

**MINUTES  
OF THE MEETING OF THE  
NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**

January 23, 2026

A meeting of the Members of the New York City Housing Development Corporation was held on Friday, January 23, 2026, at the office of the Corporation, 120 Broadway, 2<sup>nd</sup> Floor, New York, New York. The meeting was called to order at 10:00 a.m. by the Chairperson AnnMarie Santiago, who noted the presence of a quorum. The Members present were Charles G. Moerdler, Sheriff Soliman, Jeffery Shear and Marc Norman. Harry E. Gould joined virtually but his attendance did not count towards a quorum because his camera was not operational.

The Chairperson stated that the Members were requested to approve the minutes of the meeting held on November 19, 2025. Upon a motion duly made by Mr. Moerdler and seconded by Mr. Norman, the Members unanimously:

**RESOLVED** to approve the minutes of such meeting.

The Chairperson stated that the next item on the agenda would be the President's report and called upon Eric Enderlin, President of the Corporation to make this presentation.

Mr. Enderlin thanked AnnMarrie Santiago for joining the meeting as Chair and Acting Commissioner at HPD. Mr. Enderlin then stated that he would keep his remarks brief, as we were convening this meeting of the Board in place of an Audit Committee meeting in order to present HDC's 2025 Financial Statements and Annual Investment Report for approval.

Mr. Enderlin welcomed our Board Members – especially those who joined for the first time— Mr. Shear and Mr. Soliman — and thanked them for making the time. Mr. Enderlin stated he looks forward to working together in the year ahead and to seeing all Members again at our regularly scheduled spring meeting.

Mr. Enderlin stated he would like to note for the record that Vice Chair, Mr. Harry Gould, joined virtually. He explained that while virtual participation by a Board Member is rare, it was permitted today in accordance with the New York State Open Meetings Law.<sup>1</sup>

Mr. Enderlin turned to today's agenda. He stated that HDC's Vice President and Controller, Cheuk Yu, will present the 2025 Financial Statements and will request approval after the team from Ernst & Young presents their 2025 audit reports. Ellen Duffy, Executive Vice President for Capital Markets and Investments, will then present the Annual Investment Report for approval.

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<sup>1</sup> Harry E. Gould joined virtually but his attendance did not count towards a quorum because his camera was not operational.

Mr. Enderlin stated that while the agenda is short, it represents a tremendous amount of work by the Accounting team over the past year. He extended his sincere thanks to the entire team for their diligence and continued commitment to ensuring this work is completed to the highest standard.

Mr. Enderlin concluded his report and turned it back to the Chairperson.

The Chairperson stated that the next item on the agenda would be the Presentation of the Corporation's FY 2025 Financial Report and called upon Cheuk Yu to make this presentation.

Mr. Yu reported that during this fiscal year, the Corporation had another successful year in Fiscal Year 2025. The Corporation's financial performance reached another new high with \$33.0 billion in total assets under management, and despite an uncertain economic environment, the Corporation continued issuing bonds, demonstrating its strength.

Mr. Yu stated that the Corporation continued its commitment to creating and preserving affordable housing in the City and ongoing support for the City's housing initiatives. The Corporation successfully issued a total of \$2.1 billion in bond series and one \$289.7 million in FFB series, for a combined total of \$2.4 billion under the Enterprise Fund financial reporting during FY 2025. The proceeds from these bonds were utilized to provide financing for both new construction and rehabilitation loans, resulting in \$1.4 billion in new commitments, further strengthening the Corporation's role in addressing the demand for affordable housing.

Mr. Yu stated the Corporation committed \$165.7 million in subsidy loans financed with a combination of corporate reserves and bond proceeds. HDC also continued its commitment to the NYCHA PACT program by financing three additional projects this fiscal year, bringing the total Bonds issued under the PACT Bond Resolution to \$1.9 billion since its inception in February 2020.

During this fiscal year, HDC adopted GASB 103 – Financial Reporting Model Improvement which requires bond interest expense to be classified as a non-operating expense. As such, the bond interest expense and related financing costs were reported under the non-operating expense section of the Statement of Revenues and Expenses.

