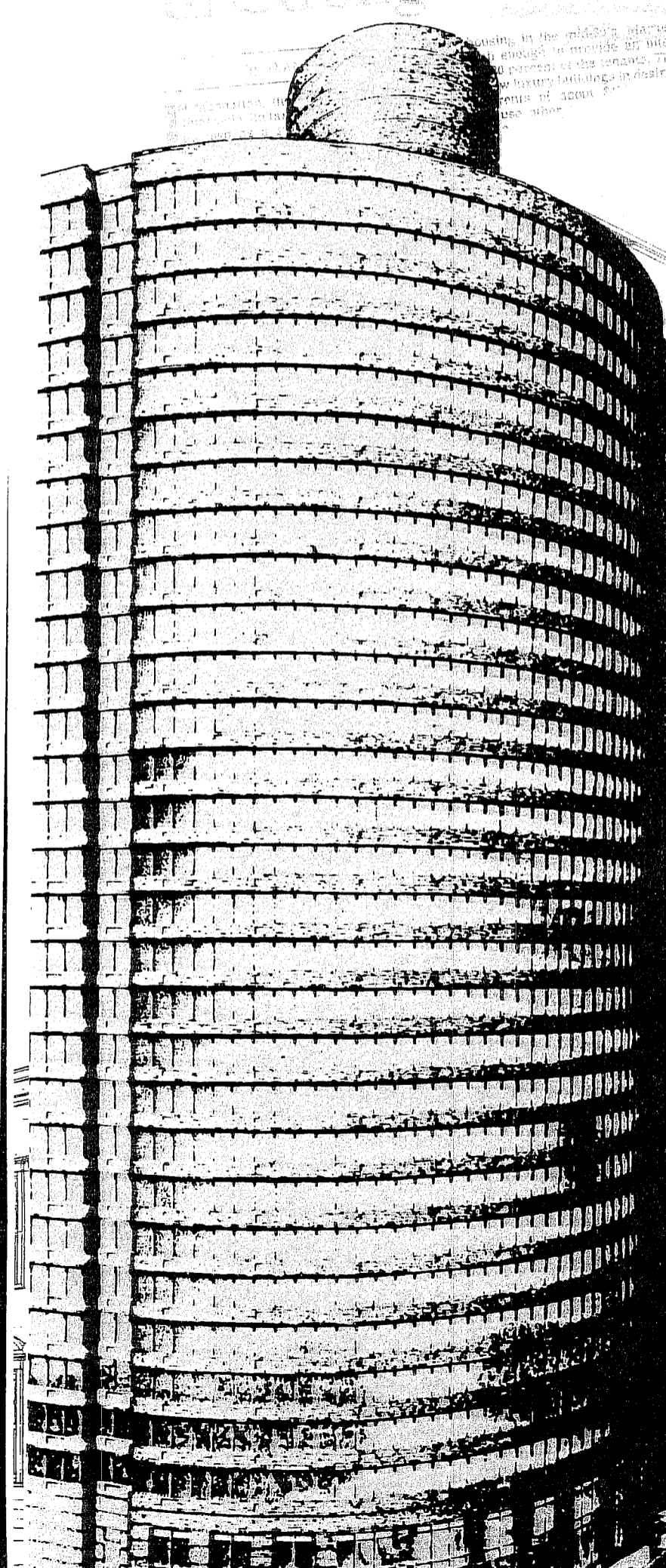
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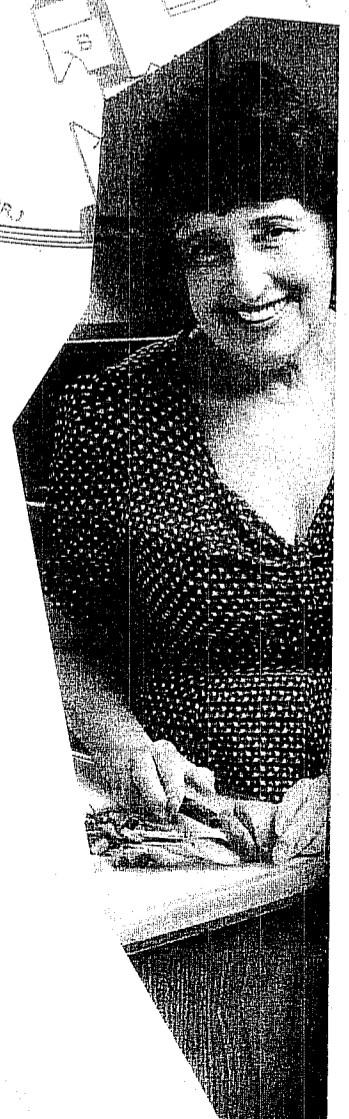
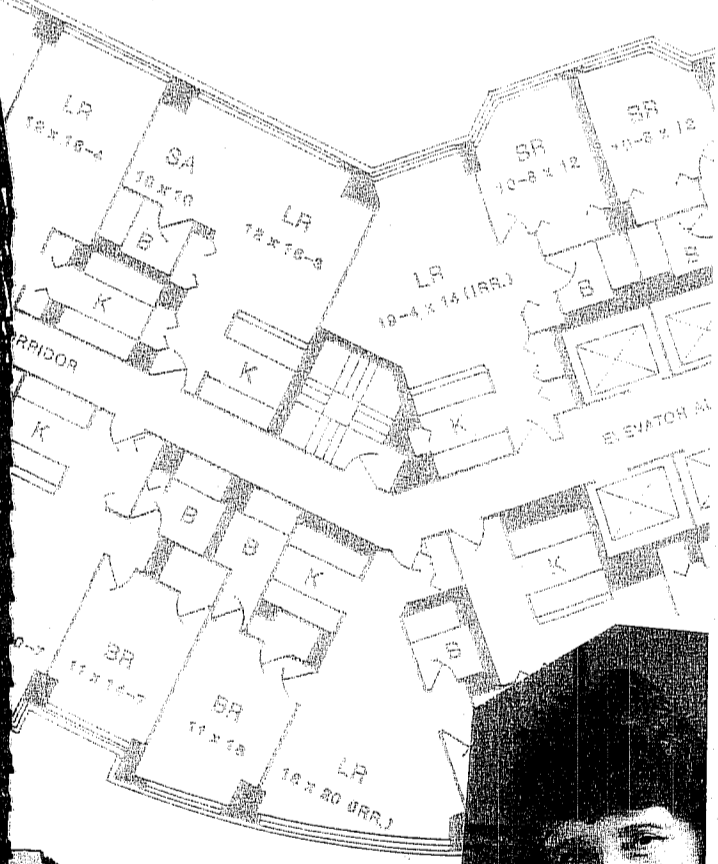
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# Strong Locations, Economic Divers



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are typically two work-





financings utilizing SONYMA insurance, but such transactions also required the Corporation to obtain municipal bond insurance, because the SONYMA mortgage insurance program did not have an investment grade rating. However, SONYMA obtained a AA rating from Moody's Investor Service in late 1989, which enabled HDC to proceed with the South Williamsburg and South Bronx financings without having to incur additional costs for bond insurance.

In addition, the ability of HDC to provide one underlying mortgage covering all the units in each cooperative will also generate further cost savings for low and moderate income purchasers. Since the HDC mortgage will cover 90% of the non-subsidized cost of the project, individual purchasers will only have to save the required 10% downpayment and will not have to qualify for individual mortgages to purchase their units. As a result, the purchasers will not have to pay closing costs such as lender commitment fees, legal, appraisal and title insurance fees and mortgage recording taxes which can add up to an additional 6% to the cost of a condominium or single-family home, the costs that often place the dream of homeownership beyond the reach of low income families.

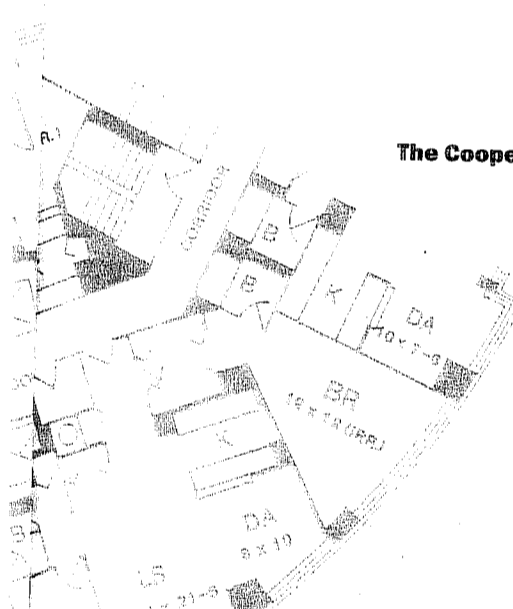
**The Cooperative Projects** **South Williamsburg—The South Williamsburg project will consist of 35 attached three-family townhouses on a scattered site in Brooklyn.**

The project is being developed pursuant to HPD's Small Homes Program and is being sponsored by R. Randy Lee and the Progress of Peoples Development Corp., the development arm of Catholic Charities of the Diocese of Brooklyn.

When completed, the 105 units will be affordable to households with annual incomes ranging from \$20,000 to \$36,000, or 54% to 98% of the New York City area median income. Similar income limits will govern the resale of units for at least the next 30 years. The affordability of the units in the cooperative is made possible by the combination of a \$6.65 million 30-year/ 8.5% "blanket" mortgage from HDC and \$50,000 per unit in subsidies provided by the City and the New York State Affordable Housing Corporation ("AHC").

**South Bronx—An \$11.25 million September 1990 HDC bond issue will provide funds to make the underlying permanent mortgage loans for six limited-equity cooperatives being developed in the West Farms and Highbridge sections of the South Bronx.** The six projects range in size from 18 to 50 units and when completed will provide a total of 186 two and three-bedroom apartments in attached two-family row houses.

The six projects are being jointly developed by the Thomas Norman Development Group and the Neighborhood Development Institute of the Catholic Charities of the Archdiocese of New York. In addition to the below market rate permanent mortgages provided by HDC, and a total of \$35,000 per unit in HPD and AHC subsidies, the project sponsors were able to obtain a 7.5% construction loan from the Dime Savings Bank which was awarded subsidies from the Federal Home Loan Bank of New York in order to help make the development of these low-income cooperatives feasible. As a result of the combination of these subsidies, units in the six South Bronx cooperatives will be affordable to families with annual incomes between \$21,000 and \$29,000 per year.

