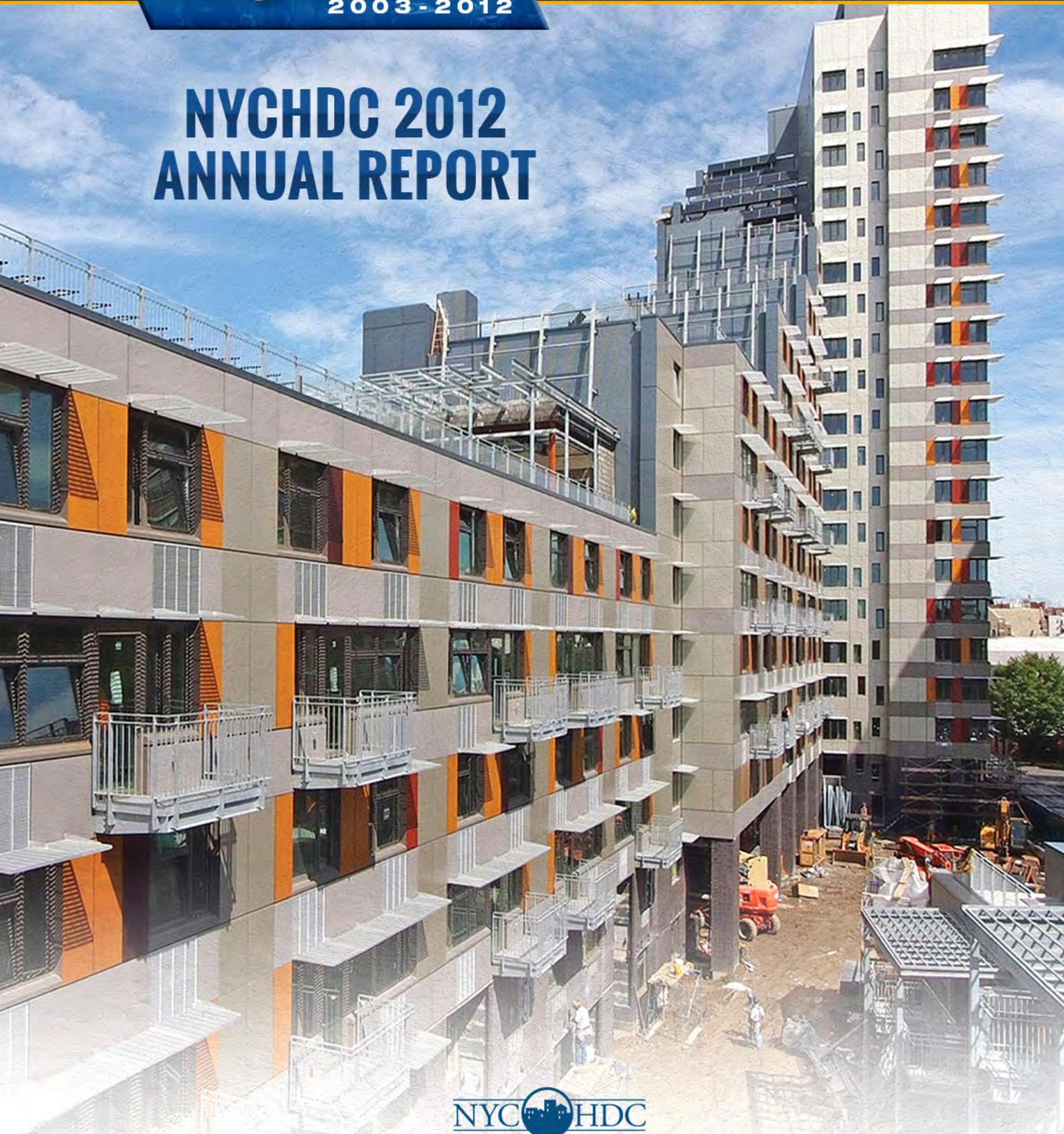


*Building Momentum*  
2003-2012

# NYCHDC 2012 ANNUAL REPORT



**NYC**  **HDC**  
NEW YORK CITY  
HOUSING DEVELOPMENT  
CORPORATION

## WELCOME TO OUR 2012 ANNUAL REPORT: HDC AND TEN YEARS OF MAYOR MICHAEL R. BLOOMBERG'S NEW HOUSING MARKETPLACE PLAN

The demand for rental housing in New York City is enormous. The net vacancy rate is slightly less than 3%: nearly 50% of all renter households pay more than 30% of their gross income for rent; and the demand for affordable housing among virtually every income strata other than the highly affluent is inexhaustible.

It is within that context of a growing population and an insatiable demand for affordable housing that, in 2003, Mayor Michael R. Bloomberg launched his New Housing Marketplace Plan (NHMP). To realize the Plan's ambitious goals, HPD and HDC developed a series of programs structured to draw upon the skills, expertise, and entrepreneurial energies of nonprofit and for-profit developers, as well as to tap the capital and sophistication of the City's financial services industry.

As a result, over the last decade under the aegis of the NHMP, New York City has accomplished a remarkable feat—financing the construction and preservation of more than 144,000 units of affordable housing. Of those, HDC has financed more than 70,000 units, issued over \$7.4 billion in bonds and drawn upon its net worth to provide more than \$1.2 billion in ultra-low 1% interest loans to subsidize these projects. And that number doesn't include the preservation of 20,139 of public housing units financed in 2010, the rescue of the overleveraged low-income 554-unit Milbank Portfolio, the refinancing of the 15,372 unit middle-income Co-op City development in the Bronx, or developments such as 8 Spruce Street, financed under the Liberty Bond program designed to aid in the revival of Lower Manhattan.

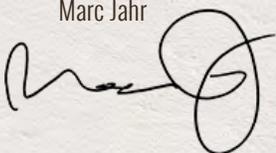
The Plan's goal is not only to build and preserve desperately needed affordable housing but also to rebuild and stabilize communities throughout the City—to repair physically distressed older buildings and to preserve them as energy-efficient and 'green' affordable housing. The Plan also enables the construction of high-quality new buildings on vacant lots that blight neighborhoods, and otherwise depress real estate values and sap the morale of a community.

The Plan has promoted the creation of new, affordable homeownership opportunities for residents, and met a diverse range of rental housing needs. It's created housing for the homeless, preserved and modernized existing moderate-income housing, and financed the development of housing for the elderly and for populations with special needs, recovering addicts, the mentally disabled, folks afflicted with AIDS, and others. The Plan has financed affordable housing for low-income and working class families, and it's promoted mixed-income housing that offer rents that office workers, lawyers, accountants, teachers, cops and firemen, electricians, plumbers, sales people, and secretaries, and their families can afford.

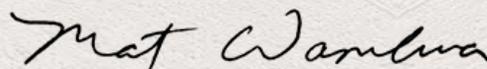
“ HDC stands at the intersection of Wall Street and Main Street, harnessing the capital of the national and global markets to the needs of New York City's residents and neighborhoods. ”

Our job, under the NHMP, is to encourage our partners to harness their self-interest to the larger interests of the community and the City. The notion that you can do good while doing well has animated the efforts of our partners. In this report you'll read about some of the most notable developments of the past decade and hear from some of our partners, in their own words.

Marc Jahr



Mathew M. Wambua



# 2003-2012

## HDC'S ROLE IN FINANCING AFFORDABLE HOUSING UNDER THE BLOOMBERG ADMINISTRATION



Over the last 10 years, the nation experienced an economy that went from great heights to perilous descent before showing slim signs of recovery. Despite, and in fact because of, the economic rollercoaster, the City's New Housing Marketplace Plan (NHMP), launched in 2003 and designed to finance the creation and preservation of affordable housing, has racked up astounding successes, funding more than 144,000 units by the close of 2012. ■ Through the periodic iterations of the Plan as envisioned by the City's Department of Housing Preservation and Development (HPD), HDC has played an increasingly active and essential role in helping to meet the needs of the City's housing finance marketplace, issuing over \$12.4 billion in bonds and providing subsidy totaling \$1.2 billion by the close of 2012 to finance nearly 69,000 homes of those created or preserved under the NHMP. ■ Over the course of the Plan, thanks largely to HDC's ability to leverage capital, for every dollar spent by the City, via HPD, \$3.42 has been raised through other resources for a total of \$21 billion. And this was all by design. As Jerilyn Perine, Commissioner of the City's Department of Housing Preservation and Development (HPD) under Mayors Rudolph Giuliani and Michael Bloomberg, and original architect of the NHMP, recalls: "It was always intended to be a dynamic, renewing document that should be reviewed and adjusted at regular intervals, which is why it was called the 'new housing marketplace plan'."



## 2003-2007 THE FIRST FIVE YEARS

**Jerilyn Perine - HPD Commissioner, Sept. 2000-March 2004**  
**Shaun Donovan - HPD Commissioner, 2004-2007**  
**Emily A. Youssouf - HDC President, 2003-2007**

The world that ushered in Mayor Michael R. Bloomberg's NHMP was a world still overshadowed by the tragic events of 9/11. "Those events had a traumatizing effect on everyone in the City. They left scars that are still part of our skin," said Marc Jahr, HDC President since January 2, 2008. The Plan, created to pioneer tools and incentives to do more to boost the stock of affordable housing, officially kicked off in July 2003 as a commitment to invest \$3 billion in City funds to build or preserve 65,000 units of affordable housing throughout the City's five boroughs by 2008. HDC was a big part of that, committing \$548 million from its corporate reserves to finance 17,000 of those apartments.

"The Plan's title is not rhetorical," said Marc Jahr. "What it specifically states is that we have a plan that's very much embedded in the real estate market of NYC. We will be responsive to the market. We will support both rentals and homeownership and will encourage preservation of existing properties."

This fact was borne out over the years that followed as the Plan was recast to follow the surges and ebbs of the market—in 2005, then HPD Commissioner Shaun Donovan and Mayor Bloomberg announced a "doubling down"—that the Plan would extend an additional five years with a new goal to preserve or create 165,000 units of affordable housing. The City's financial commitment grew to \$8.5 billion, and HDC's role expanded exponentially.

It was clear from the outset that the Plan's goals could not be realized without strong partnerships, commitment and cooperation: the financial sector; the not-for-profit sector; the for-profit development community; advocates; elected officials; from local, state and federal governments; citizens; and public interest groups all have a stake in the NHMP's successes.

Through all the years of working to meet its expanding commitments to Mayor Bloomberg's NHMP, HDC has relied heavily on these partners and none more so than the New York State Association For Affordable Housing (NYSFAFH). NYSFAFH has 300 members statewide who are active in the financing, development, and management of affordable housing. "NYSFAFH collaborates with HDC to ensure efficient use of limited public resources to maximize affordable housing development in NYC," explained Alison Badgett, NYSFAFH Executive Director. "HDC's innovative spirit

has enabled New York to lead the nation in affordable housing production. The future of affordable housing in New York depends on HDC's continued advocacy in partnership with NYSAFAH and other stakeholders in the private and public sector."

**“ HDC’s innovative spirit has enabled New York to lead the nation in affordable housing production. ”**

**Alison Badgett, Executive Director, NYSAFAH**

From 2003-2007, a strong market allowed HDC to work in partnership with major banks to finance mixed-income projects in neighborhoods around the City where such developments would not have been possible previously. In 2003, to meet its obligation under the Mayor's Plan, HDC enhanced its Low-Income Affordable Marketplace Program (LAMP), creating the first use of its corporate reserves to provide subordinate loans. It also enhanced its New Housing Opportunities Program (New HOP), maximizing the use of HDC corporate reserves to make 1% second mortgage loans to finance moderate- and middle-income housing.

In 2004, HDC created the Mitchell-Lama Repair Program (later expanded in scope and rechristened the Mitchell-Lama Preservation Program), to preserve and finance the repair of that housing stock, created under State legislation in 1955, and to address the issue of "opting out" and going to market rate once all public debt was pre-paid or paid off. New York City had a portfolio of more than 60,000 Mitchell-Lama units, whose owners would be eligible to exit the program and convert apartments to market rates, provided their mortgages were paid off. During the recent real estate boom, to the dismay of Mitchell-Lama residents and housing advocates, about 18,000 units left the program. Some 30,000 units have been preserved, leaving approximately 10,000 that remain at risk. "These projects had mortgages that were accruing from the 1970s and getting bigger and bigger," said HDC Chief Operating Officer and General Counsel Richard M. Froehlich, the program's financial architect. "In 2004, HDC told them their debt would be refinanced for another 30 years and would no longer accrue, meaning if they had a \$10 million debt today, it would still be \$10 million in 30 years. But because \$10 million would be worth a lot less in 30 years, a certain amount of pressure was taken off the developments."