Mr. Yu stated that the total revenues of the Corporation increased to \$1.4 billion, an increase of \$79.3 million from FY 2024.

Mr. Yu stated that the net operating income was \$954.6 million mainly due to interest earnings on mortgage loans.

Mr. Yu stated that the operating expenses were \$75.7 million, an increase of \$7.7 million or 9.7% from a year ago.

Mr. Yu stated that the non-operating expenses were \$227.6 million, an increase of \$75.1 million from FY 2024. The increase in non-operating expenses was driven by normal increases in bond interest expense from a growing bond portfolio and lower non-operating revenues, including

reduced recapture of unrealized investment losses and lower receipts from the Battery Park City agreement.

Mr. Yu stated that the realized investment earnings continued to perform well at \$205.1 million, up from \$161.0 million in FY 2024.

Mr. Yu stated the total assets and deferred outflows increased to \$33.0 billion, an increase of \$4.2 billion or 14.6% from FY 2024. The increase was primarily a result of the Corporation's continued strong mortgage lending and bond financing activities throughout the year. The mortgage loan portfolio, which comprises 75.5% of total assets, was \$24.9 billion, an increase of \$2.8 billion or 12.8% from the previous year.

Mr. Yu stated that the total liabilities were \$27.2 billion, an increase of \$3.5 billion or 14.5% from FY 2024. The largest liabilities were Bonds and Debt Obligations outstanding at \$16.1 billion, a net increase of \$1.5 billion from FY 2024. Eighteen new bond series were issued, totaling \$2.1 billion during this fiscal year. The next largest liabilities were the Section 661 grant funds from HPD at \$7.9 billion, an increase of \$1.6 billion from a year ago.

Mr. Yu stated that the Corporation's total net position was \$5.6 billion, representing an increase of \$747.0 million or 15.4% from the previous fiscal year. This growth was due to normal operating activities and higher investment income, driven by an increasingly large investment portfolio.

Mr. Yu concluded his presentation and asked if there were any questions.

There being no questions, the Chairperson stated that the next item on the agenda would be the Ernst & Young Audit Report for FY 2025 and called upon Lou Roberts and Rob Heffelman to make their presentation.

Mr. Roberts began by introducing himself as the Engagement Partner and Robert Heffelman as the Senior Manager.

Mr. Roberts asked that the members turn their attention to the executive summary on page one of the PowerPoint presentation.

Mr. Roberts stated that he'd go through the summary and then Mr. Heffelman would go through the remaining slides and help cover the areas of emphasis, which included significant accounts as well as the required communications that are required to be presented to those charged with governance in accordance with the AICPA, which is the American Institute of CPAs.

Mr. Roberts stated that, as part of their audit, they look at any significant accounting matters. He mentioned that Mr. Yu spoke about the implementation of GASB 103, which really was a reclassification of the interest and common bond issuance costs on the statement of revenues and expenses. With the implementation of that accounting standard, there was a note that there were no material corrected or uncorrected misstatements to the financial statements.

Mr. Roberts stated as part of evaluating controls, they look at entity level controls and then the controls that drive those significant transactions. No issues were noted with respect to internal controls. He stated they evaluated that it's being designed effectively and received outstanding cooperation and communication with the Corporation throughout the course of the audit. In summary, they will be issuing an unmodified opinion, which is a clean opinion on the financial statements.

Mr. Roberts stated regarding key considerations, they didn't identify any significant or unusual transactions that were entered into by the Corporation this year. They spoke about the accounting pronouncements.

Mr. Roberts proceeded to address the actionable items necessary to conclude the audit. He stated that they plan on issuing their opinion on January 29, 2026, which would be in accordance with the requirements of the New York Public Authority's Accountability Act, which requires the financial statement to be issued within 90 days of the end of the fiscal year. Throughout the course of the audit, they met with several members of management to discuss whether or not they were aware of any instances of fraud or significant non-compliance matters with laws and regulations. He stated that if any instances of fraud or non-compliance were brought to the attention of those charged with governance, a meeting could be set up to discuss them between now (January 23, 2026) and Thursday (January 29, 2026), prior to issuing their opinion.