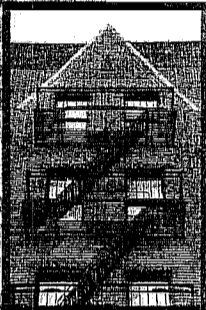


**"80/20" RENTAL PROGRAM —**

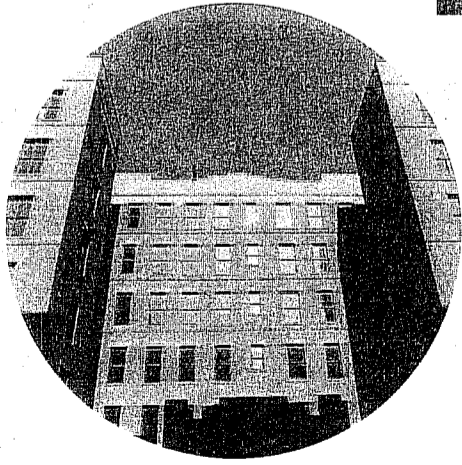
**CREATING ECONOMICALLY INTEGRATED**

**MIXED INCOME HOUSING WITHOUT CITY SUBSIDIES**

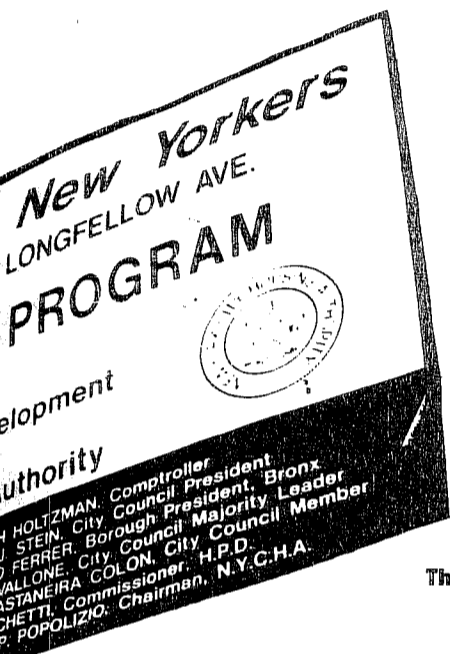
In a significant return to a recently dormant program, the Corporation revived its "80/20" rental housing program with the successful financing of a 522-unit new construction project to be located at East 96th Street and Third Avenue in Manhattan. In 1984 and 1985, HDC had issued bonds to finance eight "80/20" projects containing 2,615 units, with 20% reserved for occu-



*Affordable Housing*  
THE RECONSTRUCTION OF  
**SPECIAL INITIATIVE**  
The Department of  
Housing Preservation and  
Development  
The New York City  
THE CITY OF NEW YORK  
**DAVID N. DINKINS**  
MAYOR







pancy by low-income families. Most significantly, unlike other HDC-financed projects which also received substantial governmental subsidies, the provision of low income units in these "80/20" projects was made possible by internal project subsidies generated from the rents paid by market rate tenants.

The Corporation's "80/20" Program flourished in the mid-1980's. However, due to various factors including changes in Federal law which dramatically reduced the tax benefits of ownership of mixed-income rental housing, the "80/20" Program was unable to sustain the interest of the development community in the years following passage of the Tax Reform Act of 1986. In addition to changes in the Federal tax law, it has become increasingly difficult for developers of rental housing projects to obtain credit enhancements which are necessary to permit the issuance of tax-exempt housing bonds in the municipal marketplace. The slowdown in the national and regional economy has reduced the availability of conventional forms of credit for all types of commercial real estate, and also dramatically limited the availability of bank letters of credit for tax-exempt housing bonds.

**The Bond Issue** Despite these discouraging trends, the sponsor of the East 96th Street project, The Related Companies, Inc., was able to obtain a letter of credit from the Mitsubishi Bank, Limited for the benefit of the bondholders which enabled HDC to issue \$104.6 million of its tax-exempt variable rate demand bonds in order to finance this ambitious development. The interest rate on the bonds is reset every seven days in order to permit the bonds to be remarketed at par, enabling the project to take advantage of the low interest rates which characterize the short-term tax-exempt market. For example, since the Corporation inaugurated its "80/20" Program, interest rates on these variable rate bonds have averaged only 5%. Although the project sponsor assumes the risk associated with a rise in interest rates while the bonds are in a variable rate mode, the bond resolution is structured with the flexibility to permit the bond issue to be converted to a fixed interest rate.

The ability of The Related Companies, Inc. to obtain a letter of credit for the East 96th Street project is largely a reflection of the positive performance of HDC's other "80/20" projects which were financed with variable rate bonds in the mid-1980's. These projects have successfully maintained stable high occupancy rates, serving as excellent examples of economically integrated housing.

## THE DEVELOPMENT SERVICES PROGRAM —

### WORKING CAPITAL LOANS FOR NOT-FOR-PROFIT SPONSORS

#### OF HOMELESS AND LOW INCOME HOUSING

HDC dramatically expanded its Development Services Program in 1990 with the inauguration of a Working Capital Loan Program for the not-for-profit sponsors of homeless and other low income projects being rehabilitated throughout the City. This new Working Capital Loan component of the Development Services Program was authorized by the Corporation in May 1990. At that time, HDC set aside \$3 million from the Corporation's unrestricted reserves—funds which are not pledged to the repayment of any of the Corporation's outstanding bond issues—to fund interest free Working Capital Loans to not-for-profit sponsors of 27 homeless and low income projects. These projects which are being developed pursuant to HPD's Special Initiatives Program ("SIP"), contain over 1,800 apartments.

Under SIP, vacant City-owned buildings are rehabilitated by HPD and then transferred to not-for-profit community groups with an established track record of successfully owning and managing low income housing. The not-for-profit sponsors are required by HPD to rent 60% of the units in each project either to homeless families referred by City agencies from the Emergency



Shelter System or to doubled-up families. The homeless families have typically resided in transitional City-operated shelters and "welfare" hotels. The not-for-profit sponsors are required to provide tenant counseling and other social services to help ensure the successful rent-up of these projects and the transition of the homeless families from shelters and hotels to apartment living. The HDC Working Capital Loan Program is designed to provide the funding necessary to permit these not-for-profit groups to offer these services. HDC funds may also be utilized to help pay for other traditional expenses incurred by the not-for-profit corporations in the purchase and rent-up of an apartment building, including insurance premiums, utility deposits, initial operating deficits and marketing.

The interest-free Working Capital Loans will be repaid from each project's surplus cash flow over an eight year period. The repayment schedule is designed to permit the efficient operation of the projects over time and help ensure their long term success as an affordable low income housing resource

**Other Development Services Activities**

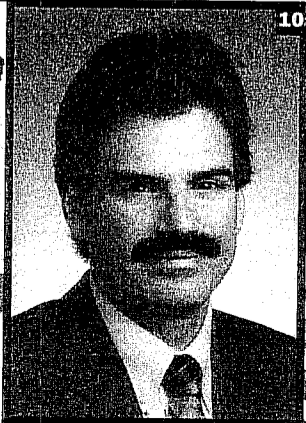
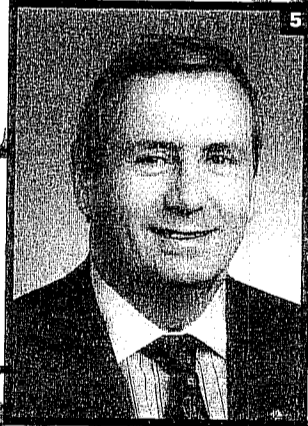
**The Corporation also continued its Seed Money Loan Program for not-for-profit sponsors of low income housing when it made a \$625,000 revolving loan to a mutual housing association which is rehabilitating over 200 units of vacant City-owned housing pursuant to HPD's Lower East Side Cross-Subsidy Program.** Through the Cross Subsidy Program, City-owned sites in the Lower East Side of Manhattan are being developed for market rate housing, with the proceeds from the sale of these buildings being utilized to subsidize the rehabilitation of other City buildings in this diverse neighborhood for low income families.

The People's Mutual Housing Association of the Lower East Side, Inc. is utilizing HDC Seed Money Loan proceeds to fund pre-development expenses such as architectural fees. Construction on the first of the three low income phases of the Cross Subsidy Program has already commenced, with rehabilitation of the remaining two low income phases slated for next year.

The past year also witnessed the successful completion of the Corporation's Seed Money Loan Program for HPD's Capital Budget Homeless Housing Program. By the end of 1990, construction has already begun on 15 of the 18 projects which received HDC loans to fund pre-development expenses. These projects will provide nearly 2,700 units of housing for homeless families and individuals with special needs.

In the second phase of the Seed Money Loan Program, the Corporation made pre-development loans to the not-for-profit sponsors of four of the largest substantial rehabilitation projects in the City's history being reconstructed under HPD's Vacant Cluster Program. Construction started this year on the first two projects and closings on the final two projects are scheduled for 1991. Together, these four Bronx projects will provide another 2,100 desperately-needed apartments for homeless or doubled-up households and other low and moderate income New Yorkers. ●





SEAL OF THE CITY OF NEW YORK  
 CORPORATION  
 DEVELOPMENT  
 CORPORATION  
 CORPORATION

## 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 City's Mayor and two appointed by the Governor of the State of New York. The action of a minimum of four Members is required to exercise the Corporation's powers.

### MEMBERS

**1. Felice Michetti, Chairman and Member ex-officio.**

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

**2. George Glee, Jr., Vice Chairman and Member, term expires January 1, 1993.** Mr. Glee is executive Director of the Vanguard Urban Improvement Assn., Inc., a Brooklyn, New York based not-for-profit corporation that administers a wide range of economic development, commercial and residential rehabilitation and youth programs. Prior to that he served as consultant to the John Hay Whitney Foundation and was Vice President for Economic Development of the Bedford Stuyvesant Restoration Corporation for nine years.

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

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

**5. Harry E. Gould, Jr., Member, serving pursuant to law.** Mr. Gould is Chairman, President and Chief Executive Officer of Gould Paper Corporation. He was Chairman and President of Cinema Group, Inc., a major independent film financing and

production company, from 1982 to May 1986, and is currently Chairman and President of Signature Communications Ltd., a new company that is active in the same field. He was a member of Colgate University's Board of Trustees from 1976 to 1982. He was a member and served on the Executive Committee of the President's Export Council, and was Chairman of the Export Expansion Subcommittee from 1977-1980. He is a National Trustee of the National Symphony Orchestra, Washington, D.C., also serving as a member of its Executive Committee. He is also a member of the Board of Directors of USO of Metropolitan New York, United Cerebral Palsy Research and Educational Foundation, and the National Multiple Sclerosis Society of New York and is a trustee of the Riverdale Country School.

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

**7. James M. Yasser, Member, serving pursuant to law.** Mr. Yasser is Senior Vice President of Milstein Properties Corp., a major real estate development organization based in New York City. Mr. Yasser is an attorney and a member of the New York Bar. Mr. Yasser previously served as President of the Corporation, resigning the Presidency in May 1988 to assume his current position with Milstein Properties. Prior to joining the Corporation, he was associated with the Kalikow Realty and Construction Corp., the Carlin-Atlas Construction Corp. and also served as an investment banker specializing in housing finance. Mr. Yasser is a member of the Board of Directors of the National Housing and Rehabilitation Association.

### OFFICERS

**1. Felice Michetti, President.**

**8. Abraham J. Greenstein, Executive Vice President.** Mr. Greenstein was appointed Executive Vice President on September 1, 1988. Mr. Greenstein joined the Corporation in January, 1983, and was appointed Vice President-Treasurer of the Corporation in April, 1983, and Senior Vice President for Finance in February, 1985. Prior to joining the Corporation, Mr. Greenstein served in the New York State Comptroller's Office for 10 years, where he was responsible for the development of financial analysis for the Office of the Special Deputy Comptroller, the State agency established to monitor the City's financial operations for the Financial Control Board and the Municipal Assistance Corporation for the City.