This was the pivotal decision in helping to ensure that an invaluable affordable housing resource for moderate- to middle-income New Yorkers was preserved in the present and for the future. At the start of the Mitchell-Lama Preservation Program, 27,000 apartments in the portfolio were eligible to opt out of the program. By the end of 2005, through HDC's refinancing and repair programs, more than half of these units were expected to be preserved with owners agreeing to maintain apartment affordability for a minimum of another 10 to 15 years.

Omni New York LLC, a development, construction and management firm known for taking on troubled properties, first worked with HDC in 2004 on two Section 8 preservation projects in the Bronx: Thessalonica Court and Brookhaven Apartments. "As a result of HDC's ability to work quickly and think outside the box," said Eugene Schneur, Managing Director, Omni New York LLC, "these two transactions were closed within four months of the date of contract. Through HDC's hard work and determination, 286 units of project-based Section 8 housing were rehabilitated and preserved." To date, Omni has worked on 11 other HDC-financed projects, including The Ocelot Portfolio.

2004 also saw financing developed for HDC's first mixed-income rental apartment buildings in Downtown Brooklyn—State Renaissance Court—and in East Harlem—The Aspen. These were the first buildings to mix income-restricted units for low- and middle-income tenants with market-rate units. Emily Youssouf, HDC President at the time, noted the importance of mixed-income housing: "HDC's Mixed-Income Program allows us to serve a wider range of economically diverse New Yorkers and allows our resources to go farther. We look forward to financing more mixed-income developments as part of the Mayor's housing plan." And since that time, HDC has financed 83 mixed-income developments containing more than 9,000 apartments across the City.

By the end of Fiscal Year 2004, at that time the most productive and active year so far in HDC's 23-year history, more than 8,000 apartments under the NHMP had been financed.



*The Langston in Harlem began construction in mid-2005 and transformed the corner of Bradford and 145th Street.*

In 2005, HDC created a Section 202 Refinancing Program, using financing arranged through HUD (the Federal Department of Housing and Urban Development) for housing reserved for the City's low-income senior citizens. Under this program, HDC pays off existing HUD mortgages and issues new mortgages at lower rates, allowing for the financing of major rehabilitation work and for increased investment in on-site social services. Wien House, run by the YM & YWHA of Washington Heights and Inwood; Phelps House, operated by Goddard Riverside Community Center on Manhattan's Upper West Side; and nearly 1,000 apartments in Brooklyn and Queens, in conjunction with Catholic Charities, were among the developments refinanced through this Section 202 program.

Emily Youssouf called the Catholic Charities refinancing (done in conjunction with Citi Community Capital): "One of the most complex but exhilarating deals," referring to the fact that in a single transaction, HDC refinancing allowed "the rehabilitation of 10 separate 202 senior housing properties into one pool for the Progress of Peoples portfolio."

In April 2005, HPD, HDC and the New York City Housing Authority (NYCHA) launched a collaborative effort to develop underused and/or vacant land owned by NYCHA into affordable housing for low-income New Yorkers. With 2,698 buildings under its management housing about 420,000 people in 179,397 apartments, NYCHA is the largest public housing provider in North America.

By tapping underused sites in the portfolios of other landholding public agencies, the City expected to create significant additional affordable rental and ownership opportunities. Former HPD Commissioner Shaun Donovan said: "To address New York City's housing shortage, we are looking at all available land and buildings in both our own portfolio and the holdings of other public sector partners like the NYC Housing Authority. Transforming this inventory of currently dilapidated buildings and empty lots into much needed affordable housing will help us realize the Mayor's ambitious housing plan."

The first project under the initiative was a \$27 million development in the University Heights neighborhood of the Bronx, where a combination of rehabilitation and new construction financed through HDC's LAMP program created 210 rental apartments. "At a time when public money is limited, collaborations like this one that leverage additional resources are crucial," said HDC President Emily Youssouf. "HDC continues to be a leader in developing innovative programs to finance affordable housing and we are pleased to be working with HPD and NYCHA on this historic transaction."

Developer Peter Magistro, President of Bronx Pro Real Estate Management, Inc., said at the time: “This development is a winner for the tenants and the neighborhood. It enhances investments our organization has already made in University Heights through other HPD programs, and our property management expertise will ensure safe, quality apartments for generations to come of University-Macombs tenants.”

Since the NYCHA Partnership launched in 2005, the collaboration has already produced more than 2,000 units with another 2,000 under construction and in pre-development for a total of approximately 4,000 affordable units. These include newer developments such as Randolph Houses and Prospect Plaza, for which developers were named in early 2013.

On October 25, 2005, the opening of 90 West Street—termed the “Miracle Building” for having withstood fires that raged within it for days following the 9/11 attacks—heralded the return of life to Lower Manhattan. Tax-exempt bonds issued by HDC through the Liberty Bond Program provided the financing to convert this 23-story historic commercial building into a 410-unit residential high-rise. HDC received the J. Timothy Anderson Award for Excellence in Housing Preservation for financing the renovation of this landmarked building.

Although no residential buildings were destroyed as a result of the 9/11 attacks, small businesses were devastated, residents were displaced and employees forced to relocate. When things resumed a semblance of normalcy, people had to be encouraged to return and resume life again below Canal Street. Liberty Bonds, totaling \$8 billion, were introduced to foster this encouragement. New York City’s Mayor and New York’s Governor were authorized to designate up to \$4 billion each of the aggregate bond authority, and HDC became a designated issuer of Federal Liberty Bonds to revitalize Lower Manhattan.

“Liberty Bonds were used to create thousands of units of housing Downtown and helped create jobs and a sense of renewal in an area severely damaged by the terrorist attack,” writes Richard Froehlich (*Building Community Resilience Post-Disaster: A Guide for Affordable Housing & Community Economic Development Practitioners*, Journal of Affordable Housing, vol. 21, no. 3 & 4). “The units financed by HDC did not have any affordability requirements, the fees charged on Liberty Zone financings were used as subsidy loans on more than 700 units of affordable housing in other parts of New York City, mostly in the Bronx and Brooklyn.”

The last Liberty Bond was issued in December 2009 to finance the construction of the magnificent Frank Gehry-designed residential tower at 8 Spruce Street in Lower Manhattan. Not only had the Liberty Bond Program helped bring the City’s financial district back after 9/11 from a place that scared people away to a vibrant area serving New Yorkers 24 hours a day, it had also generated approximately \$35 million in fees - \$12 million of that from 8 Spruce Street alone - that were used to finance low-income housing in other areas of the City.

By October 31, 2005, HDC had financed the creation or preservation of 17,500 units of affordable housing in New York City—500 more than its production commitment to the original NHMP by 2008. That year, the Mayor and HPD Commissioner Donovan revamped the Plan, extending it to the end of 2013 and increasing the number of units pledged from 65,000 to 165,000. HDC committed to creating or preserving an additional 25,000 multi-family affordable apartments, bringing its pledged total to 42,000 by 2013.

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“ We made HDC a significant player in NY affordable housing and each year I was there we were the number one issuer of multi-family housing bonds in the country, a tradition I am happy to say continues. ”

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Emily A. Youssouf, Former HDC President

For three consecutive years—2004, 2005, and 2006—HDC was the number one issuer of multi-family affordable housing bonds in the nation. In 2006, the agency issued \$1.8 billion worth of bonds to finance the construction and preservation of more than 9,000 apartments serving multiple income levels in New York City—the largest volume of financing and the greatest number of apartments built or preserved in a single year since HDC’s inception 35 years previously.

John Murphy, Executive Director of the trade group NALHFA (National Association of Local Housing Finance Agencies), remarked: “HDC has greatly expanded rental housing opportunities for lower income New Yorkers in implementing Mayor Bloomberg’s New Housing Marketplace Plan. Its affordable rental housing production and preservation programs have been showcased as national models at NALHFA Educational Conferences.”



## BIG SIX TOWERS

Called “The Jewel of Woodside” for its verdant spaces and community spirit, the Big Six Towers has provided Queens residents with affordable housing for fully half a century. This Mitchell-Lama seven-building complex, built in 1963, was sponsored by the New York Typographical Union Local Six, known as the “Big Six,” and is named in its honor. Home to 983 families and individuals, nearly a third of whom are current or retired union members, The Big Six Towers feature two playgrounds, majestic oak tree groves and flowerbeds surrounded

by sloping lawns and open spaces for picnicking and socializing.

Like all aging properties: Big Six had significant capital needs, which totaled \$11.5 million. Repairs needed at Big Six included the replacement of windows and patio doors, walkway and parking lot repaving, and extensive repairs to the shopping façade.

Maintaining Big Six as affordable housing was important, but the residents of the community knew that they were facing some difficult choices in figuring out how to pay for repairs. One way would be to move to an open market model, something that other developments across the City had done, where maintenance charges would shoot up and generate income. Despite the allure of the increased value of apartments on the open market, there were strong feelings about not taking that direction. Instead, the residents came to HDC to restructure their debt and meet capital needs through the Mitchell-Lama Preservation Program.

“The capacity to preserve affordability in developments that have benefitted from government assistance in the past, as in the case of Mitchell-Lama developments, is one of the most powerful tools we have in the NHMP,” said HDC President Jahr.



## HDC AND NYCHA PARTNERSHIP: A BRONX FIRST

Another first for this five-year period in HDC history was the completion in 2006 of the University Macombs Apartments in the Bronx—the first development to be completed under the partnership of HDC/HPD and NYCHA. This collaboration has grown since then. The HDC/HPD and NYCHA collaboration has already produced more than 2,300 units with another 2,000 under construction and in pre-development; including Randolph Houses and the upcoming redevelopment of Prospect Plaza in Brooklyn, for a total of approximately 4,000 affordable units.

“But it’s not simply the numbers,” said Joan Tally, HDC’s Executive Vice President for Real Estate. “The numbers represent homes. They represent new opportunities for individuals and communities. Our goal is to build and preserve not just affordable housing; it’s to build stable communities.”

Our goal is to build and preserve not just affordable housing; it’s to build stable communities.

Joan Tally, HDC Executive Vice President for Real Estate





## 2009 SAVING THE OCELOT PORTFOLIO

As the last millennium drew to a close, the Bronx was party to the same economic charge that the rest of the country enjoyed and private market investors looking to make money in real estate began buying up some of the big multi-family buildings that are a hallmark of Bronx housing stock. Buildings were bought in anticipation of quick profits—often at wildly inflated sales prices spurred by improbable predictions of how rent stabilized tenants would leave their buildings.

In relatively short order, simple math took over. The income generated by rent stabilized buildings covered neither mortgage nor maintenance. Ocelot Capital Group, owner of 25 occupied buildings bought on this speculation eventually disappeared, swanky offices vacated, phone disconnected. The apartment buildings went without services for a couple of years, with devastating effects. Many of the tenants in these buildings could not afford to relocate, and their circumstances became dire, a front door removed for drug money, no heat or hot water. Thanks to exhaustive work on the part of HPD Code Enforcement, 10 of Ocelot's 25 properties in the Bronx were placed into the City's Alternative Enforcement Program (AEP) earning them a place on the City's worst buildings list in 2007 and 2008, racking up 5,000 serious and immediately hazardous Housing Maintenance Code violations.

A final blow was the discovery that the in absentia landlord would be auctioning off the abandoned and severely distressed properties via the internet. Tenants and tenants' rights organizations who had been working for some resolution with these properties knew that this type of auction—with buyers unfamiliar with the circumstances—would likely result in more financial and physical distress, compounding what already existed, and the remaining residents, just barely hanging on, would be left homeless.

Foreclosure followed. HPD, fearing a repeat performance at the hands of a new owner, weighed in and began working with Fannie Mae to expedite new ownership that would be responsible and responsive to the existing tenants and their needs. Following vocal protests from residents and advocates, the sale was canceled, and Fannie Mae along with Deutsche Bank, at the request of HPD Commissioner Rafael E. Cestero, agreed to create a pool of companies that would be eligible to bid for ownership of 14 of the Ocelot buildings, Omni was one successful bidder: "These units were in a very distressed state when purchased by Omni," said Eugene Schneur, Executive Director of Omni New York, LLC. "Many were uninhabitable and even the occupied units were in a state of total disrepair. Working with HDC, Omni was able to structure this transaction in a manner that provided approximately \$12 million for the full rehabilitation of these buildings."

Through its LAMP Preservation program, HDC stepped up to finance renovations on three of the buildings, issuing more than \$8 million in bonds to fund the construction work. The funding sources required that the renovated units be reserved for households earning less than 60% of the area median income.