Mr. Roberts stated they are in the process of performing their subsequent events review. They look at any significant transactions that occur from the end of the fiscal year to the time that they issue their financial statement opinion to see if there's anything that would impact the financial statements, make sure there's proper cutoff with recording of transactions and that they're in the proper period.

Mr. Roberts stated they also are required to obtain a signed letter of representation from management. A draft has been provided which will be signed and dated the date of their audit opinions.

Mr. Roberts stated in addition to his review, they have an independent review partner to make sure that they follow their quality standards and there are no significant issues identified.

Mr. Roberts stated in addition to the audit of the financial statements, they also perform the audit of the grant compliance procedures that's referred to as the uniform guidance audit. With respect to the grants that the Corporation receives, there's certain compliance requirements required to be audited. They have not identified any matters and plan on issuing an unmodified opinion on that audit as well on the same date as the financial statements.

Mr. Roberts stated the lender servicer referred to as USAP does a compliance report to make sure that you're following the compliance requirements for the servicing of loans. They have not identified any issues with respect to that examination.

Mr. Roberts stated lastly, there's the examination on investment compliance. They ensure that the investments are in compliance with your policies and have not identified any issues with respect to that examination.

Mr. Roberts turned the presentation over to Mr. Heffelman.

Mr. Heffelman stated page two and page three highlight those areas of audit emphasis. The listings on those pages were not an exhaustive list of all of the areas that are subjected to audit procedures. It is those that represent either the most significant line items on the financial statements or those areas of risk in general. The two topics at the top, revenue recognition and expense recognition, are areas that they test historically using a combination of analytical procedures by means of historical patterns to predict current year activity to determine if that's aligned with their expectations, and as a result of those procedures they have identified no discrepancies.

Mr. Heffelman stated from a balance sheet perspective that cash, cash equivalents, and the underlying investments, as well as mortgage receivables are significant line items that they perform an exhaustive level of testing on including confirmations with third parties such as mortgages, banks, mutual fund issuing banks as well as others. No issues were identified as a result of their procedures there, which is consistent with many years in a row.

Mr. Heffelman stated moving to page three, long-term debt is also an area of emphasis where they do a significant level of confirmation with third parties. No variances or material issues have been identified as a result of those procedures.

Mr. Heffelman stated the last three are more general audit procedures. Consideration of the risk of management override of control is an inherent risk that they evaluated every single entity. Things such as management telling accountants to book a journal entry or book a balance that is above either their authority or out of line with GAAP compliance. No issues have been identified either with the results of their testing, or no issues have been identified indicating that there is a higher risk of management override of controls.

Mr. Heffelman stated similarly, they evaluate related parties, and if there are related parties, any transactions with those related parties are executed at arm's length. That is a consistent approach that they've taken year after year from a related party perspective. He stated New York City and others are common counterparties.

Mr. Heffelman stated they also evaluate whether there are key members of management or the Board who have interests in businesses that engage in business with HDC and whether those

third parties could bring conflict of interest or other scenarios of risk into play. He reported that, similarly, no issues were identified as a result of their procedures and that is consistent with many years in a row.

Mr. Heffelman stated Mr. Roberts touched on the compliance with the uniform guidance, the single audit procedures. The focus there is really on the loan program for money's received related to Hurricane Sandy. The activity related to that is zero (0) in the current year in terms of the loans are outstanding and being serviced at this point and waiting for the terms to end in 20-30 years depending on the loan itself.

Mr. Heffelman paused for questions on what he and Mr. Roberts covered from the overarching executive summary and areas of audit emphasis before moving to the appendices and the remaining slides.

There being no questions, Mr. Heffelman continued.

Mr. Heffelman stated Appendix A is a set of required communications they are required to make as part of their communications to those charged with governance. It includes items such as whether there were changes to their audit strategy as a result of testing; whether they identified any fraud, non-compliance with laws and illegal acts; any matters related to whether in their view HDC has the ability to continue as a going concern; related party transactions; and matters that would impact the independence of EY as the auditor of HDC. None of these matters have brought to life anything that would either challenge the results, change the strategy, bring about any compliance issues or impair their independence.