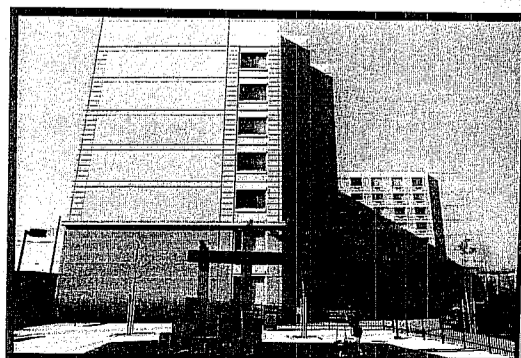
**9. Martin I. Siroka, Vice President and General Counsel.** Mr. Siroka, an attorney and member of the New York Bar, assumed the role of Vice President and General Counsel in January, 1987. He previously served the Corporation as Deputy General Counsel and Secretary. Prior to joining the Corporation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

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

## PROJECTS FINANCED BY THE CORPORATION

PROJECT NAME	ORIGINAL MORTGAGE	NUMBER OF UNITS			
<b>GENERAL HOUSING PROGRAM</b>					
<b>Brooklyn</b>					
Linden Plaza	\$ 50,351,000	1,527	N		
<b>Manhattan</b>					
Yorkville Towers	\$ 62,712,000	1,258	N		
Independence Plaza North	64,595,000	1,332	N		
Waterside	61,577,000	1,100	N		
Knickerbocker Plaza*	24,844,000	578	N		
North Waterside*	12,859,000	370	N		
SUB-TOTAL	\$226,587,000	4,638			
<b>Queens</b>					
Kew Gardens Hills	\$ 10,367,000	1,269	R		
Ocean Park	18,266,000	602	N		
SUB-TOTAL	\$ 28,633,000	1,871			
TOTAL GENERAL HOUSING PROGRAM	\$305,571,000	8,036			
<small>*Financed by Multi-Family Housing Bonds issued in October, 1982.</small>					
<b>223(F) REFINANCINGS (MULTI-FAMILY HOUSING LIMITED OBLIGATION BONDS/MULTI-UNIT MORTGAGE BONDS 1980 SERIES A)</b>					
<b>Bronx</b>					
(Albert Einstein Staff Housing)	\$ 8,779,982	634			
Allerville Arms	2,251,100	212			
Boulevard Towers I	3,299,300	329			
Boulevard Towers II*	6,762,925	356			
Bruckner Towers	2,656,500	208			
Candia House	1,405,093	103			
Carol Gardens	3,330,000	314			
Delos House	1,555,431	124			
Fordham Towers	1,296,100	168			
Janel Towers*	3,914,254	229			
Keith Plaza*	6,816,400	301			
Kelly Towers*	4,526,500	301			
Kingsbridge Apartments*	1,997,998	90			
Kingsbridge Arms	769,700	105	C		
Montefiore Hospital Housing Section II	7,662,400	398			
Noble Mansion	2,618,800	236			
Robert Fulton Terrace	2,357,900	320			
Scott Towers	2,748,700	351	C		
Stevenson Commons*	25,000,000	947			
University River View*	5,797,364	225			
Woodstock Terrace	2,213,400	319	C		
SUB-TOTAL	\$97,759,847	6,270			
<b>Brooklyn</b>					
Atlantic Plaza Towers	\$ 5,375,400	716			
Atlantic Terminal 2C*	4,666,776	200	C		
Atlantic Terminal 4A*	6,933,501	304	C		
Brighton House	1,477,000	191	C		
Cadman Plaza North	2,081,300	250	C		
Cadman Towers	9,487,100	421	C		
Contello III	1,277,900	160	C		
Crown Gardens*	5,882,600	238	C		
Essex Terrace*	1,749,130	104			
Middagh Street Studio Apartments	1,008,800	43			
Prospect Towers	2,193,800	153			
Tivoli Towers*	8,098,200	302			
SUB-TOTAL	\$ 50,231,507	3,082			
<b>Manhattan</b>					
Beekman Staff Residence	\$ 1,226,300	90			
Bethune Towers	1,518,400	135			
Clinton Towers*	10,288,191	396			
Columbus House	3,502,500	248			
Columbus Manor	2,500,000	202			
Columbus Park	1,467,900	162	C		
Confucius Plaza*	23,266,433	760	C		
Cooper-Gramercy	4,764,408	167			
Corlear Gardens	972,100	117	C		
East Midtown Plaza	17,157,400	746	C		
Esplanade Gardens	14,437,500	1,870	C		
Glenn Gardens*	8,196,000	266			
Goddard Towers	2,381,600	193	C		
Goodwill Terrace*	3,596,881	207			
Gouveneur Gardens	5,993,600	778	C		
Heywood Towers*	5,396,763	188			
Hudsonview Terrace	11,546,500	395			

Queenswood Apartments, Queens



Jefferson Towers	1,619,000	189	C
Lands End I*	7,206,404	250	
Leader House*	6,267,800	279	
Lincoln-Amsterdam*	6,028,500	186	C
New Amsterdam House*	6,459,700	228	
1199 Plaza*	59,708,979	1,586	C
Polyclinic Apartments	1,323,100	159	
Riverbend	8,267,900	622	C
Riverside Park*	26,021,800	1,190	
RNA House	1,841,600	207	C
Rosalie Manning Apts.	903,100	108	C
Ruppert House*	16,778,000	632	C
St. Martin's Tower	2,865,500	179	C
Strycker's Bay	1,792,700	233	C
Tower West*	3,985,859	216	
Town House West*	1,100,000	47	
Tri-Faith House	1,494,800	147	C
Trinity House	2,540,500	199	
Washington Sq. Southeast	1,905,200	174	C
West Side Manor	3,147,200	245	
Westview Apartments	1,656,000	137	
West Village	12,034,500	420	
Westwood House*	1,498,878	124	
SUB-TOTAL	\$294,659,496	14,675	
<b>Queens</b>			
Bay Towers	\$ 5,475,544	374	
Bridgeview III	1,950,907	170	
Court Plaza	5,368,893	246	
Dayton Towers	14,871,800	1,752	C
Forest Park Crescent	1,756,976	240	C
Seaview Towers*	13,264,700	461	
Sky View Tower	3,910,900	252	
SUB-TOTAL	\$ 46,599,720	3,475	
<b>Staten Island</b>			
North Shore Plaza*	\$ 17,112,240	535	
TOTAL 223(f) REFINANCINGS	\$506,362,810	28,037	

**SECTION 8/PROGRAM**

**FHA INSURED/SEC. 8/1979 SERIES A BONDS**

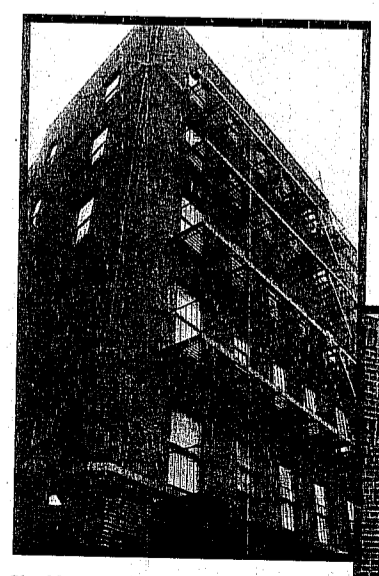
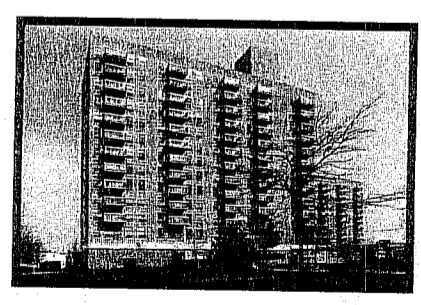
<b>Bronx</b>			
Academy Gardens	\$ 18,120,300	471	R
Crotona Ave.	3,222,800	74	R
Miramar Court	4,895,900	90	R&N
SUB-TOTAL	\$ 26,239,000	635	
<b>Brooklyn</b>			
President Arms Apts.	\$ 1,326,500	32	R
Prospect Arms Apts.	3,505,700	91	R
1650 President Street	2,411,200	48	R
SUB-TOTAL	\$ 7,243,400	171	
<b>Manhattan</b>			
Lenoxville	\$ 5,584,700	118	R
Lower East Side Phase II	5,665,000	100	R
SUB-TOTAL	\$ 11,249,700	218	
TOTAL	\$ 44,732,100	1,024	

**FHA INSURED/SEC. 8/1982 SERIES A BONDS**

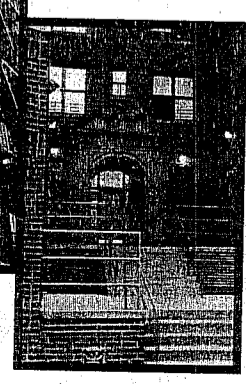
<b>Bronx</b>			
Alexander A. Corprew	\$ 4,380,500	78	R
Faile Street Rehab, Aldus I	5,240,600	95	R
Fairmont Place	1,586,400	28	R
Hunts Point I	7,769,000	125	R
Macombs Village	10,075,600	172	R
Mid-Bronx Development II	8,833,500	159	R
Mid-Bronx Development III	4,215,000	75	R
Sebco IV	4,077,600	71	R
Southern Boulevard IV	4,999,200	89	R
Woodycrest Courts I	6,531,800	115	R
SUB-TOTAL	\$ 57,709,200	1,007	

\*Section 236 Subsidized Projects  
 All of the above are rental projects, with the exception of cooperatives which are designated with a "C"  
 N=New Construction R=Rehabilitation

North Shore Plaza, Staten Island



Sheridan Manor, Bronx



**Brooklyn**

Ambassador Terrace	\$ 2,990,100	66	R
1596 Development	843,700	17	R
1451 Development	1,830,400	34	R
Penn Gardens I	4,183,300	90	R
Pulaski Manor	3,319,400	65	R
Rose Gardens	6,855,300	135	N
Sallie Mathis Gardens	10,788,900	162	N
Sunset Park NSA-I	9,582,900	187	N
Sutter Gardens	13,800,500	258	N
TriBlock	4,813,100	96	N
SUB-TOTAL	\$ 59,007,600	1,110	

**Manhattan**

Malcolm X-II Phase A	\$ 4,938,600	91	R
McKenna Square Houses	5,817,300	104	R
Paul Robeson Houses	4,603,000	81	R
Renaissance Courts	2,568,400	49	R
Mother Zion McMurray	4,631,200	76	N
Pueblo Nuevo	9,940,300	172	N
SUB-TOTAL	\$ 32,498,800	573	

**Staten Island**

Richmond Gardens	\$ 7,357,000	141	R
TOTAL	\$156,572,600	2,831	

**FHA INSURED/SEC. 8/1983 SERIES A BONDS****Bronx**

Brookhaven I	\$ 5,673,500	95	R
Villa Alejandrina	4,084,600	71	R
Woodycrest Court II	3,199,800	58	R
Lewis Morris Apartments	10,098,700	271	R
Thessalonica Court	14,018,900	192	N
SUB-TOTAL	\$ 37,075,500	687	

**Brooklyn**

Boro Park Courts	\$ 8,459,100	131	R
Fulton Park Site 7 & 8	13,780,700	209	N
La Cabana	9,603,700	167	N
SUB-TOTAL	\$ 31,843,500	507	

**Manhattan**

Caparra La Nueva	\$ 5,956,600	84	N
Cooper Square	10,726,100	146	N
Ennis Francis	16,794,100	230	N
Hamilton Heights Terrace	8,654,300	132	N
Lexington Gardens	7,786,900	108	N
SUB-TOTAL	\$ 49,918,000	700	
TOTAL	\$118,837,000	1,894	