## 2008-2010 THE NATION FACES FINANCIAL CRISIS



Rafael E. Cestero - HPD Commissioner, September 2009-2011  
Mathew M. Wambua - HPD Commissioner, 2011-present  
Marc Jahr - HDC President, 2008-present

In 2008, the housing bubble burst and the nation entered a period of financial crisis. “Yet this time of economic turmoil saw robust growth for HDC,” said HDC President Jahr (referring to, among other things, the opportunity that the downturn created to invest in financially troubled assets that speculators had over-valued during the hot real estate market).

HDC and HPD took advantage of the built-in flexibility that is the hallmark of the NHMP, took advantage of the troubled markets and despite the downturn, by the close of 2008, HDC held on to its status as the number one issuer of multi-family housing bonds in the United States. By September of that year, HDC had contributed nearly 50% of the 82,000 housing units produced under the Mayor’s Plan.

In August 2009, HDC purchased certain mortgage loans that HUD held in its multi-family mortgage loan portfolio. This innovative program, begun when the current HUD Secretary Shaun Donovan was HPD Commissioner, was important for the NHMP as it prioritized the preservation of government-assisted affordable housing.

West Farms Square, part of that HUD portfolio, consists of eight multi-family elevator buildings totaling 526 units, 80% of which are assisted through project-based Section 8 contracts. HDC acquired the senior debt on the property, and then, working with the nonprofit owner, Fordham-Bedford Housing Corporation, made emergency repair loans to modernize the building’s 11 elevators. In the following year, HDC consolidated and refinanced the project with \$44.9 million in tax-exempt bonds under the New Issue Bond Program (NIBP), \$5.6 million of HPD subsidy, a \$2.3 million Revolving Repair Fund loan, and equity from 4% Low Income Housing Tax Credits. Proceeds from the financing were used to acquire the property, refinance the existing indebtedness, and fund \$41.9 million in capital repairs to upgrade or replace windows, boilers, flooring, façade, common areas, kitchens, and bathrooms. The existing HAP contracts were extended for 20 years and the property has been secured as safe and affordable housing for at least an additional 30 years.

“[While I was Commissioner,] market conditions—shrinking credit markets and a mortgage foreclosure crisis—made it necessary for us to retool NHMP. In doing so, we focused on strengthening neighborhoods by protecting the distressed multi-family housing stock,” explained Rafael Cestero. “The single greatest innovation of the NHMP is its strategic use of HDC to finance large volumes of affordable housing through construction and permanent lending. The Plan also enables HDC to use its corporate balance sheet to make affordable housing happen across NYC.”

By the end of 2009, HDC doubled the worth of the assets in its portfolio from \$5 billion to \$10 billion and in the process, transformed the Bronx. “During the downturn, when nobody was building in Manhattan, we were financing construction in the neighborhoods,” Jahr continued. “So in the South Bronx, you saw cranes. Cranes that were absent from the Manhattan skyline were up in the Bronx because of our financing. And at a time when people were being laid off or couldn’t find employment in other parts of the City, these cranes represented not only more affordable housing, but jobs. Both HDC and HPD were very quickly able to adjust to the new economic circumstances and devise new initiatives or use old ones to help stabilize the housing market.”



*The South Bronx has seen resurgence over the past decade, thanks to the NHMP and the partnerships that it has fostered. Since 2003 through the end of 2012 in the Melrose section alone – the part of the Bronx that was famously termed as “burning” in the 1970s – more than 14,700 apartments have been built or preserved as affordable.*

“ So in the South Bronx, you saw cranes. Cranes that were absent from the Manhattan skyline were up in the Bronx. ”

Marc Jahr, President HDC

In 2010, former Commissioner Cestero’s focus on preservation resulted in the creation of HPD’s Proactive Preservation Initiative: a move that allowed HDC to use its financial muscle to encourage the new owner of the Milbank Portfolio, a severely overleveraged and deteriorating portfolio of ten buildings, to act responsibly. As a result, more than 500 units of affordable housing are seeing new life, and the tenants have new hope for a better future.

The Balton and Douglass Park buildings on West 127th and West 128th Streets in Harlem were among the first in the country to begin construction in 2009 using federal TCAP funds (the HPD/HCD/NYCHA developments nearby in Harlem, The Ciena and the Hobbs, were actually the nation’s first). When completed in 2011, the Balton and Douglas Park brought a total of 226 mixed-income units to Central Harlem and created more than a thousand construction-related jobs.



The Balton and Douglass Park brought a total of 226 mixed-income units to Central Harlem and were among the first in the country to start construction using federal Tax Credit Assistance Program (TCAP) funds. Both buildings were developed on formerly city-owned land through the competitively bid Cornerstone Program, an HPD multi-family new construction initiative.

Both The Balton and Douglass Park projects, developed on formerly City-owned land, were part of the NHMP. The Balton was named in honor of Charles “Ibo” Balton, a gifted urban planner, committed public servant, and proud Harlem resident. As Director of HPD’s Manhattan Planning Office, Balton oversaw the rehabilitation and new construction of thousands of units of affordable housing in Harlem. His vision, passion, and tenacious advocacy helped bring new life to the neighborhood he loved.

“Ibo Balton understood that creating new opportunity in places long dismissed as unwanted and irredeemable is essential to the true revitalization of a community,” said HPD Commissioner Mathew M. Wambua at the buildings’ grand opening.

Another initiative, pioneered by HDC and devised to help stabilize the housing market during this period, was the issuance of “recycled” tax-exempt bonds. Made possible under the Housing and Economic Recovery Act (HERA) of 2008, the new authority allowed for the reuse of tax-exempt bonds to finance additional multi-family projects. NALFAH’s John Murphy remarked: “Under the Housing and Economic Recovery Act of 2008, NALHFA joined with HDC in successfully advocating for the inclusion of a provision to permit Housing Finance Agencies to recycle bond proceeds to provide capital to finance additional affordable rental housing.”

“Prior to HERA, this was a resource that was lost, as tax credit projects paid down their short-term bonds to supportable levels; HERA allowed for the “recycling” of that tax-exempt authority into new projects,” said HDC’s EVP for Real Estate, Joan Tally.

This innovation has paid off in a big way, making the development of even more housing possible, particularly moderate income “workforce” housing. Since bond recycling was approved, HDC has led the nation in putting this instrument to work. In 2009, HDC closed the transaction financing St. Ann’s Terrace, a 600-unit mixed-income, mixed-use development in the Melrose section of the South Bronx. St. Ann’s was the first in the nation to be financed with the use of recycled multi-family bonds. Throughout 2009 and 2010, HDC issued \$90 million in recycled bonds to finance seven newly constructed developments with nearly 800 units of housing for families earning between 60% and 100% of Area Median Income. HDC’s leadership in using recycled bonds was recognized by the National Council of State Housing Finance Agencies when it won the 2011 Award for Program Excellence.



HDC and HPD celebrated reaching the 100,000 unit benchmark in early May, 2010 with a day-long five-borough celebration that included stops in Staten Island at Markham Gardens and the newly renovated and preserved Riverdale-Osborne development in Brooklyn.

By the end of April 2010, HDC and HPD had financed the 100,000th unit under the Mayor's NHMP. That achievement was celebrated with a day-long tour of NYC's five boroughs with ground-breakings in Manhattan and the Bronx and ribbon-cuttings on new and preserved projects in Queens, Brooklyn, and Staten Island. As Via Verde development partner, President and CEO, of Phipps Houses Adam Weinstein said of the City's housing agencies' involvement in his organization's efforts: "(Phipps) were able to start nearly 3,000 units of new affordable housing in the past five years, leveraging an investment in New York City neighborhoods exceeding \$1 billion. All this through a deep financial and real estate crisis!"

## TAX CREDITS, RECYCLED BONDS AND STIMULUS FUNDS

The Low-Income Housing Tax Credit (LIHTC) was a critical tool used during these years. Funding received through LIHTC is a critical component of HDC's ability to build and rehabilitate affordable housing. Together, HDC's LAMP program and HPD's Mixed-Income Rental Program produced approximately 40,000 new and rebuilt units for low-income families in NYC since 2004.

In response to the housing and credit crisis, HDC took advantage of new and innovative financing tools, including the Tax Credit Assistance Program (TCAP), the New Issue Bond Program (NIBP) and the ability to issue Recycled Tax Exempt Bonds. "Part of what happened in the bond world after the financial crisis," said Richard Froehlich, "was that bond rates, particularly for housing, were very high, and the Federal government's borrowing costs were much lower. NIBP, which ran from 2009-2011, permitted HDC to issue bonds at rates closer to the government cost of funds. This allowed us to offer lower cost loans for housing projects." By the end of the program, HDC had issued \$500 million in low-interest bonds under NIBP to finance 7,548 units of affordable housing.

Froehlich added: "TCAP, which came out of the Stimulus Act, allowed HDC to gain additional funding that offset some of the loss in tax credit pricing post-crisis. Federal support for affordable housing assisted HDC through the roughest of times, enabling HDC to finance more affordable projects. The lion's share of housing that went on in NYC in 2009 and 2010 was affordable because of programs like NIBP and TCAP. Without them, there would have been far fewer jobs in construction."



## NYCHA FEDERALIZATION

Of NYCHA's 334 housing developments, 21 of them, accounting for 20,139 housing units, were built by the City and State—with no Federal funding—after World War II. Unlike NYCHA's other developments, the 21 City/State buildings received no federal funds, although they were operated and maintained as public housing. Their City and State subsidies gradually were eliminated beginning in 1995. As a result, NYCHA has had to maintain them by sharing the federal funds it receives for the other 313 public housing developments, decreasing NYCHA's capacity to repair, renovate, and maintain all its public housing units.

The sale of the 21 developments to NYCHA-controlled entities took advantage of a one-time opportunity in the American Recovery and Reinvestment Act (ARRA) of 2009—the "Stimulus Bill"—to qualify NYCHA's unfunded units for federal funds. ARRA allowed for a one-time opportunity—expiring March 17, 2010—for public housing authorities to bring additional money in from the federal government to fund public housing if a mix of public and private sector money was used to finance the transaction.

All 21 developments would remain public housing and residents would retain all of their rights and protections as public housing residents. NYCHA's existing federal developments would also benefit as less of its federal public housing subsidy would have to be diverted to support units that receive no federal money, or other funds.

On March 15, 2010, Mayor Michael R. Bloomberg was joined by former HPD Commissioner and current Secretary of the Department of Housing and Urban Development (HUD) Shaun Donovan to announce HUD's approval of the transaction. As a result, NYCHA stood to receive more than \$400 million in public and private funding, the majority of which was immediately applied to capital improvements. The federalization also enabled HUD to include the buildings in a federal subsidy program that will deliver \$65-\$75 million every year for ongoing maintenance. Citi Community Capital played a pivotal role in what would become known as the largest tax credit transaction ever completed, buying \$366 million of the \$477 million in bonds issued and raising over \$200 million in equity for NYCHA in one fell swoop.

Secretary Donovan remarked: "HUD is proud to join with the State, the City and NYCHA to safeguard affordable housing for thousands of families well into the future. HUD's approval of this agreement and the funding the Obama administration is providing through the Recovery Act will not only help the families who live in these apartments, but will create hundreds of jobs and ensure necessary repairs can take place. This is a great day for the future of New York City's public housing."

HDC entered into a loan and oversight agreement with NYCHA, agreeing to advance the proceeds from the sale of \$300 million in tax-exempt and taxable bonds. HDC and NYCHA worked together to ensure the long-term preservation of these buildings by funding brick work rehabilitation, caulking, and roofing for its buildings and addressing critical interior improvements, including the computerization of heating systems, boiler repairs, and replacements of windows and kitchen appliances.

Mayor Bloomberg said: "This transaction will generate hundreds of millions of dollars for shovel-ready work to upgrade our public housing stock and create hundreds of jobs, and—as importantly—at least \$65 million in annual federal funding, which will help secure NYCHA's long-term fiscal health. It's a tremendous example of different levels of government and the private sector working together to get something important done."



## SAVING MILBANK

“A prime example of creative intervention by HDC and HPD for the benefit of working New Yorkers,” said Marc Jahr, “is the Milbank Portfolio. While not included in the NHMP tally of units, this group of 10 buildings is emblematic of HDC’s mission to help preserve existing affordable housing and keep it viable.”