Mr. Heffelman stated that these items are all listed out in Appendix A and every single one of them communicate that the results of the audit indicated nothing of higher risk, nothing of concern, ultimately supporting their unqualified opinion as Mr. Roberts mentioned.

Mr. Heffelman stated Appendix B is their peer review reports Any public auditor is required every three years to go through a review from a peer firm to determine whether their firm's system of quality control is appropriate. The most recent report received in November of 2025 from Grant Thornton was included with this meeting. They have continued to receive a passing grade on their system of quality control.

Mr. Heffelman stated Appendix C is something they wanted to include for future thinking. It discussed how EY continues to adapt to the evolving technology landscape with things like artificial intelligence, robotic process automation and the risks that come with those in cyber security and data integration. They continue to look for opportunities to embed more efficient audit procedures and more efficient digital focused procedures into the audit.

Mr. Heffelman stated Mr. Yu, Mr. Mussa Sanoe, and others have been incredibly welcoming to these opportunities and ways to find more efficiency in executing the audit and

ultimately less requests for a pile of supporting documentation. The best they could ask for is an open mind to these conversations. This highlights some of those investments the firm has been making and where they look for those continued integrations and opportunities.

Mr. Heffelman stated that himself and Mr. Roberts are available at any time for questions if anyone wanted to discuss these topics further. Regarding the integrations that they were making, they were happy to demonstrate any of those. Additionally, he mentioned there were no issues with fraud, non-compliance, and things of that nature. He stated if there is anyone who feels that they have something they need to communicate related to that, for the sake of confidentiality, please don't hesitate to reach out to himself or Mr. Roberts. They welcome any of those conversations though there was nothing that has been identified through our exhaustive inquiries of management.

Mr. Heffelman concluded his remarks and was happy to try to address any questions.

Mr. Moerdler stated this is a retrospective examination request and asked what is your definition of a related party and whether it another city agency or state agency? Mr. Roberts answered that if HDC is receiving any funding from the state or city agency, then that would be considered a related party. Mr. Moerdler asked in the course of your audit did E&Y examine as to whether or not those transactions that we may have had as between HDC and other city agencies are all in order? Mr. Roberts answered yes. Mr. Moerdler asked if E&Y was prepared to issue a clean opinion thereon? Mr. Roberts answered on the financial statements, yes.

The Chairperson asked if there were any further questions.

There being no further questions, the Chairperson called for a motion to approve the Corporation's FY 2025 Financial Statements.

Upon a motion duly made by Mr. Moerdler, and seconded by Mr. Soliman, the Members unanimously:

**RESOLVED**, to approve the Corporation's FY 2025 Financial Statements.

The Chairperson stated that the next item on the agenda would be the Approval of the Corporation's FY 2025 Annual Investment Report and called upon Ellen Duffy to make this presentation.

Ms. Duffy stated that the New York City Housing Development Corporation (the "Corporation" or "HDC") was submitting its Annual Investment Report (the "Report") for the Corporation and its subsidiaries pursuant to Section 2925 of the Public Authorities Law ("PAL") of New York State. The Report presented the Corporation's investment record for fiscal year 2025. As required by statute, the report included the investment record of the Corporation; the Investment Guidelines as approved by the Audit Committee Members on January 28, 2025, and ratified by the Board Members on April 7, 2025; and the results of the annual independent audit which was just approved by the Members.

Ms. Duffy stated the report also included descriptive charts on HDC's investments and investing environment, and a Counterparty Credit Risk Exposure Summary.

Ms. Duffy stated that the realized earnings on investments totaled \$205.1 million in fiscal year 2025, an increase of \$44.1 million from fiscal year 2024, due mainly to relatively steady reinvestment rates and a greater amount of investment proceeds. The current yield curve environment and changing market conditions were factors to consider in the Corporation's ongoing investment strategy.

Ms. Duffy stated that because of the Corporation's commitments, the majority of investments must be held for the short term, which provided sufficient liquidity for the Corporation. In response to the current interest rate environment, the Corporation continued to invest primarily in collateralized demand deposits, certificates of deposit, guaranteed investment contracts, and direct purchases of U.S. Treasury and Agency obligations to optimize yield.