**FHA INSURED/SEC. 8/1983 SERIES B BONDS****Bronx**

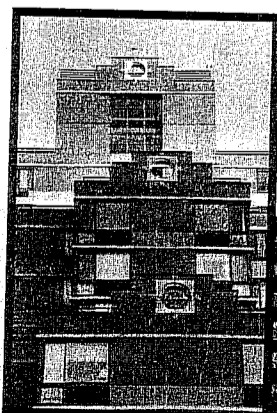
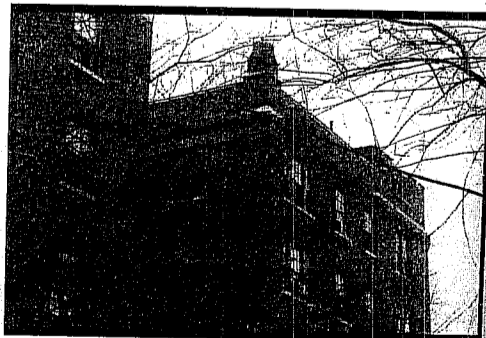
Clinton Arms	\$ 4,962,700	86	R
McGee Hill Apartments	3,677,200	59	R
McKinley Manor	3,738,100	60	R
Sebco-Banana Kelly	4,510,200	65	R
Target V-Phase I	5,026,000	83	R
Washington Plaza	4,954,000	75	R
Felisa Rincon de Gautier Houses	7,420,400	109	N
Rainbow Plaza	9,221,700	127	N
SUB-TOTAL	\$ 43,510,300	664	

**Brooklyn**

Crown Heights I	\$ 2,197,400	36	R
Crown Heights II	1,744,700	32	R
SUB-TOTAL	\$ 3,942,100	68	

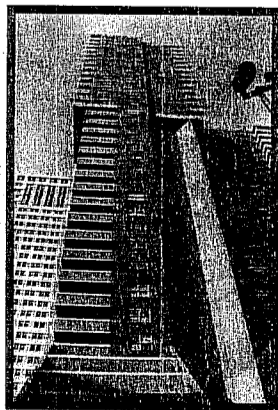
**Manhattan**

Revive 103	\$ 4,318,000	60	R
Will A View Apartments	3,777,300	55	R
Charles Hill Towers	7,373,200	101	N
Metro North Court	6,063,300	91	N
SUB-TOTAL	\$ 21,531,800	307	
TOTAL	\$ 68,984,200	1,039	
TOTAL SECTION 8 PROGRAM	\$389,125,900	6,788	

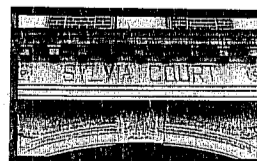
**Allerton Coops, Bronx****Manhattan Park,  
Roosevelt Island**



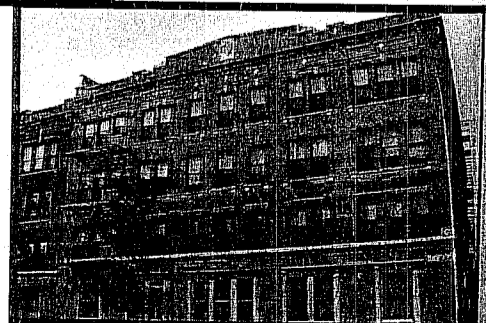
BOND SERIES	PROJECT NAME	AMOUNT OF MORTGAGE	NUMBER OF UNITS	LOCATION
<b>MODERATE INCOME RENTAL HOUSING PROGRAM</b>				
<b>GNMA MORTGAGE BACKED SECURITIES</b>				
<b>1985 SERIES A AND 1987 SERIES A</b>				
<b>Bronx</b>				
✓ 1987 Series A	2051 Grand Concourse	\$ 4,450,000	63	2051 Grand Concourse
<b>Brooklyn</b>				
1985 Series A	1010 Development	919,000	16	1010 Eastern Parkway
<b>Manhattan</b>				
1985 Series A	Logan Plaza	10,291,000	130	130th & Amsterdam Avenue
<b>Queens</b>				
1985 Series A	Self-Help Sheltered Extension	13,229,700	155	137-47 45th Ave.
<b>Staten Island</b>				
1985 Series A	Harbour View	9,713,500	122	Richmond Terrace & St. Peter's Place
SUB-TOTAL		\$38,603,200	486	
<b>VARIABLE RATE DEMAND BONDS</b>				
<b>1989 SERIES A</b>				
<b>Manhattan</b>	Upper Fifth Avenue	10,000,000	151	East 112th St. & 5th Avenue
<b>MULTI-FAMILY MORTGAGE REVENUE BONDS</b>				
<b>1989 SERIES A</b>				
<b>Queens</b>	Queenswood	11,200,600	296	Lewis Ave. and 100th St.
SUB-TOTAL		\$59,403,800	933	
<b>HAC &amp; CPC FINANCING</b>				
<b>Bronx</b>	✓ St. Edmond's Court	5,550,000	111	105 Mt. Hope Ave./ 1886-92 Morris Ave.
	✓ 196 Rockaway Pkwy.	2,617,000	71	196 Rockaway Pkwy.
	✓ 255 Ocean Avenue	1,808,000	40	255 Ocean Ave.
	✓ 405 E. 94th/1072 Wilmohr	945,000	24	405 E. 94th/1072 Wilmohr
	✓ Golden Gates Apartments	4,225,000	85	1091-1103 Gates Avenue
SUB-TOTAL		\$15,145,000	331	
<b>HAC &amp; HDC Financing</b>				
<b>Queens</b>	Astoria Apartments	3,951,500	62	110-14 Astoria Blvd.
TOTAL MODERATE INCOME RENTAL HOUSING PROGRAM		\$78,500,300	1,326	



Independence Plaza North, Manhattan



285 Development, Brooklyn



BOND SERIES	PROJECT NAME	AMOUNT OF MORTGAGE	NUMBER OF UNITS	LOCATION
<b>HOUSING DEVELOPMENT ACTION GRANT PROGRAM</b>				
<b>1985 FIRST SERIES FHA INSURED</b>				
<b>1987 SERIES A FHA INSURED</b>				
<b>Bronx</b>				
1987 Series A	✓ 1290 & 1326 Grand Concourse	\$3,680,000	104	1290 & 1326 Grand Concourse
1987 Series A	✓ Robin Housing	2,977,600	101	1197 & 1250 Grand Concourse
1987 Series A	✓ Artist's Housing	915,400	23	1220 Grand Concourse
<b>Brooklyn</b>				
1985 First Series	285 Development	1,800,000	58	285 Schenectady Ave. 1646 Union St.
1987 Series A	Willoughby/Wyckoff Apts.	2,755,400	68	Willoughby Avenue Wyckoff Avenue
1987 Series A	Woodruff Apartments	3,250,000	84	79 Woodruff Avenue
<b>Manhattan</b>				
1987 Series A	Revive 103 North	1,863,000	30	155-161 E. 103rd St.
TOTAL HOUSING DEVELOPMENT ACTION GRANT PROGRAM		\$17,241,400	468	
<b>VACANT BUILDING PROGRAM</b>				
<b>INSURED MULTI-FAMILY MORTGAGE REVENUE BONDS</b>				
<b>1989 SERIES A</b>				
<b>Bronx</b>				
	✓ Sheridan Manor	10,979,000	450	Sheridan Ave./ Marcy Place
TOTAL VACANT BUILDING PROGRAM		\$10,979,000	450	
<b>LIMITED EQUITY COOPERATIVE PROGRAM*</b>				
<b>MORTGAGE REVENUE BONDS 1990 SERIES A</b>				
<b>Bronx</b>				
1990 Series A	South Bronx Cooperatives			
	✓ —Daly Avenue Coop	\$1,888,304	32	Vyse Avenue, Boston Road Cross Bronx Expressway
	✓ —Tremont—Vyse I Coop	1,416,228	24	(Southwest Corner) East 178th and Vyse Avenue
	✓ —Tremont—Vyse II Coop	1,062,171	18	(Southeast Corner) East 178th and Vyse Avenue
	✓ —Tremont—Vyse III Coop	1,770,285	30	Vyse Avenue, Daly Avenue and 179th Street
	✓ —Highbridge Village Houses Coop	1,800,860	32	Nelson Avenue 169th-170th Streets
	✓ —Harrison Houses Coop	2,819,309	50	Harrison Avenue and Morton Place
SUB-TOTAL		\$10,757,157	186	
<b>Brooklyn</b>				
1990 Series A	South Williamsburg Cooperatives	6,955,000	105	South 8th and 9th Streets Driggs and Wythe Avenues
TOTAL LIMITED EQUITY COOPERATIVE PROGRAM		\$17,712,157	291	

\*Anticipated Mortgage Loan, closings expected upon completion of construction.

## COMBINED BALANCE SHEET

OCTOBER 31, 1990 (WITH COMPARATIVE COMBINED TOTAL AS OF OCTOBER 31, 1989)

(in thousands)	HOUSING DEVELOPMENT CORPORATION PROGRAMS	HOUSING ASSISTANCE CORPORATION PROGRAMS	HOUSING NEW YORK CORPORATION PROGRAMS	COMBINED TOTAL	
				1990	1989
<b>ASSETS:</b>					
Cash	\$ 301	8	5	314	1,601
Investments (note 4)	724,563	34,159	95,698	854,420	1,000,711
Total cash and investments	724,864	34,167	95,703	854,734	1,002,422
Receivables:					
Mortgage loans (note 5)	1,581,227	42,862	—	1,624,089	1,553,811
Accrued interest	10,798	265	—	11,063	12,311
Sale of mortgages	6,426	—	—	6,426	6,611
Other (note 6)	14,559	—	124,820	139,379	69,211
Total receivables	1,613,010	43,127	124,820	1,780,957	1,642,044
Unamortized issuance costs	16,459	—	3,736	20,195	20,711
Due from (to) other funds	(6,129)	6,145	(16)	—	—
Fixed assets	574	—	—	574	5,711
Other assets	268	—	62	330	2,111
<b>TOTAL ASSETS</b>	<b>\$2,349,046</b>	<b>83,439</b>	<b>224,305</b>	<b>2,656,790</b>	<b>2,666,151</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
Bonds and notes payable (note 7)	\$1,845,726	—	209,996	2,055,722	2,071,411
Discount on bonds payable	(3,721)	—	(197)	(3,918)	(3,911)
Accrued interest payable	62,459	—	12,092	74,551	67,111
Payable to the City of New York (note 9)	68,078	83,439	2,377	153,894	183,511
Payable to mortgagors	63,601	—	—	63,601	58,111
Restricted earnings on investments	2,125	—	—	2,125	2,111
Accounts and other payables	939	—	—	939	2,211
Deferred fee and mortgage income	26,511	—	—	26,511	24,711
Due to the United States (note 11)	2,542	—	37	2,579	4,311
Total liabilities	2,068,260	83,439	224,305	2,376,004	2,408,011
Fund balances:					
Restricted	174,510	—	—	174,510	158,011
Unrestricted	106,276	—	—	106,276	100,011
Total fund balances	280,786	—	—	280,786	258,111
Commitments and Contingencies (notes 9, 12, & 13)					
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$2,349,046</b>	<b>83,439</b>	<b>224,305</b>	<b>2,656,790</b>	<b>2,666,151</b>

See accompanying notes to the combined financial statements.