Home to more than 1,000 Bronx residents, the buildings had been overleveraged and bought at an inflated price, saddling them with unsupportable debt that resulted in their falling into disrepair. When sold to a new owner, Deutsche Bank held \$3 million in subordinate debt on the property. In 2011, HDC bought this debt for \$1, then entered into an agreement with the new owner stipulating that if all necessary repairs were made in a timely manner, HDC would forgive the debt.

HDC and HPD worked with the North Bronx Community and Clergy Coalition and housing advocates, among other nonprofit partners, to keep the Milbank tenants engaged throughout the long renovation process.



Photo Credit: Spencer T. Tucker

Mayor Bloomberg joined HPD Commissioner Wambua and HDC President Jahr to announce an agreement that will improve what had become deplorable living conditions for the more than 1,000 residents of the former Milbank housing buildings in the Bronx. April 26, 2011

“ The hard work of rehabilitating the buildings has begun, and the tenants who have suffered through deplorable conditions for too long can look forward to seeing real improvements. The deal is a victory for the more than 1,000 residents who live here, and it is an example of what a big difference our new Proactive Preservation Initiative can make. ”

Mayor Michael R. Bloomberg

## 2011-2012 BUILDING A TRULY SUSTAINABLE FUTURE



**Mathew M. Wambua - HPD Commissioner, 2011-present**  
**Marc Jahr - HDC President, 2008-present**

In January, HPD and HDC made a strategic decision to emphasize environmentally and health conscious construction practices. All new construction projects and substantial rehabilitation projects receiving funding from HDC and HPD were from that point forward required to achieve Enterprise Green Communities certification.

But some of the developers with whom the City works are invariably ahead of the curve with regard to green construction and features. Les Bluestone and his partner, Avery Seavey, of Blue Sea Development, are two such developers. “We were able to finance projects that other lenders would never do, and at terms that turned borderline deals into feasible and successful deals, said Bluestone. “Where unusual issues required unusual solutions, HDC was there.”

The first three projects that HDC and HPD completed with Blue Sea give ample evidence that green is not only a mindset but a way of doing business for these firms that sends a powerful message and achieves a remarkable result. The Eltona, a 63-unit, 100% LIHTC building in the South Bronx, was the first affordable LEED (Leadership in Energy and Environmental Design) Platinum building in New York State. Its units are reserved for families of four earning less than 80% AMI (or \$61,450); less than 110% AMI (or \$84,480 for families of four); and 20% for formerly homeless individuals.

The General Colin Powell Apartments in the Bronx, built in partnership with Habitat for Humanity, is a 50-unit co-op building with a glorious rooftop garden. Seventy-five percent of its units are reserved for people earning 110% AMI (\$84,480 for a family of four) and 25% for those earning 80% AMI (\$61,440 for a family of four). The Melody, also built by Blue Sea in partnership with Habitat, is a 63-unit co-op in the Longwood section of the South Bronx, with 75% of the units also reserved for those earning 110% AMI and 25% for those earning 80% AMI. Its distinctive interior and exterior artwork designed by internationally famous artist Beatrice Coron pays tribute to the rich musical heritage of the Bronx. The Colin Powell Apartments and The Melody were the second and third LEED Platinum buildings in New York State.

Arbor House, the most recently completed Blue Sea/HDC/HPD joint venture, is a 124-unit, 100% LIHTC rental building in the Morrisania section of the Bronx, featuring a state-of-the-art fitness center and magnificent rooftop vegetable farm. The apartments are designated for low-income households earning less than \$49,800 for a family of four. In completing this transaction, nearly every tool in the NHMP kit was used: the City provided access to the land through the NYCHA partnership, along with the financing to create green, affordable housing.



The Colin Powell Apartments and Arbor House are two new additions to the income-limited South Bronx housing stock: the former is the first co-op building to be constructed in the neighborhood in more than 40 years. Arbor House is a low-income rental already well-known for its rooftop hydroponic farm and active design features.

The total development costs for Arbor House was approximately \$37.7 million. HDC provided \$3.9 million in tax-exempt bonds and \$8 million in corporate subsidy. HPD contributed \$7.4 million in City Capital. New York State’s investment includes: \$2.5 million through HCR’s Homes for Working Families Program and \$160,000 provided by the NYS Energy Research and Development Authority. Bronx Borough President Ruben Diaz, Jr. and City Council Member Helen Foster jointly contributed nearly \$2 million in discretionary “Reso A” funds. Arbor House received \$12.8 million in Low-Income Housing Tax Credit Equity.

The Mount Sinai School of Medicine will conduct a study at Arbor house (similar to the one it did at The Eltona) to determine the effects of living in a green building that promotes physical activity and good health.

“NYCHA was in a prominent role for this development,” said Les Bluestone, “as the land for the building was purchased from them and they were very involved in the marketing requirements.” Marc Jahr described Blue Sea’s buildings as “incredibly inventive and ultra green. Arbor House has a living green wall installation in the lobby and a hydroponic greenhouse on the roof.” The rooftop farm will provide tenants and the community with “fresh, local, chemical free, nutritious herbs, fruits, and vegetables 12 months a year,” announced Robert Fireman, President of Sky Vegetables, which operates the urban farm.

From 2009 - 2012, the not-for-profit Phipps Houses and their development partners completed several affordable housing developments under the Mayor’s NHMP. Among them were: the Dempsey Apartments in West Harlem; the Roscoe C. Brown, Jr. Apartments in the South Bronx; Via Verde, also in the South Bronx; Courtlandt Corners in the Melrose section of the Bronx; and the total rehabilitation of Phipps Plaza South at Second Avenue and 25th Street in Manhattan.

Phipps Houses is the nation’s oldest nonprofit housing organization and one of its largest developers, owners, and operators of affordable housing. Its mission is to create and sustain enduring communities through housing development, attentive property management, and residentially and community based human services.

Via Verde (Green Way), financed in conjunction with HDC, is a LEED Gold standard, green building that seamlessly integrates the beauties of nature with the realities of city living. Developed by Jonathan Rose Companies, which is known for its dedication to green development, and Phipps, the building's graceful, stepped-up design incorporates three- and four-story townhouses, a mid-rise six- to twelve-story central structure, and a 20-foot tower at its northern end. "It involves construction types, materials, and methods not previously used in affordable housing projects," Weinstein explained, "providing both affordable rental and co-op units on a difficult, formerly contaminated site in the Melrose neighborhood of the South Bronx." Gary Hattem, Managing Director, Deutsche Bank Community Development Finance Group and President, Deutsche Bank Americas Foundation, noted: "While we are not a direct construction lender, HDC's programs have allowed us to participate in cutting-edge developments like Via Verde that has won international acclaim for its architectural, environmental, and social significance."



The community gardens and green roofs of Via Verde (left) are evidence of the City's commitment to green and sustainable development. Likewise, the Dempsey, in Harlem, also designed by Dattner Architects, incorporates green, sustainable features including energy efficient mechanical systems and natural lighting.

On July 20, 2011, New York City was three-quarters of the way toward its expanded goal of financing the creation or preservation of 165,000 units of affordable housing for 500,000 New Yorkers by the end of the 2014 fiscal year. Not only had nearly 125,000 homes been funded since 2003 across the five boroughs, but more than 120,000 jobs in construction and related industries had also been created. And all this accomplished in an era marked by desperate economic conditions that forced other cities in the country to tighten budgets and abandon or curtail housing plans.

"No other municipality is delivering affordable housing for its people at anywhere near the scale of New York City," said HDC President Jahr. "We are able to do this because we have the resolve and the skill and are able to provide the resources to achieve results."

Between the inception of the NHMP and mid-2011, HDC had financed the construction or preservation of nearly 42,000 of the NHMP's total of 125,000 affordable housing units, creating jobs, extending the life of aging buildings, expanding affordable options, and bringing new hope to New Yorkers. Some 2011 highlights include: the restructuring of debt and provision of substantial rehabilitation under the Mitchell-Lama Program (which has financed repairs for 29,151 units since 2003) for Kent Village, six multi-family buildings in South Williamsburg, Brooklyn; the construction of Lindenguil Hall, a low-income residence in Crotona Park in the Bronx, for formerly homeless veterans; and Riverway Apartments, a seven-story rental building in Brooklyn's Brownsville neighborhood for low-income senior citizens.

"It is exciting and humbling to know that we are at the forefront in the nation in producing and protecting affordable housing for our citizens," said HPD Commissioner Mathew M. Wambua. "Every collaboration, every partnership, and every deal helps to ensure that we are doing everything we can to make New York City more affordable."

By the end of 2012, when HDC was again the number one issuer of multi-family affordable housing bonds in the country, the number of units financed by HDC's more than \$9 billion in bonds and \$1.1 billion in cash from corporate reserves had risen to 69,000 units.

On July 19, 2012, Mayor Michael R. Bloomberg, Deputy Mayor for Economic Development Robert K. Steel, HPD Commissioner Mathew M. Wambua, and HDC President Marc Jahr announced that New York City—having created or preserved 141,000 units—was 85% of the way towards achieving the NHMP goal set for the end of FY 2014: 165,000 units created or preserved. In a single year, between July 1, 2011, and June 30, 2012, the end of FY 2012, the City invested or leveraged \$1.9 billion to finance 16,502 units of affordable housing for middle-class and low-income New Yorkers, surpassing its goal for the year by more than 2,000 units.

From January through December 2012, HDC issued \$1.065 billion in multi-family affordable housing bonds and provided more than \$1.8 billion in total financing raised from the sale of bonds and the provision of other corporate subsidies, chalking up another record-breaking year, ranking first on Thomson Reuters list of multi-family bond issuers and third in Affordable Housing Finance Magazine's annual ranking of affordable housing lenders. Overall in 2012, HDC and HPD jointly financed the construction and/or preservation of 11,400 affordable apartments.

"I am proud of what we were able to achieve over the last twelve months," said HPD Commissioner Mathew Wambua. "We exceeded our 2012 fiscal year target because of the tremendously talented team of affordable housing experts that we have here at HPD and HDC."

"The housing that we finance—whether newly constructed or renovated—embodies thousands of new units brought to market or reclaimed as affordable and given new life," said HDC President Marc Jahr. "The NHMP is an investment in the future of this City, and it is on a scale that is unequalled anywhere else in the nation."

From the beginning of the Plan to the end of calendar year 2012, HDC had contributed to the financing of more than 69,000 units (27,000 more than it had originally pledged) of the more than 141,000 affordable housing units funded under the Mayor's NHMP by raising more than \$9 billion from bonds issued and pledging \$1.1 billion in cash from the Corporation's reserves. HDC now has in excess of \$11 billion in assets under management.



## DESIGNING VIA VERDE

The Via Verde design by Dattner Architects and Grimshaw Architects was the winning response to the New Housing New York Legacy Competition, sponsored by HPD, the NY Chapter of the American Institute of Architects, the NYS Energy Research and Development Authority, and the Enterprise Foundation. Launched in 2007 by then-HPD Commissioner Shaun Donovan, this was New York City's first juried design competition for affordable and sustainable housing. Its aim was to promote affordable, sustainable mixed-income housing by

using innovative design on a site that had proved difficult to develop. Via Verde represents the City's latest achievement in its continuing efforts to rebuild the South Bronx.

"Via Verde is a model for what affordable housing ought to be—a platform for opportunity, a source of stability, a building block with which we forge neighborhoods, put down roots, and build the communities that are the engines of our nation's economic growth," said HUD Secretary Shaun Donovan at Via Verde's 2012 ribbon cutting celebration.



## THE ELTONA/MOUNT SINAI HOSPITAL HEALTH STUDY

Because the Bronx has some of the highest rates of asthma in the nation, residents of The Eltona—a 100% smoke-free, pet-free, green building—participated in a research study conducted over a two-year period by Mount Sinai Hospital to determine if living in the LEED-certified building impacted the respiratory health of its tenants. The study followed 40 people, age 10 months to 58 years, 61% of whom were children or adolescents, and 61% of whom had self-reported, medically diagnosed asthma. The study found that participants who had previously reported asthma symptoms 7.4 days per month were reporting these symptoms 18 months into the study only 1.3 days per month. Initially, 56% of the participants reported having asthma symptoms that lasted all day; at 6 months into the study, that percentage had dropped to 17%; at 12 months and 18 months, that percentage was 0%. Participating Eltona tenants received education in the use of green cleaning products and ways to reduce exposure to environmental asthma triggers. The study determined that nine months after receiving such education the new knowledge had been retained and behaviors had changed.

“Doctor visits for asthma symptoms decreased over time,” recounted Elizabeth Garland, MD, MS, Department of Preventive Medicine, Mount Sinai School of Medicine. “We attribute these results to living in a smoke-free building, constructed with green materials, that has ample ventilation and good indoor air quality.”