Ms. Duffy stated that as required by GASB rule No. 31, the Corporation has recorded a fair value adjustment in its investment portfolio. The Corporation recorded a net appreciation of \$93.2 million for fiscal year 2025. As part of the Corporation's investment policies, it looked to invest its bond and corporate related reserves in securities with the intent to hold the investment to maturity. She stated as a result, any unrealized appreciation or depreciation was only reported as an accounting gain or loss at this time.

Ms. Duffy stated that HDC funds under management increased approximately 22.3% from fiscal year-end 2024 to fiscal year-end 2025, from \$5.5 billion to \$6.7 billion. The Corporation had a 15.4% increase in net position over the last year due to an improved fair value adjustment in its investment portfolio as described above.

Ms. Duffy stated that consolidated investment income was \$205.1 million for FY 2025. Of that amount, \$141.8 million or 69.1% of the consolidated investment income was attributable to bond programs and therefore was not available to the Corporation. An additional \$6.6 million was earned by and retained within REMIC and HAC. She stated the remaining \$56.8 million of earnings was pledged to ongoing affordable housing programs of the Corporation.

Ms. Duffy stated that HDC managed its funds internally through the Cash Management Division. HDC has not incurred nor paid any fees, commissions or other charges for investment services.

Ms. Duffy stated that oversight is provided internally by an Investment Committee and by various reviews by HDC's Credit Risk and Internal Audit units. There were also investment and credit risk reports presented at each meeting of the Corporation's Audit Committee, and an annual examination by our external auditors, Ernst & Young.

Ms. Duffy stated that the Corporation's Investment Guidelines were last approved by the Audit Committee Members on January 28, 2025, and ratified by the Board Members on April 7, 2025. There has been no changes to the Investment Guidelines during FY 2025.

Ms. Duffy stated that upon approval by the Board Members, the Report will be submitted to the Mayor and to both the City and State Comptrollers, as required by the Public Authorities Law.

Ms. Duffy stated that she was glad to answer any questions about the 2025 Annual Investment Report or the Investment Guidelines. She stated if there were none, the Corporation requests that the Members approve the 2025 Annual Investment Report and approve the Investment Guidelines which were included in the report.

There being no further questions, the Chairperson called for a motion to approve the Corporation's FY 2025 Annual Investment Report including the investment guidelines.

Upon a motion duly made by Mr. Moerdler, and seconded by Mr. Norman, the Members unanimously:

**RESOLVED**, to approve the Corporation's FY 2025 Annual Investment Report including the investment guidelines.

At 10:27 a.m., there being no further business, upon a motion duly made by Mr. Moerdler, and seconded by Mr. Soliman the meeting was adjourned.

Respectfully Submitted



Moira Skeados  
Secretary

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OF THE MEETING OF THE  
NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**

January 23, 2026

**ATTENDANCE LIST**

Eric Enderlin	NYC Housing Development Corporation
Cathleen Baumann	NYC Housing Development Corporation
Lauren Connors	NYC Housing Development Corporation
Ruth Moreira	NYC Housing Development Corporation
Moira Skeados	NYC Housing Development Corporation
Susannah Lipsyte	NYC Housing Development Corporation
Ankita Vaid	NYC Housing Development Corporation
Madhavi Kulkarni	NYC Housing Development Corporation
Paul Cackler	NYC Housing Development Corporation
Austin Chin	NYC Housing Development Corporation
Harry Gould	NYC Housing Development Corporation
Horace Greene	NYC Housing Development Corporation
Kimberly Huang	NYC Housing Development Corporation
Lisa Geary	NYC Housing Development Corporation
Mary Hom	NYC Housing Development Corporation
Sean Jeong	NYC Housing Development Corporation
Susan Tso	NYC Housing Development Corporation
Trisha Ostergaard	NYC Housing Development Corporation
Lou Roberts	Ernst & Young
Rob Heffelman	Ernst & Young
Andrew Pfeifer	Stifel
Aulii Taitano	Morgan Stanley
Haley Paul	Barclays
Barry Gottfried	Barclays
Tristan Patterson	Academy Securities
Robert Moorhose	Academy Securities
Kevin Murphy	Hawkins