## COMBINED STATEMENT OF REVENUES AND EXPENSES

OCTOBER 31, 1990 (WITH COMPARATIVE TOTAL AS OF OCTOBER 31, 1989)

(In thousands)	HOUSING DEVELOPMENT CORPORATION PROGRAMS	HOUSING ASSISTANCE CORPORATION PROGRAMS	HOUSING NEW YORK CORPORATION PROGRAMS	COMBINED TOTAL	
				1990	1989
<b>REVENUES:</b>					
Interest on loans	\$124,542	—	—	124,542	122,260
Earnings on investments	48,213	—	10,423	58,636	69,776
Fees and charges (note 11)	3,545	—	—	3,545	3,587
Gain on early retirement of debt	172	—	—	172	82
Other	35	—	8,186	8,221	3,053
<b>TOTAL REVENUES</b>	<b>176,507</b>	<b>—</b>	<b>18,609</b>	<b>195,116</b>	<b>198,758</b>
<b>EXPENSES:</b>					
Interest and amortization	137,975	—	18,339	156,314	157,795
Salaries and related expenses	3,700	—	—	3,700	3,712
Services of New York City	335	—	—	335	335
Legal Settlement, Trustees' and Other fees (note 5)	5,344	—	54	5,398	2,387
Debt issuance costs	1,560	—	216	1,776	1,212
Corporate operating expenses	1,525	—	—	1,525	1,728
Non-operating expenses (note 9)	3,422	—	—	3,422	3,606
<b>TOTAL EXPENSES</b>	<b>153,861</b>	<b>—</b>	<b>18,609</b>	<b>172,470</b>	<b>170,775</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 22,646</b>	<b>—</b>	<b>—</b>	<b>22,646</b>	<b>27,983</b>
<b>ALLOCATION OF EXCESS OF REVENUES OVER EXPENSES:</b>					
<b>EXPENSES:</b>					
Restricted fund balance	17,075	—	—	17,075	18,076
Unrestricted fund balance	5,571	—	—	5,571	9,907
	<b>\$ 22,646</b>	<b>—</b>	<b>—</b>	<b>22,646</b>	<b>27,983</b>

See accompanying notes to the combined financial statements.

## COMBINED STATEMENT OF CHANGES IN FUND BALANCES

OCTOBER 31, 1990 (WITH COMPARATIVE COMBINED TOTAL AS OF OCTOBER 31, 1989)

(in thousands)	HOUSING DEVELOPMENT CORPORATION PROGRAMS	HOUSING ASSISTANCE CORPORATION PROGRAMS	HOUSING NEW YORK CORPORATION PROGRAMS	COMBINED TOTAL	
				1990	1989
<b>RESTRICTED:</b>					
Balance at beginning of year	\$158,074	—	—	158,074	130,354
Excess of revenues over expenses	17,075	—	—	17,075	18,076
Net transfers from (to) unrestricted fund balances	(639)	—	—	(639)	9,644
Balance at end of year	174,510	—	—	174,510	158,074
<b>UNRESTRICTED:</b>					
Balance at beginning of year	100,066	—	—	100,066	99,803
Excess of revenues over expenses	5,571	—	—	5,571	9,907
Net transfers from (to) restricted fund balances	639	—	—	639	(9,644)
Balance at end of year	106,276	—	—	106,276	100,066
<b>TOTAL FUND BALANCES AT END OF YEAR</b>	<b>\$280,786</b>	<b>—</b>	<b>—</b>	<b>280,786</b>	<b>258,140</b>

See accompanying notes to the combined financial statements.

## COMBINED STATEMENT OF CASH FLOWS

OCTOBER 31, 1990 (WITH COMPARATIVE COMBINED TOTAL AS OF OCTOBER 31, 1989)

(in thousands)	HOUSING DEVELOPMENT CORPORATION PROGRAMS	HOUSING ASSISTANCE CORPORATION PROGRAMS	HOUSING NEW YORK CORPORATION PROGRAMS	COMBINED TOTAL	
				1990	1989
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Excess of revenues over expenses:	\$22,646	—	—	22,646	27,983
Net adjustments to reconcile excess of revenues over expenses to net cash provided by (used in) operating activities: (note 2)	(546)	—	224	(322)	(6,354)
Changes in assets and liabilities:					
Net change in accrued bond and note interest payable	6,086	—	1,294	7,380	(653)
Net change in investment interest receivable	85	427	98	610	195
Net change in accrued earnings payable to mortgagors	(103)	—	—	(103)	2,470
Net change in accrued earnings payable to the City of New York	6,093	4,002	24	10,119	12,581
Net change in other assets	(12)	—	(62)	(74)	462
Net change in accounts and other payables	(300)	—	(30)	(330)	(10,998)
Net change in accrued mortgage and loan interest receivable	1,651	(161)	—	1,490	(2,894)
Net change in other receivable	(390)	—	—	(390)	—
Net change in receivable from Battery Park City	—	—	(6,296)	(6,296)	(1,948)
Net change in servicing fee receivable	876	—	—	876	(210)
Net transfers between programs	6,458	(6,471)	13	—	—
Net change in due to the United States	402	(588)	37	(149)	825
Total changes in assets and liabilities:	\$20,846	(2,791)	(4,922)	13,133	(170)
Restricted earnings on investments	1,939	—	—	1,939	568
Receipt of mortgagor and other escrows	42,167	—	7,627	49,794	86,782
Deferred commitment and financing fees	2,003	—	—	2,003	2,742
Disbursements of mortgagor escrows	(40,658)	—	—	(40,658)	(37,857)
Disbursements to the City of New York	(5,809)	(36,860)	(69,132)	(111,801)	(58,737)
Issuance costs	(1,173)	—	—	(1,173)	(3,174)
Total adjustments to reconcile excess of revenues over expenses:	18,769	(39,651)	(66,203)	(87,085)	(16,200)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$41,415</b>	<b>(39,651)</b>	<b>(66,203)</b>	<b>(64,439)</b>	<b>11,783</b>

See accompanying notes to the combined financial statements.

## COMBINED STATEMENT OF CASH FLOWS

OCTOBER 31, 1990 (WITH COMPARATIVE COMBINED TOTAL AS OF OCTOBER 31, 1989)

(In thousands)	HOUSING DEVELOPMENT CORPORATION PROGRAMS	HOUSING ASSISTANCE CORPORATION PROGRAMS	HOUSING NEW YORK CORPORATION PROGRAMS	COMBINED TOTAL	
				1990	1989
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Sale of investments, at cost	7,903,192	1,333,483	435,691	9,672,366	7,828,700
Sale of mortgage loans	—	—	—	—	89,800
Loan principal payments received	12,594	—	—	12,594	13,700
Sale of fixed assets	8	—	—	8	—
Purchase of investments	(7,866,824)	(1,283,003)	(369,487)	(9,519,314)	(7,761,200)
Mortgage and loan advances	(75,952)	(10,823)	—	(86,775)	(189,500)
Purchase of fixed assets	(215)	—	—	(215)	(300)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>\$ (27,197)</b>	<b>39,657</b>	<b>66,204</b>	<b>78,664</b>	<b>(18,800)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Proceeds from sale of bonds and notes	122,815	—	—	122,815	385,100
Retirement of bonds and notes	(138,386)	—	—	(138,386)	(378,300)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>\$ (15,571)</b>	<b>—</b>	<b>—</b>	<b>(15,571)</b>	<b>6,700</b>
Increase (decrease) in cash	(1,353)	6	1	(1,346)	(200)
Cash at beginning of year	1,654	2	4	1,660	1,900
<b>CASH AT END OF YEAR</b>	<b>\$ 301</b>	<b>8</b>	<b>5</b>	<b>314</b>	<b>1,600</b>

See accompanying notes to the combined financial statements.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

OCTOBER 31, 1990

### 1. ORGANIZATION

The New York City Housing Development Corporation (the "Corporation") is a corporate governmental agency constituting a public benefit corporation of the State of New York (the "State"). The Corporation was established in 1971 under the provisions of Article XII of the Private Housing Finance Law (the "Act") of the State and is to continue in existence for at least as long as bonds, notes or other obligations of the Corporation are outstanding. The Corporation was created to encourage the investment of private capital through low-interest mortgage loans and to provide safe and sanitary dwelling accommodations for families and persons whose need for housing accommodations cannot be provided by unassisted private enterprise. To accomplish its objectives, the Corporation is empowered to, among other things, finance new construction and housing rehabilitation, provide construction financing for multifamily projects to be permanently financed by others, and provide permanent financing for multifamily residential housing. The Corporation participates in the federal government's housing assistance programs, principally those established by Section 236 of the National Housing Act of 1934, as amended, and Section 8 of the United States Housing Act of 1937, as amended. The bonds and notes of the Corporation are not debts of either the State or The City of New York (the "City").

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

Pursuant to section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards, the financial activities of the Corporation's subsidiaries, the Housing Assistance Corporation ("HAC") and the Housing New York Corporation ("HNYC") have been included in the Corporation's combined financial statements (see notes 3B and C). Additionally, pursuant to the same section, the Corporation's combined financial statements are included in the City's financial statements as a component unit for financial reporting purposes. The Corporation is included within the City's Housing and Economic Development Enterprise Funds.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Corporation follows the principles of fund accounting in that each program's assets, liabilities and fund balances are accounted for as separate entities. 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, repurchase agreements, and open time deposits, are carried at amortized cost, which approximates market, plus accrued interest (see note 4). Investment earnings on monies held for the City and reserves for replacement are not included in the Corporation's revenues, rather, they are reported in the combined balance sheet as payable to the City or payable to mortgagors.

#### B. Earnings On Investments

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

#### C. Debt Issuance Costs and Bond Discount

Debt issuance costs and bond discount are amortized over the life of the related bond and note issues using the effective yield method. For debt issued prior to 1983, the issuance costs and discount were recognized as expenses when the related bonds or notes were issued. These costs were matched by fees and charges that were taken into revenue at that time.

#### D. Operating Transfers

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

#### E. Restricted Earnings on Investments

Restricted earnings on investments represent the cumulative amount by which pass-through program revenues exceed expenses. Such amounts are recorded as restricted liabilities since they represent accumulated excess investment earnings that, under the terms of the bond resolutions and mortgage loan documents, are expected to be credited to the mortgagors. This occurs in the following programs: 1984 & 1988 Series A (Carnegie Park) Variable Rate Demand Bonds, 1985 Series A (Columbus Gardens Project) Multi-Family Development Bonds, 1985 Issue A (First Nationwide Savings-Columbus Apartments Project) Multifamily Mortgage Revenue Bonds, 1985 Issue 1 (James Tower Development) Multi-Family Development Bonds, 1985 Series A (FHA Insured Mortgage Loan) Multi-Family Mortgage Revenue Bonds, 1985 Issue 1 (Roslingate Development) Multi-Family Development Bonds, 1985 Series A (Columbus Green) Variable Rate Demand Bonds, 1985 Resolution 1 (Parkgate Tower) Variable Rate Demand Bonds, 1987 Series A (FHA Insured Mortgage Loan) Multi-Family Mortgage Revenue Bonds, 1988 Series 1 (Royal Charter Properties-East, Inc. Project) MBIA Insured Residential Revenue Refunding Bonds, 1989 Series A (Upper Fifth Avenue Project) Variable Rate Demand Bonds, 1989 Series A (Queenswood Apartments) Multi-Family Mortgage Revenue Bonds, and 1990 Series A (Related-East 96th Street Project) Variable Rate Demand Bonds.

#### F. Amortization of Leasehold Improvements

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

#### G. Fees and Charges

Commitment and financing fees are recognized on the accrual basis over the life of the related mortgage. Programs commencing prior to 1983 recognized these fees as collected through the final endorsement date of the respective mortgages which offset issuance costs expensed at that time.