## SETTING RECORDS, EXCEEDING GOALS

Between July 1, 2011, and the close of FY 2012 on June 30, HPD and HDC, through various innovative programs, had invested or leveraged \$1.9 billion to finance 16,502 units of affordable housing for middle-class and low-income New Yorkers, surpassing its goal for the year by more than 2,000 units.



# LESSONS OF A DECADE



Looking back over the past 10 years, we see that they were bracketed by recovery efforts forced by two disasters: one man-made, the other, natural. Hurricane Sandy, downgraded to a post-tropical cyclone with hurricane-force winds by the time it hit New York City on October 29, 2012, cut power in Lower Manhattan, Staten Island and parts of Brooklyn and Queens, flooding streets, tunnels and subway lines. Neighborhoods on the City's periphery endured tragic loss of life and unprecedented physical destruction.

In New York City, damage inflicted by Sandy extended over an area containing 100,000 residential buildings and more than 400,000 units. Of these, the City estimates that a total of 60,500 residential units were damaged. Among HDC's multi-family portfolio, 13 developments, with 43 buildings and more than 7,200 units sustained damage. "Out in Breezy Point and The Rockaways, in the lowlands of Staten Island and Coney Island and Red Hook, large swaths of homes have been severely damaged," said Jahr. "Apartment towers, NYCHA projects, Mitchell-Lama developments have been darkened and chilled."

As they had with 9/11, virtually every City agency came together to focus on the recovery effort. What HDC and its housing and community partners most importantly did, remarked Jahr, was to "enable people to stay in their homes. Every person able to stay in their home is a person who won't enter a shelter, who won't need to be temporarily housed, whose life will be infinitely more settled. At HDC, in the immediate aftermath of the storm we had our engineers out inspecting every Mitchell-Lama development in The Rockaways and Coney Island." In addition, HDC's Asset Managers were in constant contact with property owners and managers to help ensure that all the buildings and tenants needs were met, including providing food, water, blankets, and medicine.

"From our point of view," said HDC Executive Vice President Joan Tally, "The paramount concern was keeping people in their homes, and to do that, we had to ensure that those buildings were safe, warm and secure. From that starting point, we could begin to focus on the future and resiliency."

Immediately following Sandy, HPD Commissioner Wambua announced a plan to institute a 25% preference in lotteries for units in City-subsidized affordable housing developments for income-eligible New Yorkers displaced from their homes. One of the first developments subject to that plan was Coney Island Commons, currently under construction. Part of the Mayor's NHMP, Coney Island Commons will have a total of 195 apartments, 39 set aside for the homeless. The remaining 156 apartments are for households earning up to 60% of the AMI, or \$49,800 for a family of four.

Also on Coney Island is the Warbasse cooperative housing complex, a 2,585-unit built in the early 1960s under the Mitchell-Lama Program for low- and moderate-income residents. In June, 2012, the complex was subject to extensive financial restructuring, effectively preserving it as affordable for the next 20 years. With \$15.2 million in financing from HDC, the first phase of substantial rehabilitation is slated to begin in the summer of 2013. The second phase, expected to occur next year, will restructure its existing first mortgage debt and provide additional funds for more renovations. The rehabilitation work will include façade repairs, boiler replacement, upgrades to all plumbing and heating systems, upgrades to circuit breakers, and upgrades and repairs to parking lots. These renovations will make Warbasse, merely a half-mile from the ocean, a more durable and resilient building in the event of another Sandy.

The damage wrought by the storm served to remind developers, residents and agencies alike that New York is a coastal city that needs to focus on developing or retrofitting multi-family buildings so that they are able to withstand extraordinary weather events and flooding. The day before the storm hit land, HDC and developer L+M were at the table, closing a \$58.3 million repair loan and \$72 million in permanent financing for the sale and upgrade of a 1,100 unit Mitchell-Lama called Ocean Village, a troubled 11 building mixed-use development on the Rockaway Peninsula. The day after the storm, it was clear that the development's problems had been compounded. Pre-Sandy, the scope of work included renovation of more than 300 vacant units, roof replacement, repair/replacement of mechanical ventilation ducts and shafts, storm drainage repair, lighting, upgrading electric baseboard heating, extensive façade repair, upgrades to common areas and building systems. As Rick Gropper of L+M Development put it: "When we became involved in Ocean Village, there were 350 vacancies, an annual shortfall in excess of \$1 million, and a huge amount of deferred maintenance. There aren't many lenders with the financial prowess and foresight necessary to take on such a complex and distressed situation. HDC saw the bigger picture of preserving housing for 1,093 low- and moderate- income New Yorkers and has been an outstanding partner throughout all steps of this transaction."



Ocean Village, an aging Mitchell-Lama development, was severely damaged by Hurricane Sandy on the eve of being refinanced and preserved as affordable by HDC. The deal went through and as a result, the new vision for the development, as seen above, includes resilient measures to prevent damage in the face of the next catastrophic storm.

The post-Sandy assessment painted an even bleaker picture: several roof exhaust fan covers were blown away by the extreme wind gusts, the elevator pits at the high- and mid-rises were completely submerged in water, and the electrical rooms at the high- and mid-rises were also flooded, with the water level well over four feet. Switch gears and transformers were damaged and the electrical rooms in the low-rise buildings were flooded as were ground floor apartments. Still, as Gropper remembers it: “Hurricane Sandy struck the east coast and devastatingly impacted Ocean Village on the day we were scheduled to close on the property. While the closing was rescheduled, the question of whether we would close at all in the wake of the storm was never raised. L+M, HDC and HPD worked together to get the complex back up and running and allow residents to return to their homes.”

The result was that HDC, HPD and the developer worked quickly to get the complex back up and running, to keep existing tenants from being displaced. At the same time, already renovated vacant apartments were placed into service as a resource for households that had been displaced by the storm.

## LOOKING FORWARD

In 2007, when Mayor Bloomberg announced PlaNYC, his plan for achieving a “greener and greater New York” and to prepare the City for one million more residents, strengthen the economy, combat climate change, and enhance the quality of life for all New Yorkers, he was setting the stage for a strong future. Indeed, the most recent census data shows continued growth in New York City’s population. As The New York Times noted on March 14, 2013, New York City’s population, according to the July 2012 census, had surged to just over 8.3 million, representing an increase of 161,564 people since 2010—nearly as many as the City gained in the entire preceding decade. The Times also noted that more people moved to the Bronx in 2012 than left it, something that had not happened since the 1940s. This remarkable resurgence of the Bronx is due in large part to HPD and HDC who worked with their partners to bring that borough back when no one else was constructing or preserving affordable housing there.

Still, as laid out in PlaNYC: we have set our goals beyond merely increasing the number of housing units. The NHMP has been rooted in the creation of sustainable, affordable neighborhoods and in the fact that making housing more affordable requires more than increasing housing supply. It necessitates employing targeted programs for a range of incomes and needs and especially, given recent events, in confronting and surmounting hurdles to creating new affordable housing units and preserving and extending the affordability of those that exist.

“ This development is representative of the City’s commitment to growth in a post-Sandy world. We didn’t retreat from the waterfront. We learned and moved forward. ”

HDC President Marc Jahr

“The challenge of finding affordable housing is not the only challenge the City is confronted with,” said Marc Jahr. “In a post-Sandy world, we have a whole new set of challenges. We need to make buildings more resilient, more durable, more capable of withstanding the effects of climate change. One of the major innovations of the Bloomberg administration was to figure out how to leverage HDC balance sheets for the benefit of affordable housing in New York City. My hope for the future is that this commitment will be sustained and that HDC will continue to play an outsized role in meeting the City’s housing challenges.”

“Despite all the work we’ve done over the last decade and all the work that’s been done over the last three decades, New Yorkers are confronted every day with the challenge of finding affordable housing. That challenge,” cautioned Jahr, “will remain no matter what administration is in office.”



## DEVELOPING THE WATERFRONT

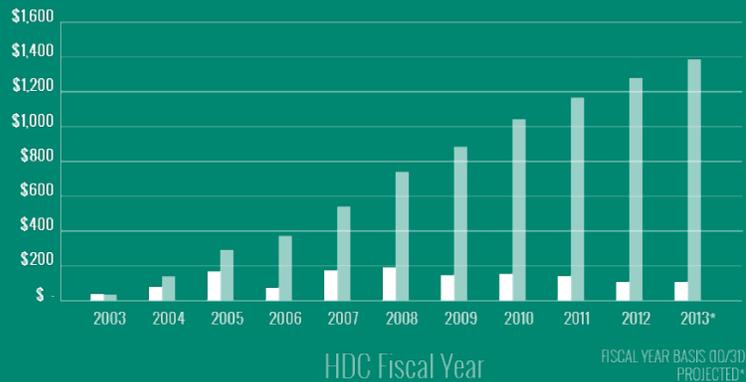
Lessons quickly learned from Sandy—about positioning emergency generators out of harm’s way, mechanical systems on the second floor or above, designing secure flood walls and flood gates, and instituting other safety measures to protect against rising sea levels—were made part of the Hunter’s Point South design. Construction has begun on the two residential towers that constitute the first phase of this massive development: a new school and parkland are nearly complete. When finished, the 5,000-unit project on the Queens waterfront will be the largest new affordable housing complex built in New York City since the construction of Co-op City in the Bronx in the 1970s. In 2012, HDC issued \$236 million in tax-exempt bonds and HPD provided \$68 million in subsidy for the project, which also benefited from \$185 million in tax-exempt bonds authorized by Governor Andrew M. Cuomo. Developed by Related Companies, Phipps Houses, and Monadnock Construction, the first phase of Hunter’s Point South will have approximately 17,000 square feet of prime retail space, a magnificent five-acre waterfront park, and a splendid 1,100-seat school. A whole new community will be created. “This development is representative of the City’s commitment to growth in a post-Sandy world,” said Marc Jahr. “When Sandy hit, we paused and thought about its implications. Our development team stepped back and worked through a host of safety design issues. We didn’t retreat from the waterfront. We learned and moved forward.”

## 10 YEARS OF SUBSIDIES

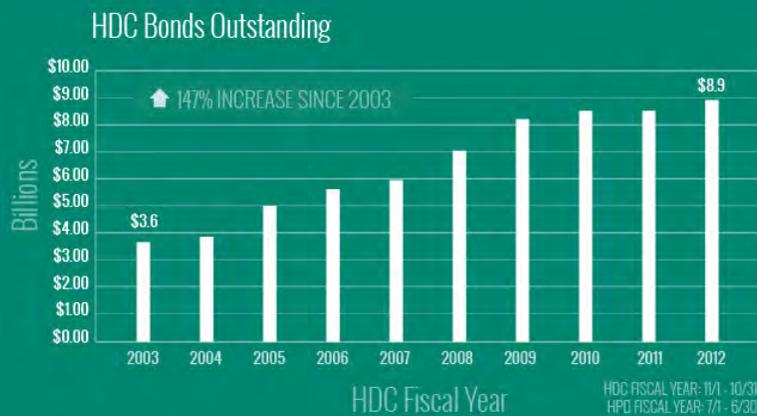
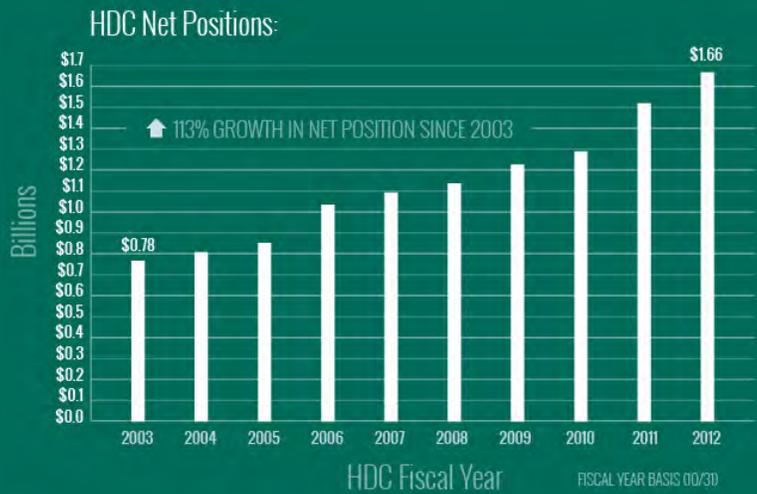
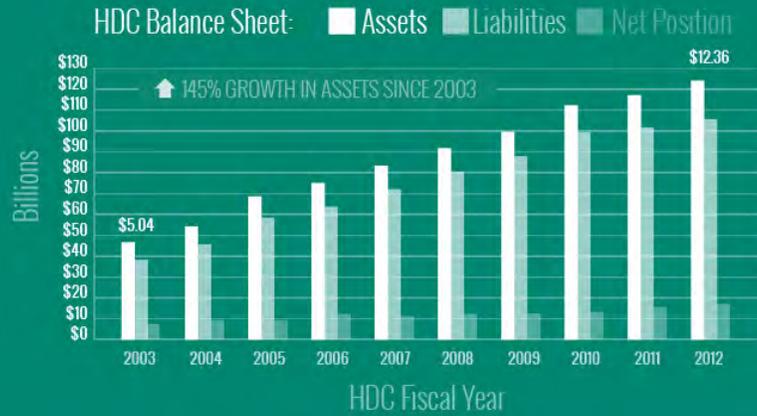
### HDC’s Subsidy Contribution:

■ Annual Total ■ Cumulative Total Since 2003

HDC has provided over \$128 billion in 1% subordinate loans funded from its corporate reserves since 2003 in response to Mayor Bloomberg’s New Housing Marketplace Plan



## A DECADE OF GROWTH



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Levi, Laura  
Lin, Ting-Ju  
Lipsyte, Susannah  
Logozzo, Josephine  
Luu, Uyen V  
Lynch, Richard A.  
Macaluso, Joseph  
Malecki, Z. Peter  
Mariconda, Pellegrino  
Marshall, Catie  
Martinez, Carlos A.  
Martinez, Jose  
Martinez, Sylvia  
Mascuch, Gerald P.  
Mbyeti, Irma  
McConnell, Mary  
Medina, Alex  
Medina, Sonia  
Mendez, Sandra Noemi  
Messina, Lucille M.  
Mok, Michelle  
Mondelli, Stephen  
Moore, Kevin  
Moreira, Ruth A  
Morrison, Joan

Mosely, Lakisha Marie  
Moynahan, Jaclyn  
Murphy, Matthew  
Naeris, Urmas  
Oakley, Elizabeth  
Ogoke, Patrick N.  
Oldak, Yaffa  
O'Neill, Susan M.  
O'Reilly, Eileen M.  
Osner, Miriam E.  
Pantalone, Stephen C.  
Payamps, Ana I.  
Pelham, Paris A.  
Perez, Doris  
Perry, Chantay A.  
Philpott, Virginia L.  
Piekarski, Thaddeus F.  
Pimentel, Jacqueline  
Poarangan, Johannes A  
Pugacz, Diane J.  
Qiu, Ting  
Quinlivan, James  
Ramirez, Roberto  
Randolph, Marcus T.  
Rivera, Catherine  
Rivera, Jose  
Roberts, Joanne  
Roberty, Violine  
Russell, Ruth  
Salacheep, Sithichai  
Salomon, Marlene H.  
Sanchez, Christina Marie  
Santiago, Karen Ann  
Santiago, Sylvia  
Saunders, Mary

Scarlett, Betty  
Schmidt, Robert  
Schray, Luke J.  
Schwartz, Frieda  
Shah, Bharat C.  
Shyti, Adelina  
Simons, John Michael  
Sivaprakasam, Manimegalai  
Skeados, Moira  
Small, Tiffany  
Smith, Kristen  
Sprung, Bonnie  
Stepien, Luke  
Stewart, Kenton  
Stone, Jeffrey B.  
Stroman, Kim N.  
Tafuro, James  
Tally, Joan  
Taylor, Shirell  
Todman, Paulette V.  
Tonnessen, Clare T.  
Townsend, Catherine  
Waller, Patricia  
Wang, Mei Ping  
Watts, Micah S.  
Williams, David  
Wolf, Nancy E.  
Wong, Samantha  
Yee, Henry  
Yeung, Winnie  
Yip, Kerry  
Yiu, Annie  
Yu, Cheuk Kin  
Zaman, Mohammad

*Building Momentum*

2003-2012

2012 ANNUAL REPORT  
**PROJECTS & LOANS**



NEW YORK CITY  
HOUSING DEVELOPMENT  
CORPORATION



## HDC PROJECTS & LOANS

(by Development Project Type) Report as of 12/31/12

PROJECT NAME	UNITS				
Roscoe C. Brown	279	POP Msgr. Burke	50	259 West 152/67 Macombs Pl	58
Courtlandt Corners I	71	POP Pope John Paul II	60	70-74 East 116th Street	23
2727 Decatur Avenue	50	POP Msgr. O'Brien	112	<b>QUEENS</b>	
Hewitt House Apartments	83	Sons of Italy	106	Wavecrest II	123
Bruckner by the Bridge	419	550 Watkins Street	104	Selfhelp Houses	150
Serviam Towers	160	New Lots Plaza	87	Linden Boulevard Apartments	300
Maria Lopez Plaza	216	Jennings Hall	150	Astoria Senior Residence	184
Arista UAC	290	The Garvey	78	Selfhelp (KIV) Apartments	159
La Terraza/Melrose Site B-1	107	Livonia Terrace	173	POP Msgr. Campbell	72
St. Ann's Terrace CDE	314	1490 Dumont Avenue	176	Gateways Apartments	365
Rev. Dr. Fletcher C. Crawford Housing	84	Atlantic Commons Cornerstone LP	48	Self Help KVII	92
St. Ann's Terrace FG	161	Navy Green R3	101	Richmond Place	117
Sedgcliff	128	Gateway Elton Street	197	Oceanview	328
920 Westchester Avenue	110	Navy Green R-1	112	Macedonia Plaza	143
Morris Heights Mews	111	Riverway Apartments	115	<b>STATEN ISLAND</b>	
Ocelot ECW	119	Coney Island Commons	195	Markham Gardens Apartments	240
Forest Houses	124	Greene Avenue Senior Housing	150	Broad Street Senior Housing	105
West Farms Square	526	CABS Housing	72	Concord/Seaside	430
Mid-Bronx Apartments	184	Berean Apartments	107	<b>TOTAL LAMP</b>	<b>32,376</b>
PRC Simpson Street	301	1120-1122 Madison Street	16	<b>Liberty Bond</b>	
Trinity Apartments	75	500 Nostrand Avenue	46	<b>MANHATTAN</b>	
Lindenguild Hall	104	1469-71 Bedford Avenue	27	90 Washington Street	398
Aurea Apartments	85	56 Sullivan Street	20	2 Gold Street	650
Intervale Independent Seniors	48	219 Sackman Street (Perm)	38	63 Wall Street	476
Prospect Court	59	<b>MANHATTAN</b>		90 West Street	410
Courtlandt Crescent	217	Lenox Avenue	26	20 Exchange Place	366
Bryant Avenue Apartments	99	Macombs Place Proj	58	201 Pearl Street	189
Kingsbridge Court	98	Related 2nd Avenue	19	Beekman Tower	904
27 E. 169th Street (East Clarke)	106	Related W 105 St	11	<b>TOTAL LIBERTY BOND</b>	<b>3,393</b>
Hoewood Point	80	Tony Mendez Apartments	130	<b>Limited Equity Co-ops</b>	
Highbridge Overlook	155	203-15 W 148 St - Site 15 (C-2)	87	<b>BRONX</b>	
Maple Mesa Apartments	59	Lafayette Gardens	47	Daly Ave	32
St. Luke's Housing for the Elderly	81	Harmony House (Perm)	55	Tremont-Vyse I	24
MBD Silva Taylor	361	8th Ave (Madame CJ Walker) E-2	41	Tremont-Vyse I	18
Borinquen Court	145	Clinton Parkview	96	Tremont Vyse III	30
Southern Boulevard Apartments	370	Olga Mendez Apartments	74	<b>BROOKLYN</b>	
PRC Westchester	409	262 West 115th Street	10	South Williamsburg	101
Lebanon West Farms	141	228-238 Nagle Avenue	99	<b>MANHATTAN</b>	
Morris Court	201	Phelps House	169	Maple Ct	135
George Hardy St Francis Apartments	204	Wien House	100	Maple Plaza Coop	155
The Woodlands	101	Two Bridges Senior Apartments	109	<b>TOTAL LIMITED EQUITY CO-OPS</b>	<b>495</b>
Webster Commons Building A	135	Logan Gardens	104	<b>Loan Sale</b>	
450-2 E 148 St (Brook East) (C-2)	34	Fania Gersham Apartments	29	<b>BRONX</b>	
St. Ann's Apartments (Perm)	58	West 153rd Street	85	Mount Hope	62
725 & 737 Fox St. (Perm)	106	Lenox Powell Apartments	59	Crotona Park East- CDGB	19
<b>BROOKLYN</b>		Phipps Plaza South	404	Crotona Park-CAP	20
Quincy Greene	44	Casabe House	125	Marcy/Wythe	136
Fountains at Spring Creek	102	All Saints Project	99	Evergreen Ave	355
Linden Mews (Perm)	36	Fabria Houses	65	1422 Nelson Ave	72
Spring Creek IV (Perm)	83	Friendly Hands Apartments	76	21 W Mosholu Pkwy No	37
Dr. Betty Shabazz Houses	160	Mannie Wilson	102	Bronx 6D	126
Medger Evers Houses	308	Churchill House	98	Bronx 8C	82
523 Vermont Avenue	74	The Douglass	70	Bronx 7D	100
Kings County Senior Residence	173	The Ciena Hobbs Court	340	1021-27 Avenue St. John	77
45 Malta Street	48	The Bridge	81	1121-1125 Bryant Avenue	38
Grace Towers	168	2059 Madison Avenue	54	1125-27 Sheridan Ave	49
Granville Payne	103	The Dempsey	80	115 E 169 St	37
David Chavis Senior Apartments	153	West 135th Street	198	1175-77-85 Anderson Ave	111
609 Metropolitan Avenue	65	1428 Fifth Avenue	120	1307-15 Merriam Ave	70
Monsignor Vetiro Apartments	45	Lexington Courts (Met Paca)	229	1420-1424 Grand Concourse	138
Spring Creek Apartments I & II	583	Echo Apartments	99	1473-75 Montgomery Avenue	56
YWCA Third Avenue	84	Clinton Terrific Tenements	88	1560 Silver Street	69
The Plaza (Noble Drew)	385	New Horizons Preservation LP	48	1574 Beach Ave	89
Restore Housing	138	Good Neighbor Apartments	118	1652 Popham Ave	49
Magnolia Plaza	102	Mother Zion	76	1770 Walton Avenue	38
1825 Atlantic Avenue	150	Haven Plaza	371	1820 Harrison Ave	75
Cook Street Apts (Rev. D.J. Kenna Apts)	152	North Park Apartments	122	1890-92 Andrews Ave	55
Albany Crossings	92	Harlem River Point North	173	1950 Hutchinson River Pkwy	159
Kingston Heights	132	L&M HCCI Harlem Preservation Portfolio	447	1955 Grand Concourse	59
Crown Heights Senior Residence	144	MLMD Citywide	567	2025 Valentine Ave	36
Bristol Hopkinson (The Beacon)	168	East River Apartments	178	2120 Mapes Ave	29
River Rock	54	Harlem River Point South Apartments	140	225 West 232nd Street	96
POP Bishop Boardman	200	St. Lucy's Apartments	100	2406 Walton Ave	38
POP Sr. Lucian	149	MetroEast 99th Street	176		
POP Mary Star of the Sea	100	Harlem RBI	89		
POP St. Brendan	120	Sinclair Apartments	81		
POP Bishop Mugavero	85	Capitol Hall	202		
POP Holy Spirit	50	542-48 & 552-58 W. 149 St	36		
		349-359 Lenox LLC	18		
		55 E 130 St	25		