#### H. Statement of Cash Flows—Supplemental Disclosure

For purposes of the combined statement of cash flows, the Corporation excludes all investments from cash equivalents. Bond interest paid during fiscal year 1990 for the Corporation and HNYC was \$131,973,000 and \$17,037,000, respectively. The following schedule details the net adjustments to reconcile excess of rev-



venues over expenses after operating transfers to net cash provided by (used in) operating activities for the year ended October 31, 1990:

(in thousands)	TOTAL		TOTAL	COMBINED TOTALS	
	HDC	HAC	HNYC	1990	1989
Amortization of:					
Debt Issuance Costs	\$ 1,560	\$ —	\$ 216	\$ 1,776	\$ 1,212
Original Bond Issue					
Discount	48	—	8	56	46
Investment Discount and Premium	(5,058)	—	—	(5,058)	(6,765)
Mortgage Discount	(194)	—	—	(194)	(184)
Deferred Fee and					
Mortgage Income	(252)	—	—	(252)	(1,141)
Depreciation and Amortization	209	—	—	209	560
Losses on Other					
Receivables	3,313	—	—	3,313	—
Gain on Early					
Debt Extinguishment	(172)	—	—	(172)	(82)
<b>TOTAL ADJUSTMENTS</b>	<b>\$( 546)</b>	<b>—</b>	<b>\$224</b>	<b>\$( 322)</b>	<b>\$(6,354)</b>

I. Allowance for Credit Losses

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

During 1990, the Corporation determined that two loans financed from accumulated earnings in the Corporation's Corporate Services Fund Dedicated account were uncollectible and, as such, provision was made for a charge against income (see note 5).

J. Combined Financial Presentation

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

(i) NEW YORK CITY HOUSING DEVELOPMENT CORPORATION:

a. Multi-Family Bond Programs:

1. General Housing

General Housing Bond Program

1982 Multi-Family Housing Bond Program

2. Section 223(f)

Multifamily Housing Bond Program

Multi-Unit Housing Bond Program

3. Section 8

1979 Series A Multi-Family Mortgage Revenue Bond Program

1982 Series A Multi-Family Mortgage Revenue Program

1983 Series A Multi-Family Mortgage Revenue Bond Program

1983 Series B Multi-Family Mortgage Revenue Bond Program

1983 Series C Multi-Family Mortgage Revenue Bond Program

4. 80/20

1984 Series A (Carnegie Park) Variable Rate Demand Bond Program

1985 Series A (Columbus Gardens Project) Multi-Family Development Bond Program

1985 First Series (FHA Insured Mortgage Loans) Multi-Family Housing Bond Program

1985 Issue A (First Nationwide Savings-Columbus Apartments Project) Multifamily Mortgage Revenue Bond Program

1985 Issue 1 (James Tower Development) Multi-Family Development Bond Program

1985 Series A (GNMA Mortgage-Backed Securities) Multi-Family Mortgage Revenue Bond Program

1985 First Series Insured Multi-Family Revenue Bond Program

1985 Series A (Columbus Green Project) Variable Rate Demand Bond Program

1985 Resolution 1 (Parkgate Tower) Variable Rate Demand Bond Program

1985 Issue 1 (Roslingate Development) Multi-Family Development Bond Program

1985 Series A (FHA Insured Mortgage Loan) Multi-Family Mortgage Revenue Bond Program

1987 Series A (FHA Insured Mortgage Loan) Multi-Family Mortgage Revenue Bond Program

1987 Series A (GNMA Mortgage-Backed Securities) Multi-Family Mortgage Revenue Bond Program

1987 Series A (FHA Insured Mortgage Loans) Multi-Family Housing Bond Program

1988 Series A (Carnegie Park) Variable Rate Demand Bond Program

1988 Resolution A Housing Development Refunding Bond Program

1989 Series A (Upper Fifth Avenue Project) Variable Rate Demand Bond Program

1989 Series A (Queenswood Apartments) Multi-Family Mortgage Revenue Bond Program

1989 Series A (Sheridan Manor Apartments) Insured Multi-Family Mortgage Revenue Bond Program

1990 Series A (Related-East 96th Street Project) Variable Rate Demand Bonds

5. Hospital Residence

1988 Series 1 (Royal Charter Properties-East, Inc. Project) MBIA Insured Residential Revenue Refunding Bond Program

6. Residential Cooperative Housing

1990 Series A (South Williamsburg Cooperative) Mortgage Revenue Bonds

1990 Series A (South Bronx Cooperatives) Mortgage Revenue Bonds

b. Corporate Services Fund

(ii) HOUSING ASSISTANCE CORPORATION

(iii) HOUSING NEW YORK CORPORATION

a. Revenue Bond Program:

1987 Series A Revenue Bond Program

K. Combined Total

The combined total data is the aggregate of the Corporation and its subsidiaries. No consolidations or other eliminations were made in arriving at the totals, thus, they do not present consolidated information.

L. Reclassifications

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

3. DESCRIPTION OF PROGRAMS AND CORPORATE SERVICES FUND

A. NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

The Corporation operates two separate major programs, of which one is governed by its respective bond resolutions. A description of the programs follows:

(i) Multi-Family Bond Programs:

a. General Housing

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

The 1982 Multi-Family Housing Bond Program was established in fiscal year 1983 in connection with the refinancing of the Multi-Family Variable Rate Bonds which financed two projects. Upon refinancing, the mortgages were transferred to this program from the Multi-Family Variable Rate Program, which then ceased to exist.

A capital reserve fund for these programs was established as additional security for the bondholders. The capital reserve fund is required to maintain cash and investments of \$19,337,900 and \$4,780,000, respectively. Should the fund fall below the required amount, the City has a moral obligation to restore the fund to the minimum requirement. These monies would constitute interest-free loans and would then be repaid to the City from future collections. To date, revenues have been sufficient to cover expenses. At this time, the Corporation does not anticipate that the reserves will be utilized to cover program expenses.

*b. Section 223(f)*

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

*c. Section 8*

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

*d. 80/20*

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

*e. Hospital Residence*

The bonds under this program were issued to provide funds for the construction and permanent financing of a multi-purpose residential facility for the benefit and utilization of The Society of the New York Hospital.

*f. Residential Cooperative Housing*

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

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

(ii) Corporate Services Fund:

This fund accounts for (i) fees and earnings transferred from the programs described above; (ii) Section 8 administrative fees (see note 11A); (iii) income from Corporate Services Fund investments; (iv) payment of the Corporation's operating expenses; and (v) the Dedicated Account (see note 5A).

**B. HOUSING ASSISTANCE CORPORATION**

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

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

**C. HOUSING NEW YORK CORPORATION**

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

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

The proceeds of the obligations of HNYC are to be used to finance the Housing New York Program, a joint effort of the City and the State, created for the purpose of providing residential housing facilities for low and moderate income persons for whom the ordinary operation of private enterprise cannot supply safe, sanitary and affordable housing accommodations. In order to accomplish this objective, HNYC may grant monies to the City, any agency or instrumentality of the City, or to the Corporation to finance the aforementioned residential housing facilities (see note 6A). The obligations of HNYC are to be repaid out of assigned excess revenues generated by development at Battery Park City. These revenues consist of excess cash flow to the BPCA resulting from rental and other payments under leases with private owners. HNYC is also authorized and empowered to receive monies from the Corporation, the BPCA, any other public benefit corporation, the federal government or any other source.

(i) Revenue Bond Program:

The proceeds of the Bonds are being used to finance the initial phase of the Housing New York Program. The City is in the process of using these monies to fund all or a portion of the substantial rehabilitation and/or construction of approximately 1620 residential housing units and related facilities in the boroughs of Manhattan and the Bronx.

#### 4. INVESTMENTS

The Corporation is authorized to engage in investment activity pursuant to Article XII of the New York State Private Housing Finance Law, and the Corporation's bond resolutions. The Corporation principally invests in securities of the United States and its agencies, certificates of deposit, open time deposits and repurchase agreements. All funds invested in repurchase agreements are held pursuant to written agreements. Margin requirements range from 100% to 106%. All securities, other than securities held by the respective trustees for the benefit of the bondholders, are held by the Corporation or its agents in the Corporation's name. Bond program investments are held by the trustee of the applicable program. All investment transactions are on a delivery versus receipt basis.

Investments held in the Corporation's name by the Corporation, its agents and bond trustees at October 31, 1990:

SECURITY	TOTAL COST 10/31/90	CURRENT MARKET VALUE PLUS ACCRUED INTEREST 10/31/90	EXCESS OF COST OVER MARKET VALUE 10/31/90
<i>(in thousands)</i>			
U.S. Treasury Bonds	\$161,053	\$161,389	\$ 336
U.S. Treasury Bills	51,795	51,866	71
U.S. Treasury Notes	107,650	108,350	700
U.S. Treasury Strips	52,573	40,471	(12,102)
Fixed Repurchase Agreements	112,396	112,396	—
G.N.M.A.	48,809	49,009	200
Open Time Deposits	206,405	206,405	—
Term Repurchase Agreements	69,300	69,300	—
Certificates of Deposit	39,438	39,438	—
Merchant Marine Bonds	3,098	3,467	369
Money Market & NOW Accounts	1,903	1,903	—
<b>TOTALS</b>	<b>\$854,420</b>	<b>\$843,994</b>	<b>\$(10,426)</b>

#### 5. MORTGAGE AND OTHER LOANS

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

##### A. NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

###### (i) Multi-Family Bond Programs:

###### a. General Housing

The mortgages are first liens on the respective properties. Five of the eight projects receive interest subsidies under Section 236 of the National Housing Act of 1934, as amended, from the U.S. Department of Housing and Urban Development ("HUD"). To the extent that the projects do not generate sufficient funds to meet the annual debt service requirements, payments may be made first from the general reserve fund to the extent available, and then from the capital reserve fund.

###### b. Section 223(f)

The mortgages were assigned to the Corporation by the City and subsequently modified, divided and recast into (a) FHA-insured first mortgages, to be serviced by the Corporation; and (b) subordinate non-insured second mortgages which were reassigned to the City. The mortgages are first liens on the respective properties. Thirty-two of the seventy-nine projects receive interest subsidies under Section 236 from HUD.

With respect to the 223(f) Program, (a) the excess of mortgagors' payments over bond debt service payments, trustee fees, servicing fees to the Corporation and (b) the earnings on certain restricted funds, which are excluded from the combined revenue and expense statement, are payable to the City. With respect to the Multi-Unit Program, the earnings on certain restricted funds, which are also excluded from revenues, are payable to the City.

###### c. Section 8

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

###### d. 80/20

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

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

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

###### (e) Hospital Residence

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

###### (ii) Other Loans:

###### (a) Development Services Program:

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

###### 1. Project Management Program ("Program")

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

As of October 31, 1990, one bridge loan project had failed to complete construction loan closing and one bridge loan was outstanding in an amount not to exceed \$1,156,621. The principal balance outstanding on this bridge loan is due and payable upon construction loan closing.

(i) *Tibbett Gardens*

During 1990, the City determined that the Tibbett Gardens project would not be constructed. The Corporation was to have been repaid from proceeds of a construction loan closing. Therefore, the Corporation is unable to obtain repayment of this bridge loan and has included a charge of \$3,253,063 representing principal, accrued interest and other expenses in the combined revenue and expense statement under the heading Legal Settlement, Trustees', and Other Fees.

(ii) *West Queens*

West Queens is planned as an 800 unit residential condominium together with related facilities including a parking garage and community center, to be developed in Astoria, Queens. An amended \$1,156,621 bridge loan commitment has been made to fund various pre-construction activities. As of October 31, 1990, approximately \$1,022,000 had been advanced. The status of this project is currently under review by the City and repayment of this loan is dependent upon a construction loan closing.

2. *Seed Money Loan Program*

The Corporation and the City, acting through HPD, agreed to provide interim assistance in the form of unsecured loans for certain pre-construction expenses of not-for-profit sponsors developing permanent and transitional homeless and low income housing projects. The Corporation has agreed to provide up to \$13,000,000 to fund these loans. The maximum term of an individual interest free loan has been set at thirty-six months. As of October 31, 1990, 23 seed money loan commitments have been made in the aggregate face amount of \$12,001,240, of which approximately \$9,223,731 had been advanced and \$1,994,422 had been repaid. The total amount of these loans outstanding was \$7,229,309 at year-end. One loan was determined to be uncollectible as a result of a cross default with the City and, accordingly, a charge of \$59,632 has been recorded in the caption Legal Settlement, Trustees', and Other Fees.

As part of this program, the Corporation also agreed to provide seed money loans to limited-profit project sponsors designated by the City. The monies are to be advanced to the project sponsors to cover approved pre-construction costs. The Corporation has agreed to advance up to \$2,884,400 for the Bridge Point project, which is to be located on the lower east side of Manhattan and to consist of 800 residential rental units and 400 residential condominium units. As of October 31, 1990, \$263,134 had been advanced. Loan advances have been suspended while the status of this project is reviewed by the City. Repayment of this loan is dependent upon a construction loan closing.

3. *Construction Loan Program*

Under this program, the Corporation provides a source of financing to reduce total development costs for affordable housing in the City. As of October 31, 1990, there were no outstanding loans under this program.

4. *Working Capital Loan Program*

During 1989, the Corporation agreed to provide start-up capital in the form of loans to not-for-profit sponsors of projects participating in the City's Construction Management Program. Each working capital loan will enable the project sponsor to cover certain costs

and expenses which will be incurred in connection with the rent-up and initial operation of the project until the entire project is conveyed to the sponsor, at which time it is expected that initial income will be sufficient to meet expenses and commence repayment of the Corporation's loan. As of October 31, 1990, the Corporation had made one loan commitment in the amount of \$1,658,132, of which \$1,546,365 had been advanced.

During 1990 the Corporation agreed to make working capital loans to project sponsors in HPD's Special Initiatives Program. The Corporation will provide up to \$3,000,000 to fund these loans. As of October 31, 1990, \$368,213 had been advanced against commitments totaling \$1,297,486 in the aggregate.

B. HOUSING ASSISTANCE CORPORATION

(i) *Mortgage Loans*

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

HAC has committed funds to one project, Astoria Towers, amounting to \$6,144,700 to finance an FHA-insured first mortgage loan in the amount of \$2,193,200 and a \$3,951,000 subordinate mortgage loan. The subordinate mortgage loan bears no interest for approximately twenty-five years from completion of construction and then bears interest at a rate of 1%. To facilitate the processing of FHA insurance, the Corporation holds the first mortgage on behalf of HAC. At October 31, 1990 the loan balances were \$1,449,000 and \$2,611,000, respectively.

(ii) *Subsidy*

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

6. OTHER RECEIVABLES

A. HOUSING NEW YORK CORPORATION

Included in this classification is \$124,820,000, which represents \$114,686,000 in funds advanced to the City through October 31, 1990 in accordance with the 1987 Series A Revenue Bond Resolution. The City uses these monies to reimburse itself for the costs incurred in connection with the substantial rehabilitation of residential housing and related facilities in Manhattan and the Bronx under the Housing New York Program. The advances represent grants to the City (see note 3C for methodology of repayment to the Corporation).

The remaining balance of \$10,134,000 represents funds used to cover debt service. HNYC may utilize bond proceeds not exceeding \$95,430,000 as well as investment earnings on the program's investments until November 1, 1992, to cover bond debt service. After this date, HNYC will requisition assigned excess revenues on each debt service date in amounts necessary to cover bond principal and interest and HNYC trustee fees.

## 7. BONDS PAYABLE

### A. NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

The Corporation's authority to issue bonds and notes for any corporate purpose is limited to the extent that (i) the aggregate principal amount outstanding may not exceed \$2.8 billion, exclusive of refunding bonds or notes, and (ii) the maximum capital reserve fund requirement may not currently exceed \$30 million.

#### (i) Multi-Family Bond Programs:

##### a. General Housing

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

##### b. Section 223(f)

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

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

##### c. Section 8

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

The bonds of the 1983 Series A and B programs are special revenue obligations of the Corporation secured solely by a pledge of the FHA-insured mortgage loans and the programs' assets, as well as the revenues derived from these loans and assets.

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

##### d. 80/20 and Hospital Residence

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

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

On November 22, 1988, the Corporation issued MBIA Insured Residential Revenue Refunding Bonds (Royal Charter Properties-East, Inc. Project), 1988 Series 1 in the amount of \$115,583,000 with variable interest rates ranging from 5.6% to 7.5%, to advance refund the MBIA Insured Residential Revenue Bonds (Royal Charter Properties-East Inc. Project), 1985 Series 1 of \$96,022,000 with variable interest rates ranging from 6.6% to 10.25%. The Corporation deposited \$116,193,000 in cash and investments in an irrevocable trust with an escrow agent to provide debt service payments which shall be sufficient to pay the principal or redemption price of and interest due on the 1985 Series 1 Bonds on the redemption or maturity date. The advance refunding met the

requirements of an in-substance defeasance, and, accordingly on October 31, 1990, none of the 1985 Series 1 Bonds are an outstanding obligation of the Corporation. There was no gain or loss to the Corporation from this transaction. The refunding benefitted the Society of the New York Hospital by providing additional mortgage funds and reducing future mortgage interest expense. At October 31, 1990, the defeased MBIA Insured Residential Revenue Bonds (Royal Charter Properties-East Inc. Project), 1985 Series 1 totaled \$90,091,640.

##### e. Residential Cooperative Housing

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

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

### B. HOUSING ASSISTANCE CORPORATION

HAC is not authorized to issue any bonds or notes.

### C. HOUSING NEW YORK CORPORATION

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

#### (i) Revenue Bond Program:

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

The timely payment of the scheduled principal of and interest on the series of 1987 Bonds maturing on November 1, 1977, 1998 and 2006 is guaranteed by a municipal bond insurance policy issued by the Municipal Bond Investors Assurance Corporation.

At the present time, the Corporation cannot estimate the principal amount of bonds that will be issued during Fiscal Year 1991.

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

YEAR ENDING OCTOBER 31	NEW YORK CITY HOUSING DEVELOPMENT CORPORATION	HOUSING NEW YORK CORPORATION
(in thousands)		
1991	\$117,180	\$ —
1992	21,344	4,035
1993	23,517	4,310
1994	26,782	4,610
1995	29,171	4,940

**Bonds payable comprise the following for the year ended October 31, 1990:**

DESCRIPTION	BALANCE AT OCT. 31, 1989	ISSUED	RETIRED	BALANCE AT OCT. 31, 1990	ANNUAL DEBT SERVICE
<b>HOUSING DEVELOPMENT CORPORATION</b>					
(in thousands)					
MULTI-FAMILY BOND PROGRAMS:					
General Housing:					
General Housing Bond Program—3.75% to 9% Bonds maturing in varying installments through 2023.	\$260,130	0	4,015	256,115	17,737
1982 Multi-Family Bond Program—6% to 11.125% Serial and Term Bonds maturing in varying installments through 2012.	32,540	0	595	31,945	3,805
<b>Total General Housing</b>	<b>292,670</b>	<b>0</b>	<b>4,610</b>	<b>288,060</b>	<b>21,542</b>
Section 223(f):					
Multifamily Housing Bond Program—6.5% to 7.25% Bonds maturing in varying installments through 2019.	351,872	0	4,763	347,109	26,729
Multi-Unit Housing Bond Program—5% to 9.125% Serial and Term Bonds maturing in varying installments through 2021.	104,315	0	755	103,560	10,174
<b>Total Section 223(f)</b>	<b>456,187</b>	<b>0</b>	<b>5,518</b>	<b>450,669</b>	<b>36,903</b>
Section 8:					
1979 Series A Bond Program—6% to 7.5% Serial and Term Bonds maturing in varying installments through 2021.	46,600	0	590	46,010	3,973
1983 Series A Bond Program—5.75% to 8.875% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2025.	126,125	0	1,870	124,255	12,139
1983 Series B Bond Program—6% to 9.5% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2026.	74,665	0	1,450	73,215	7,651
1983 Series C Bond Program—1% Term Bonds maturing in increasing installments through 2015.	2,220	0	75	2,145	96
<b>Total Section 8</b>	<b>249,610</b>	<b>0</b>	<b>3,985</b>	<b>245,625</b>	<b>23,859</b>
80/20:					
1984 Series A Variable Rate Bond Program—Variable Rate Bonds due upon demand through 2016.	67,500	0	300	67,200	4,029
1985 Series A Development Bond Program—5.4% to 9.125% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2007.	26,998	0	1,620	25,378	3,121
1985 Series A Bond Program—5% to 10% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2030.	159,828	0	1,095	158,733	16,113
1985 First Series Bond Program—6.75% to 9.875% Serial and Term Bonds maturing in varying installments through 2017.	16,990	0	210	16,780	1,846
1985 Issue A Bond Program—6.75% to 8.5% Serial and Term Bonds maturing in varying installments through 2015.	24,460	0	150	24,310	2,216

DESCRIPTION	BALANCE AT OCT. 31, 1989	ISSUED	RETIRED	BALANCE AT OCT. 31, 1990	ANNUAL DEBT SERVICE
					(in thousands)
1985 Issue 1 Development Bond Program—4.75% to 8.625% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2005.	28,143	0	745	27,398	2,673
1985 Series A GNMA Mortgage-Backed Securities Bond Program—5.9% to 8.75% Serial and Term Bonds maturing in varying installments through 2016.	34,175	0	670	33,505	3,255
1985 Series A Variable Rate Bond Program—Variable Rate Bonds due upon demand through 2009.	14,400	0	100	14,300	872
1985 Issue 1 Development Bond Program—9.12% Term Bonds maturing in varying installments through 2007.	33,910	0	0	33,910	3,136
1985 First Series Insured Bond Program—5% to 8.5% Term and Serial Bonds maturing in varying installments until 2007.	16,885	0	500	16,385	1,815
1985 Resolution 1 Variable Rate Bond Program—Variable Rate Bonds due upon demand through 2007.	49,000	0	190	48,810	2,550
1987 Series A GNMA Mortgage-Backed Securities Bond Program—8.125% Term Bonds maturing in varying installments through 2019.	4,450	0	50	4,400	397
1987 Series A Mortgage Revenue Bond Program—10.625% Term Bonds maturing in varying installments through 2030	12,865	0	0	12,865	1,386
1987 Series A Housing Bond Program—8.625% & 9.625% Term Bonds maturing in varying installments through 2019.	9,430	0	60	9,370	996
1988 Series A Variable Rate Demand Bond Program—Variable Rate Bonds due upon demand through 2016.	2,000	0	0	2,000	121
1988 Resolution A Refunding Bond Program—Variable Rate Bonds due upon demand through 2023.	213,600	0	116,205	97,395	98,133
1989 Series A Variable Rate Demand Bond Program—Variable Rate Bonds due upon demand through 2016.	10,000	0	0	10,000	530
1989 Series A Multi-Family Revenue Bond Program—Variable Rate Bonds due upon demand through 2017.	12,400	0	0	12,400	601
1989 Series A Multi-Family Revenue Bond Program—7.20% & 7.45% Term Bonds maturing in varying installments through 2008.	11,605	0	0	11,605	856
1990 Series A Variable Rate Demand Bond Program—Variable Rate Bonds due upon demand through 2015.	0	104,600	0	104,600	5,780
Total 80/20	748,639	104,600	121,895	731,344	150,426