## HDC PROJECTS & LOANS

(by Development Project Type) Report as of 12/31/12

PROJECT NAME	UNITS				
2410 Barker Ave	171	408 West 25th Street	20	Rosalie Manning	109
2410 Walton Avenue	38	503-05 West 141st Street	28	Ruppert House Coop	652
2609 Briggs Avenue	55	512 East 11th Street	20	St Martins Tower	179
2670 Valentine Avenue	10	525 E 6th Street	8	Stryckers Bay	234
2698 Valentine Avenue	10	544 West 157 Street	39	Tanya Towers	138
282 Gunhill Rd	52	59-61 Morningside Avenue	31	Tower West	217
2922 Barnes Avenue	132	60 Edgecombe Ave	8	Tri Faith House	148
3315 Cruger Avenue	40	62-64 East 3rd Street	9	Trinity House	200
3379-81 Hull Avenue	50	625 East 6th Street	10	Washington Square SE	175
3511 Barnes Avenue	127	9 East 118th Street	30	156-20 Riverside Dr	431
3555 Olinville Avenue	142	<b>QUEENS</b>		<b>QUEENS</b>	
365 East 209 Street	20	12-11 Frisco Ave	6	Ocean Village	1,093
571 Southern Blvd.	39	<b>TOTAL LOAN SALE</b>	<b>10,240</b>	Bay Towers	375
664-72 Beck Street	86	<b>TOTAL LOAN SALE SERVICED BY OTHERS</b>	<b>13,303</b>	Bridgeview III	171
670 Barreto Street	35	<b>MIRP</b>		Dayton Tower Coop	1,752
700 Oakland Pl	31	<b>BRONX</b>		Goodwill Terrace	208
741 Jennings Street	15	1212 MLK, L.P	54	Seaview Towers	460
756 South Oak Dr	6	1138 Washington, L.P.	51	47th Ave - Big Six	983
801-25 Tilden Street	266	<b>Manhattan</b>		<b>STATEN ISLAND</b>	
810 E. 178th Street	20	Bradhurst Apartments LLC	23	North Shore Plaza	536
83 West 188th Street	39	Salem House	48	<b>TOTAL MITCHELL-LAMA</b>	<b>33,072</b>
84 West 188th Street	38	<b>QUEENS</b>		<b>ModRehab</b>	
950-955 Evergreen Avenue	357	Greater Allen Affordable Housing LP	54	<b>BRONX</b>	
1793 Sedgwick Avenue	35	<b>TOTAL MIRP</b>	<b>230</b>	B&L Grand Concourse	102
2444 Marion Avenue	654	<b>Mitchell-Lama</b>		<b>BROOKLYN</b>	
3162 Bainbridge Avenue	65	<b>BRONX</b>		1010 Development	16
<b>BROOKLYN</b>		Tracey Towers	871	2051 Grand Concourse	63
359 E 21 St Escrow A/C Yuko	8	Albert Einstein	635	Scheur House of Flushing	155
Contello Towers II	321	Carol Gardens Apart	315	<b>MANHATTAN</b>	
North 5th Street	41	Corlear Gardens Coop	118	Revive 103 North	30
90 Fifth Avenue	4	Keith Plaza	310	Logan Plaza	130
613 Warren St	3	Kelly Towers	302	<b>QUEENS</b>	
465-483 17th St	52	Kingsbridge Apart	91	Astoria Apart	62
Brooklyn 12G	39	Kingsbridge Arms	105	<b>STATEN ISLAND</b>	
SPARC Project	72	Montefiore Hospital II	399	Harbour View	122
Howard Avenue	23	Scott Tower	352	<b>TOTAL MODREHAB</b>	<b>680</b>
110-116 Cambridge Pl	40	Stevenson Commons	947	<b>NEWHOP</b>	
1314 Dean Street	6	Woodstock Terrace	319	<b>BRONX</b>	
2 Doscher Street	18	Cannon Heights	171	3815 Putnam Avenue W 238 St	91
2-12 Webster Avenue	30	MINS PLAZA	84	Palmer Ave	135
241 South 3rd Street	22	OUB HOUSES	361	Beechwood at Needham	47
2675 West 36th Street	148	Tilden Towers II	266	Putnam Deegan II	44
2740 Cropsey Avenue	321	<b>BROOKLYN</b>		Orloff Avenue	101
2880 West 12th Street (Luna Park)	1,576	Ocean Gate Apartments	542	1514 Sedgwick Avenue	96
299 Adelphi Street	72	Linden Plaza Preservation	1,527	Twin Pines Apartments	32
309 Lafayette Ave	329	DCA Apartments	216	Cliffside Properties	84
323-325 Bedford Avenue	24	Amalgamated Warbasse Houses	2,585	Grant Avenue Coop	162
333 Lafayette Ave	326	Atlantic Plaza	716	Boricua Village Site A-1	136
394 Montgomery Street	43	Brighton Houses Coop	193	Boricua Village Site B	100
418 61st Street	17	Cadman Plaza N Coop	251	Creston Towers	42
639 President Street	10	Cadman Tower Coop	422	Washington Bridge View	48
88-90 Adelphi St	25	Crown Gardens Coop	238	Fox Leggett	50
952 St Marks Avenue	40	Essex Terrace Apart	104	Boricua Site D	80
2149 Pacific Street	24	First Atlantic Terminal	201	Boricua Site F	77
<b>MANHATTAN</b>		Second Atlantic Terminal	305	870 Jennings Street Apartments	84
Lenox Ave	159	Tivoli Towers	320	Longwood Gardens	25
Manhattan 6A	138	Kent Village	534	Decatur Terrace	122
Manhattan-8A	20	<b>MANHATTAN</b>		Courtlandt Corners II	252
Manhattan-8D	32	Village East	434	Shakespeare Place	127
111 West 71st Street	11	Penn South	2,820	Prospect Macy	63
113-115 East 101st Street	7	1199 Plaza	1,594	850 Jennings	103
116 Mott Street	35	Beekman Staff Residence	90	3254 White Plains Road	125
135-137 West 115th Street	21	Bethune Tower	135	St. Ann's Terrace ABH	166
1486 5th Ave	10	Clinton Tower	396	The Tiffany	54
150-160 West 96th Street	208	Confucius Plaza Coop	762	University Avenue Consolidated III	173
157 West 123rd Street	51	East Midtown	746	Via Verde Apartments	151
17-33 Montgomery Street	389	Esplanade Gardens	1,872	Via Verde Cooperative Apartments	71
200 Claremont Ave	41	Goddard Riverside	194	1778-1800 Southern Blvd	64
208-209 West 119th Street	157	Gouverneur Gardens	782	Crossroads Plaza	126
24-32 Arden Street	68	Hamilton Housing	176	<b>BROOKLYN</b>	
263 West 113 Street	10	Jefferson Tower	190	167 Clermont Ave Armory	111
2707 8th Avenue	21	Lincoln Amsterdam	186	421 Degraw Street	90
302 Convent Ave	42	Riverbend Coop	626	471 Vanderbilt Avenue	26
327 East 3rd Street	25	RNA House	208		
351 West 114th Street	36				
368 East 8th Street	30				
404 East 10th Street	11				

## HDC PROJECTS & LOANS

(by Development Project Type) Report as of 12/31/12

PROJECT NAME	UNITS				
Knox Place 369 St Marks AKA 597 Grand Ave	52	Elliott Chelsea	168	Fulton Park 7&8	209
50 Greene Ave	39	101 Avenue D Apartments	78	La Cabana	167
800 Bergen Street	32	414 Equities LLC	41	738 St. Marks Rehab	21
64 West 9th Street	26	<b>QUEENS</b>		<b>MANHATTAN</b>	
893-895 Pacific Street	16	58-12 Queens Blvd	122	West Harlem Apts	60
277 Gates Avenue	35	Bayside Gardens	26	Metro North Gardens	48
Ralph Avenue	72	32-08 Union St	25	Morningside One Apts	109
221 Parkville Avenue	41	137-02 Northern Blvd	71	<b>TOTAL SECTION 8</b>	<b>1,268</b>
Ft. Hamilton Military Housing	228	140-26 Franklin Ave	54	<b>Servicing Only</b>	
Ralph Avenue Ph. II	72	46-19 88th Street	17	<b>BRONX</b>	
State Renaissance Court	158	14-56 31st Drive	60	Jennings St	85
Bushwick Gardens Cooperative Apt	88	Beach 94 St (Shoreview)	92	River Court Project	126
Williamsburg Edge	347	99-22 67th Road	29	Park Lane Apartments	352
560A Gates Avenue Coop	34	84th Drive	49	Billingsley Terrace Hsg	26
Atlantic Terrace Coop Apartments	80	90-05 161st Street (Yorksides I)	90	Williams Court	80
Bergen Street Coop	48	9501 Rockaway Blvd	72	<b>BROOKLYN</b>	
Columbia Hicks	95	Yorksides Towers II	90	Vermont Mews	40
St. Phillips Co-op	89	Queens Family Courthouse Apartments	277	Tall Realty, LLC	92
Bradford	105	QFC Co-op	69	Gates Ave.	83
11 Broadway	160	65-60 Austin Street	50	Schermerhorn, L.P.	217
Atlantic Yards B2	363	161st Street Apartments	101	196 Rockaway	71
1133 Manhattan Avenue	210	<b>STATEN ISLAND</b>		255 Ocean Ave.	40
482 Franklin Avenue	93	Celebration Townhouses - Permanent	74	3811 Surf Ave Surfgate	41
<b>MANHATTAN</b>		Stapleton Court	92	405 East 94th St.	24
Central Harlem Plaza	241	<b>TOTAL NEWHOP</b>	<b>12,215</b>	Acorn Houses	37
351 E 4 St	33	<b>NYCHA Federalization</b>		Carrol Gardens	28
394 E 8 St	38	<b>NYCHA PUBLIC HOUSING PRESERVATION I LLC</b>		Kenja LP	32
Frederick Douglass Blvd (Triangle Court)	51	<b>BRONX</b>		Pratt Area Community Council	27
Harlem Gateway I	50	Castle Hill	2,023	Willoughby Tompkins	55
Triangle Court II	40	Marble Hill	1,682	St. Marks	98
Madison Park Apartments	89	St. Mary's Park	1,007	St. Marks Phase II	91
Harriet Tubman Gardens	74	<b>BROOKLYN</b>		The 722 Henry Street Project	16
2232 First Ave. et. al.	21	Bayview	1,609	Cheryl's Villa I and II	47
202-18 W 148 St - Site 13 (C-2)	100	Bushwick	1,220	<b>MANHATTAN</b>	
W Guerrero and Assoc	17	Marlboro	1,763	Esplanade Mews	18
1400 Fifth Avenue Condominium	129	<b>MANHATTAN</b>		110 Fulton Street	28
Azure Holdings II, LP	110	Amsterdam	175	Henry Phipps Plaza East	104
235-47 East 105th Street	48	Chelsea	425	Two Bridgeset	198
Larkspur West 117th Street	94	Drew Hamilton	1,211	Falcon Restoration II	41
The Hamilton (Site 7)	77	Manhattanville	1,272	Mandella II	42
Madison Plaza	92	Rutgers	721	Roosevelt La	52
The Washington (Site 14)	104	Samuels	664	2336 First Ave Falcon Restorat	45
Fred-Doug 117, L.L.C.	138	<b>STATEN ISLAND</b>		334-36 E 8 St Mutual HSG	30
Bradhurst Court	128	Stapleton	693	453-455 W 166 St North Manhattan	13
The Aspen	231	<b>SUB-TOTAL</b>	<b>14,465</b>	WHGA Amsterdam II	44
Triangle III	97	<b>NYCHA PUBLIC HOUSING PRESERVATION II LLC</b>		Housing 2012	81
Lenox (Shabazz) Gardens	51	<b>BRONX</b>		<b>TOTAL SERVICING ONLY</b>	<b>1,939</b>
Strivers Gardens	170	Baychester	441	<b>Year 15</b>	
210-214 East 118th Street	27	Murphy	281	<b>BRONX</b>	
Related Upper East	261	<b>BROOKLYN</b>		Jericho Residence	8
138 East 112th Street	43	Boulevard	1,423	Simeon Services	27
Manhattan Court	123	Independence Towers	743	800 Fox Street	19
Bethany Place	28	Linden	1,586	Louise Chazin Apartments	45
130-136 West 112th Street	41	Williams Plaza	577	<b>BROOKLYN</b>	
201 West 148th Street	25	<b>MANHATTAN</b>		Cypress Hills Street	27
East 119th Street Cooperative	111	344 E.28th Street	225	St. John's Apart LDCC	48
15-21 West 116th Street	38	Wise Tower	398	Irving Stockholm	22
Cassiopaia Apts (250 W 116th St)	32	<b>SUB-TOTAL</b>	<b>5,674</b>	Crown Prospect	120
West 61st St Apartments	211	<b>TOTAL NYCHA FEDERALIZATION</b>	<b>20,139</b>	NWR-Northern Daybreak	51
The Sutton Cooperative Apt	135	<b>Section 8</b>		<b>MANHATTAN</b>	
89 Murray St	163	<b>BRONX</b>		60 St. Nicholas Avenue (Freedom Associates)	53
Little Larkspur	22	Clinton Arms	86	John Hill Assoc LP	15
116 West 116th Street	21	Daly Avenue	84	159th Street Better Living	33
Beacon Towers (Coop)	73	Mott Haven VI	110	Lenox Avenue	36
Beacon Mews	125	Plaza Borinquen	88	Edith Pennamom	27
Ellington on the Park	134	Crotona V	87	First WHGA	59
1405 Fifth Avenue Apts	81	<b>BROOKLYN</b>		Park Side	160
Casablanca Houses	32	Borough Park Court	131	<b>TOTAL YEAR 15</b>	<b>750</b>
Susan's Court (454 Manhattan Avenue)	125	Crown Heights I	36	<b>Participation Loan</b>	
Artimus Site 8	54	Crown Heights II	32	<b>TOTAL PARTICIPATION LOANS</b>	<b>10,395</b>
East 118th Street	59	<b>GRAND TOTAL:</b>		<b>167,350</b>	
Calvert Lancaster Parcel D	27				
Calvert Lancaster Parcel F	29				
East Harlem South	117				
245 East 124th Street (Tapestry)	185				
Genesis Cornerstone	86				
The Balton	156				