DESCRIPTION	BALANCE AT OCT. 31, 1989	ISSUED	RETIRED	BALANCE AT OCT. 31, 1990	ANNUAL DEBT SERVICE
(In thousands)					
Hospital Residence:					
1988 Series 1 MBIA Insured Bond Program— 5.6% to 7.5% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2017.	114,363	0	2,550	111,813	9,241
Total Hospital Residence	114,363	0	2,550	111,813	9,241
Residential Cooperative Housing:					
1990 Series A Mortgage Revenue Bond Program— 7.90% Term Bonds maturing in varying installments through 2023.	0	6,955	0	6,955	549
1990 Series A Mortgage Revenue Bond Program— 8.10% Term Bonds maturing in varying installments through 2023.	0	11,260	0	11,260	912
Total Residential Cooperative Housing	0	18,215	0	18,215	1,461
<b>TOTAL BONDS PAYABLE HOUSING DEVELOPMENT CORP</b>	<b>\$1,861,469</b>	<b>\$122,815</b>	<b>\$138,558</b>	<b>\$1,845,726</b>	<b>\$243,432</b>
<b>HOUSING NEW YORK CORPORATION</b>					
REVENUE BOND PROGRAM:					
1987 Series A Bonds— 6.80% to 9.50% Serial, Term and Capital Appreciation Bonds maturing in varying installments through 2017.	209,996	0	0	209,996	17,037
<b>TOTAL BONDS PAYABLE HOUSING NEW YORK CORP</b>	<b>\$209,996</b>	<b>\$0</b>	<b>\$0</b>	<b>\$209,996</b>	<b>\$17,037</b>
<b>TOTAL BONDS PAYABLE</b>	<b>\$2,071,465</b>	<b>\$122,815</b>	<b>\$138,558</b>	<b>\$2,055,722</b>	<b>\$260,469</b>

**8. CONSULTANT'S FEES**

The fees paid by the Corporation for legal and consulting services in fiscal 1990 include: \$70,650 to Brownstein, Zeidman and Schomer, \$9,510 to Timothy P. Fisher, Esq. and \$18,114 to Hawkins, Delafield & Wood for legal services. The Corporation paid architectural fees in the amount of \$3,938 to Ernesto Medina.

In addition, the following legal fees was paid: \$306,986 to Hawkins, Delafield & Wood. Consulting fees paid were: \$8,283 to Allee King Rosen & Fleming, Inc., \$42,000 to Phillip Habib & Associates, \$1,411 to Stuart Markowitz, and \$1,125 to Newsom Associates. The Corporation has been or expects to be reimbursed for these expenses from project developers.

**9. PAYABLE TO THE CITY OF NEW YORK**

**A. NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
Mortgages in the Section 223(f) Housing Programs were assigned to the Corporation by the City in order to generate monies for the City. The Corporation remits to the City any excess of mortgage interest income and investment earnings over related debt expense, trustee fees and servicing fees. These expenses are considered non-operating and amounted to approximately \$3,274,000 for fiscal 1990. As of October 31, 1990, the total liability to New York City was \$33,356,000.

Also included in this reporting classification are participation loan funds received from the City which are to be advanced to mortgagors and mortgage and investment earnings under the 1985 First Series Insured Multi-Family Mortgage Revenue Bond program and the 1987 Series A (FHA Insured Mortgage Loans) Multi-Family Housing Bond program. Included in non-operating expenses were \$86,247 and \$61,997, respectively. As of October 31, 1990, all funds had been advanced under the 1985 bond program and the funds yet to be advanced under the 1987 bond program amounted to \$359,000. The total funds payable to the City over the life of the bond programs is \$7,962,000 and \$7,902,000, respectively.

The City has provided funds for a subordinate mortgage loan to Sheridan Manor which is being advanced pursuant to a mortgage held and serviced by the Corporation. The total liability to the City was \$18,760,000 on October 31, 1990.

**B. HOUSING ASSISTANCE CORPORATION**

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

**10. 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.



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

**11. DUE TO THE UNITED STATES**

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

**A. Due to HUD**

The Corporation has entered into contracts with HUD to administer housing assistance payment contracts with housing projects occupied by tenants qualifying for Section 8 housing assistance payments. Pursuant to the contracts, HUD makes annual contributions to the Corporation in an amount equal to the annual assistance payments plus an administrative fee, if applicable, for the Corporation. The Corporation receives the annual contract contributions periodically during the year and disburses funds monthly for the benefit of the covered projects. As of October 31, 1990, the Corporation held \$1,903,000 in prefunded annual contributions. Related fees earned during fiscal 1990 amounted to \$1,473,000 and are included in the Corporate Services Fund.

**B. Rebate Fund**

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

**12. COMMITMENTS**

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

YEAR ENDING OCTOBER 31	
1991	\$ 457,000
1992	494,000
1993	504,000
1994	504,000
1995	535,000
<b>TOTAL RENTALS FOR THE NEXT FIVE YEARS</b>	<b>\$2,494,000</b>

Remaining mortgage commitments at October 31, 1990 are as follows:

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION:	
Multi-Family Bond Programs:	
80/20	\$75,755,000
Residential Cooperative Housing	17,402,000
HOUSING ASSISTANCE CORPORATION	1,302,000
<b>TOTAL COMMITMENTS</b>	<b>\$94,459,000</b>

Remaining investment commitments for the purchase of mortgage-backed securities at October 31, 1990 are as follows:

New York City	
Housing Development Corporation	\$2,195,000

**13. LITIGATION**

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

**14. SUBSEQUENT EVENTS**

A. On December 19, 1990, the Corporation issued the 1990 Resolution A Housing Development Refunding Bonds, ("1990 A Bonds"), in the amount of \$57,000,000. The 1990 A Bonds were issued to provide funds to retire a portion of the Corporation's 1988 Resolution A Housing Development Refunding Bonds, ("Prior Bond Issue"), on December 28, 1990. Such redemption in the amount of \$97,395,000 was undertaken pursuant to the applicable bond resolution at 100% of principal plus accrued interest to the date of redemption. Concurrent with the transfer of funds to the Prior Bond Issue, a \$57,000,000 deposit was made to the Trustee of the 1990 A Bonds from the Prior Bond Issue to fund accounts established under the applicable bond resolution.

B. On January 25, 1991, the Corporation agreed to appropriate its unrestricted reserves in the amount of \$24,749,397 to repay the City for funds originally provided by the City from 1977 to 1980 to establish a Claim Payment Fund. As part of the 223(f) Program, FHA required, and the City funded, a Claim Payment Fund which would be utilized by FHA to reimburse itself for up to 50% of any FHA mortgage insurance claim made by the Corporation or other mortgage holders on the original 223(f) Program mortgage loans. The repayment to the City of these funds transfers the co-insurance risk from the City to Corporation.

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combined balance sheet of the New York City Housing Development Corporation and its subsidiaries, Housing Assistance Corporation and Housing New York Corporation, as of October 31, 1990 and the related combined statements of revenues and expenses, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, such combined financial statements present fairly, in all material respects, the financial position of the New York City Housing Development Corporation and its subsidiaries as of October 31, 1990 and the results of their operations, the changes in their fund balances and their cash flows for the year then ended in conformity with generally accepted accounting principles.

We have previously audited the combined financial statements of the New York City Housing Development Corporation and its subsidiaries for the year ended October 31, 1989, comparative financial information from which is presented herein. In our opinion, such comparative financial information has been properly extracted from the prior year's financial statements.

*Deloitte & Touche*

Deloitte & Touche  
January 25, 1991

## THE CORPORATION'S STAFF

Felice Michetti  
PRESIDENT

Abraham J. Greenstein  
EXECUTIVE VICE PRESIDENT

Maria N. Arroyo  
EXECUTIVE ASSISTANT

Helen Bjoceniuk  
SECRETARY TO THE EXECUTIVE  
VICE PRESIDENT

### DEVELOPMENT AND FINANCIAL ANALYSIS

Charles Brass  
DIRECTOR OF DEVELOPMENT

Judith R. Blaylock  
Donald Rubenstein  
ASSISTANT DIRECTORS OF DEVELOPMENT

Bernard Hecht  
DIRECTOR OF FINANCIAL ANALYSIS

June Ricketts  
Betty Scarlett  
ADMINISTRATION

### LEGAL

Martin I. Siroka  
VICE PRESIDENT AND GENERAL COUNSEL

David S. Boccio  
DEPUTY GENERAL COUNSEL AND SECRETARY

Deborah Evans  
ASSISTANT GENERAL COUNSEL

Michelle Abbott  
Yvonne Glenn  
PARALEGALS

### OPERATIONS

Charlena Lance  
DIRECTOR OF OPERATIONS

Mary McConnell  
DEPUTY DIRECTOR OF OPERATIONS

Blanche Hodges  
OFFICE MANAGER

Rosemary Baptiste  
Ellie Candelario  
Frank Huertas

### TREASURY

#### FINANCIAL MANAGEMENT

Frederick S. Dombek  
ASSISTANT TREASURER

Diane Jones  
PURCHASING MANAGER

#### CASH MANAGEMENT

Ann Marie Sweeney  
ASSISTANT TO THE TREASURER

Harry Fried  
INVESTMENT ANALYST

Karyn Raguette  
INVESTMENT ADMINISTRATOR

Cynthia Ceschini  
Phyllis Cregg  
Joseph Porsia  
Renee Shepperson

#### MORTGAGE SERVICING DEPARTMENT

Dennis Nolan  
MORTGAGE SERVICING ADMINISTRATOR

Mei H. Kiang  
Nancy Lauck  
Karen Mattics  
Theresa Vellecco

#### COMPUTER OPERATIONS

Joan Berkeley  
SUPERVISOR

Keith Dealissia  
Kevin Moore

#### ACCOUNTING

Kenneth Mertz  
CONTROLLER

Lucille Tufano  
CHIEF ACCOUNTANT

Cathleen Baumann  
Juliet Bolden  
Judith Clark  
Rhoda Deane-Yhap  
Shirley Jarvis  
Mary John  
Cherrill McPhoy  
Frieda Schwartz  
Bharat Shah  
Himanshu Shah  
Bonnie Sprung  
Cheuk Yu

### INTERNAL AUDIT

Teresa Gigliello  
INTERNAL AUDITOR

### ASSET MANAGEMENT

Peggy Joseph  
DIRECTOR

Sylvia Ramos  
ASSISTANT DIRECTOR

Nydia Bermudez  
Lamont Boney

Geraldine Brown  
Rui A. Carvalho

Christine Chan  
Brian Karim

Delia Lau  
Robert Ramirez

Giacomo Tafuro  
Shirell Taylor

Patricia Waller  
Gwendolyn Williams

### MANAGEMENT INFORMATION SYSTEMS

Michael Hirst  
DIRECTOR

Charles Dreiss  
ASSISTANT DIRECTOR

Giusseppe D'Agosto  
Jeffrey DeVito

Irene Yau