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2012 ANNUAL REPORT  
**FINANCIALS**



NEW YORK CITY  
HOUSING DEVELOPMENT  
CORPORATION

## STATEMENTS OF NET POSITION

At October 31, 2012 (with comparative summarized financial information as of October 31, 2011) (in thousands)

	Discretely Presented Component Units			Total	
	New York City Housing Development Corporation	New York City Housing Assistance Corporation	New York City Residential Mortgage Insurance Corporation	2012	2011 (as restated)
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and cash equivalents (note 3)	\$ 604,649	\$ -	\$ -	\$ 604,649	\$ 627,952
Investments (note 3)	208,850	-	-	208,850	360,922
Receivables:					
Mortgage loans (note 4)	99,356	167	-	99,523	156,582
Accrued interest	27,763	22	-	27,785	21,239
Notes (note 5)	12,330	-	-	12,330	11,730
Other (note 7)	64,528	-	13	64,541	59,710
Total Receivables	203,977	189	13	204,179	249,261
Other assets	46	-	-	46	52
<b>Total Current Assets</b>	<b>1,017,522</b>	<b>189</b>	<b>13</b>	<b>1,017,724</b>	<b>1,238,187</b>
<b>Noncurrent Assets:</b>					
Restricted cash and cash equivalents (note 3)	687,614	2,957	4,398	694,969	694,645
Restricted investments (note 3)	916,974	10,232	77,214	1,004,420	721,030
Purpose investment (note 2C)	154,044	-	-	154,044	186,644
Mortgage loans (note 4)	485,644	-	-	485,644	671,051
Restricted receivables:					
Mortgage loans (note 4)	7,931,076	29,832	-	7,960,908	7,334,373
Loan participation receivable - The City of NY (note 6)	764,068	-	-	764,068	656,707
Accrued interest	971	2,525	-	3,496	3,356
Notes (note 5)	266,338	-	-	266,338	278,668
Other (note 7)	266	-	-	266	2,779
Total restricted receivables	8,962,719	32,357	-	8,995,076	8,275,883
Unamortized issuance costs	-	-	-	-	-
Primary government/component unit receivable (payable)	1,967	(1,948)	(19)	-	-
Capital assets	1,647	-	-	1,647	1,321
Other assets (note 8)	10,010	-	-	10,010	13,060
<b>Total Noncurrent Assets</b>	<b>11,220,619</b>	<b>43,598</b>	<b>81,593</b>	<b>11,345,810</b>	<b>10,563,634</b>
<b>Total Assets</b>	<b>\$ 12,238,141</b>	<b>\$ 43,787</b>	<b>\$ 81,606</b>	<b>\$ 12,363,534</b>	<b>\$ 11,801,821</b>
<b>Deferred outflows of resources</b>					
Interest rate cap	1,586	-	-	1,586	2,557
<b>Total deferred outflows of resources</b>	<b>\$ 1,586</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,586</b>	<b>\$ 2,557</b>

[Click here to see accompanying notes to the basic financial statements.](#)

## STATEMENTS OF NET POSITION (continued)

At October 31, 2012 (with comparative summarized financial information as of October 31, 2011) (in thousands)

	Discretely Presented Component Units			Total	
	New York City Housing Development Corporation	New York City Housing Assistance Corporation	New York City Residential Mortgage Insurance Corporation	2012	2011 (as restated)
<b>LIABILITIES AND NET POSITION</b>					
<b>Current Liabilities:</b>					
Bonds payable (net) (note 9)	\$ 392,369	\$ -	\$ -	\$ 392,369	\$ 476,641
Accrued interest payable	71,220	-	-	71,220	66,106
Payable to mortgagors	103,218	-	-	103,218	204,479
Restricted earnings on investments	9,734	39	-	9,773	8,477
Accounts and other payables	230,909	-	-	230,909	331,781
<b>Total Current Liabilities</b>	<b>807,450</b>	<b>39</b>	<b>-</b>	<b>807,489</b>	<b>1,087,484</b>
<b>Noncurrent Liabilities:</b>					
Bonds payable (net) (note 9)	8,412,956	-	-	8,412,956	8,020,063
Payable to The City of New York:					
Loan participation agreement (note 11)	764,068	-	-	764,068	656,707
Other	227,158	42,812	-	269,970	208,370
Payable to mortgagors	400,262	504	-	400,766	270,606
OPEB liability (note 13)	7,792	-	-	7,792	9,809
Unearned revenues, amounts received in advance and other liabilities	37,928	-	-	37,928	22,238
Due to the United States Government (note 14)	16	-	-	16	670
<b>Total Noncurrent Liabilities</b>	<b>9,850,180</b>	<b>43,316</b>	<b>-</b>	<b>9,893,496</b>	<b>9,188,463</b>
<b>Total Liabilities</b>	<b>10,657,630</b>	<b>43,355</b>	<b>-</b>	<b>10,700,985</b>	<b>10,275,947</b>
<b>Net Position:</b>					
Restricted for bond obligations (note 18)	835,816	432	-	836,248	593,172
Restricted for insurance requirement and others (note 18)	-	-	49,038	49,038	48,448
Unrestricted (note 18)	746,281	-	32,568	778,849	886,811
<b>Total Net Position</b>	<b>1,582,097</b>	<b>432</b>	<b>81,606</b>	<b>1,664,135</b>	<b>1,528,431</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 12,239,727</b>	<b>\$ 43,787</b>	<b>\$ 81,606</b>	<b>\$ 12,365,120</b>	<b>\$ 11,804,378</b>

[Click here to see accompanying notes to the basic financial statements.](#)

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year ended October 31, 2012 (with comparative summarized financial information for the year ended October 31, 2011) (in thousands)

	Discretely Presented Component Units			Total	
	New York City Housing Development Corporation	New York City Housing Assistance Corporation	New York City Residential Mortgage Insurance Corporation	2012	2011 (as restated)
<b>OPERATING REVENUES</b>					
Interest on loans (note 4)	\$ 203,793	\$ -	\$ -	\$ 203,793	\$ 185,271
Fees and charges (note 7)	54,947	-	1,799	56,746	43,306
Income on loan participation interests (note 6)	2,266	-	-	2,266	4,468
Other	2,430	-	3	2,433	38
<b>Total Operating Revenues</b>	<b>263,436</b>	<b>-</b>	<b>1,802</b>	<b>265,238</b>	<b>233,083</b>
<b>OPERATING EXPENSES</b>					
Interest and amortization of bond premium and discount (note 9)	159,196	-	-	159,196	148,794
Salaries and related expenses (note 12)	21,604	-	-	21,604	20,987
Trustees' and other fees	7,443	-	-	7,443	4,399
Bond issuance costs	9,462	-	-	9,462	5,625
Corporate operating expenses (note 10)	5,346	-	-	5,346	5,388
<b>Total Operating Expenses</b>	<b>203,051</b>	<b>-</b>	<b>-</b>	<b>203,051</b>	<b>185,193</b>
<b>Operating Income</b>	<b>60,385</b>	<b>-</b>	<b>1,802</b>	<b>62,187</b>	<b>47,890</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Earnings on investments (note 3)	26,486	(223)	3,118	29,381	30,751
Other non-operating revenues, net (note 7)	44,136	-	-	44,136	78,325
Payments to REMIC Subsidiary from HDC (note 1)	-	-	-	-	-
Payments from REMIC Subsidiary to HDC	450	-	(450)	-	-
<b>Total Non-operating Revenues, net</b>	<b>71,072</b>	<b>(223)</b>	<b>2,668</b>	<b>73,517</b>	<b>109,076</b>
<b>Change in Net Position</b>	<b>131,457</b>	<b>(223)</b>	<b>4,470</b>	<b>135,704</b>	<b>156,966</b>
Total net position - beginning of year as previously stated	1,450,640	655	77,136	1,528,431	1,292,865
Prior years adjustments - implementation of GASB 65	-	-	-	-	78,600
Total net position - beginning of year as restated	1,450,640	655	77,136	1,528,431	1,371,465
<b>Total Net Position - End of Year as Restated</b>	<b>\$ 1,582,097</b>	<b>\$ 432</b>	<b>\$ 81,606</b>	<b>\$ 1,664,135</b>	<b>\$ 1,528,431</b>

[Click here to see accompanying notes to the basic financial statements.](#)

## STATEMENTS OF CASH FLOWS

Years ended October 31, 2012 and 2011 (in thousands)

	<b>New York City Housing Development Corporation</b>	
	<b>2012</b>	<b>2011</b>
	(as restated)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Mortgage loan repayments	\$ 864,790	\$ 651,587
Receipts from fees and charges	19,417	13,628
Mortgage escrow receipts	128,620	111,531
Reserve for replacement receipts	44,932	39,231
Mortgage loan advances	(1,104,437)	(1,307,305)
Escrow disbursements	(93,127)	(81,537)
Reserve for replacement disbursements	(37,820)	(30,190)
Payments to employees	(19,767)	(19,006)
Payments to suppliers for corporate operating expenses	(5,249)	(5,434)
Project contributions and funds received from NYC	112,391	95,081
Advances and other payments for NYC	(84,677)	(142,542)
Bond cost of issuance	(367)	(607)
Other receipts	363,619	488,422
Other payments	(335,273)	(149,243)
<b>Net Cash Used in Operating Activities</b>	<b>(146,948)</b>	<b>(336,384)</b>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>		
Proceeds from sale of bonds	1,228,486	685,105
Retirement of bonds	(916,191)	(674,397)
Interest paid	(156,574)	(145,457)
Grant proceeds from BPCA	37,015	38,238
Payments from component units	-	440
Payments to component units	1,250	(10,200)
<b>Net Cash (Used in) Provided by Non Capital Financing Activities</b>	<b>193,986</b>	<b>(106,271)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(642)	(85)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(642)</b>	<b>(85)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investments	13,820,041	18,233,199
Purchase of investments	(13,877,049)	(17,990,826)
Interest and dividends collected	23,881	28,831
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(33,127)</b>	<b>271,204</b>
Increase (Decrease) in cash and cash equivalents	13,269	(171,536)
Cash and cash equivalents at beginning of year	1,278,994	1,450,530
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,292,263</b>	<b>\$ 1,278,994</b>

[Click here to see accompanying notes to the basic financial statements.](#)

## STATEMENTS OF CASH FLOWS (Continued)

Years ended October 31, 2012 and 2011 (in thousands)

	<b>New York City Housing Development Corporation</b>	
	<b>2012</b>	<b>2011</b>
	(as restated)	
<b>Reconciliation of Operating Income to Net Cash Used in Operating Activities:</b>		
<b>Operating Income</b>	<b>\$ 60,385</b>	<b>\$ 46,407</b>
<b>Adjustments to reconcile operating income to net cash used in operating activities:</b>		
Depreciation expenses	316	128
Amortization of bond discount and premium	(3,674)	(1,452)
Net cash provided by non-operating activities	156,574	145,474
<b>Changes in Assets and Liabilities:</b>		
Mortgage loans	(450,217)	(960,624)
Accrued interest receivable	562	(21,294)
Other receivables	70,727	32,629
Primary government/component unit receivable (payable)	(106,763)	59,531
Other assets	988	(9,707)
Payable to The City of New York	178,046	20,552
Payable to mortgagors	32,356	76,687
Accounts and other payables	(106,781)	281,988
Due to the United States Government	4	-
Restricted earnings on investments	(1,209)	(6,096)
Unearned revenues, amounts received in advance and other liabilities	16,625	(4,641)
Accrued interest payable	5,113	4,034
<b>Net Cash Used in Operating Activities</b>	<b>\$ (146,948)</b>	<b>\$ (336,384)</b>
Non Cash Investing Activities:		
(Decrease) increase in fair value of investments	\$ 1,859	\$ (271)

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