



NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

MEMORANDUM

TO: Members of the Audit Committee
FROM: Ellen Duffy *ED*
SUBJECT: Weekly Investment Report for March 13, 2013
DATE: APRIL 2, 2013

Attached please find HDC's investment report for March 13, 2013. Funds under management totaled approximately \$2.68 billion, consistent with the balances we have been experiencing this year. This report reflects routine investment activity.

Weekly Investment Report
Wednesday, March 13, 2013

	3/13/2013	2/26/2013	Weekly Change	10/31/2012	Change 10/31/2012 to Current
Total Investments	2,578,526,071	2,556,044,682	122,481,389	2,627,870,239	50,655,832
Investments by Pool:					
Open Resolution Revenue	173,866,428	181,213,762	(7,247,334)	224,587,914	(50,621,486)
Project-Related GNIMAs	151,863,621	151,863,621	-	153,388,466	(1,524,846)
Open Resolution DSR	93,198,278	93,194,195	(3,918)	90,719,628	2,438,649
Open Resolution Capitalized Interest	4,521,902	4,600,770	(78,868)	1,898,351	2,623,551
Open Resolution Bond Proceeds	728,702,532	747,866,183	(19,163,651)	788,228,356	(59,526,324)
Open Resolution Redemption	128,036,870	31,925,000	96,111,870	44,702,420	83,334,450
Open Resolution Prepayment	129,259,710	53,286,348	75,993,362	51,794,494	77,465,216
Debt Paydown Reserve Fund	941,663	16,817,139	(15,875,476)	16,808,078	(15,866,416)
Non Bonded Proceeds	494,752	494,468	285	493,222	1,530
Mitchell-Lama Prepayment	5,164,327	5,162,806	1,521	5,162,806	1,521
NYCHA (Stand Alone, All Funds)	31,182,000	31,182,000	-	31,164,000	18,000
Bond Proceeds, Non-OR	164,802,138	167,326,482	(2,524,344)	75,802,937	88,999,201
HPD Participating Loan (Schemeform)	6,081,411	6,080,608	802	7,058,080	(976,669)
Bond Revenue Funds, Non-OR	129,704,635	131,831,835	(2,127,200)	116,248,953	13,455,682
Subtotal, Bond-Related	1,747,880,266	1,622,825,218	125,055,049	1,608,058,207	139,822,059
HPD Funds	194,402,231	195,482,306	(1,080,075)	198,702,442	(4,300,211)
Escrows (HDC retains earnings)	34,857,018	32,874,426	1,782,592	30,223,267	4,433,750
Reserves for Replacement, Escrows	224,928,282	224,592,991	336,291	219,989,414	4,939,868
Subtotal, Loan Servicing	453,988,531	452,949,723	1,038,808	448,915,124	5,073,407
Housing Assistance Corp.	12,579,888	12,557,214	22,474	13,330,500	(750,612)
REMIC	91,748,201	91,425,871	322,331	80,526,638	11,221,563
Mitchell-Lama Claim Payment Fund	1,601,000	1,601,000	-	-	1,601,000
Construction Loan Mortgage Equity	4,806,342	4,880,224	(53,882)	3,644,506	1,161,836
Corporate Services - 421a Funds	20,844,282	21,118,504	(274,272)	22,353,293	(1,509,061)
Corporate Services - Committed to HDC Loans	34,813,767	34,068,776	744,991	45,205,542	(10,391,775)
Corporate Services - Committed to HDC Open Res	4,183,225	5,264,679	(1,081,454)	16,638,592	(12,455,368)
Corporate Services - Cit Loan Participation	47,733,603	47,733,603	-	32,651,505	15,082,098
Corporate Services - General/Operating***	105,599,170	107,910,649	(2,311,479)	248,518,421	(142,919,252)
Corporate Services - Revolving/Warehousing	200,000	200,000	-	-	200,000
Corporate Services - Future Mitchell Lama Grants	13,918,522	13,908,383	10,140	-	13,918,522
Corporate Services - Mitchell Lama Repair Fund	1,508	1,507	1	1,503	5
Corporate Services - HPD 2004 M.O.U.	13,769	13,761	8	13,726	43
Corporate Services - HUD Multi-Family Loan Fund	5,224,488	5,212,842	11,647	5,278,397	(53,909)
Corporate Services - HPD 15 Year Reserves	2,920,610	2,918,930	1,680	2,912,327	8,283
Corporate Services - OPEB	3,890,000	3,890,000	-	3,890,000	-
Corporate Services - NYCEEC	2,501,000	2,501,000	-	2,501,000	-
Corporate Services - Designated and Restricted / Rating and Reserves **	124,078,148	125,082,799	(1,004,651)	93,430,955	30,647,193
Subtotal, HDC Non-Bond Programs	476,657,274	480,289,742	(3,612,468)	570,896,908	(94,239,634)
Total, All Pools	2,678,526,071	2,556,044,682	122,481,389	2,627,870,239	50,655,832

** This amount represents the 2nd mortgage payoffs from the Mitchell Lama closing held by HDC prior to transfer to REMIC trustee

*** 72,500,000 Rating Agency Reserve

*** 5,860,000 2006 A DSR

*** 15,070,955 HDC Guaranty Fund (248)

*** 15M HDC Risk-Sharing Reserves Co-op City (139)

*** 15M HDC Financial Guaranty Reserves NYSHA Tax Credit (140)

*** 3M Self Insurance Reserve for Errors and Omissions

*** 19M Six Month Operating Reserve

Weekly Investment Report
Wednesday, March 13, 2013

02/26/2013
Percentage of
Type of Securities
Held

Change 10/31/2012 to
Current

	3/13/2013	2/26/2013	Weekly Change	10/31/2012	Change 10/31/2012 to Current
Total Investments	2,678,526,071	2,556,044,682	122,481,390	2,627,870,239	50,655,832
Investments by Security:					
Repurchase Agreements	201,595,000	182,287,000	19,308,000	194,940,000	6,655,000
Guaranteed Investment Contracts	317,308,512	249,042,575	68,265,937	217,842,794	99,465,718
Demand Deposit (Interest Bearing)	936,438,272	902,239,820	34,198,452	1,046,782,979	(110,344,707)
Certificate of Deposit	68,000,000	68,000,000	-	68,000,000	-
Agencies	586,387,667	581,387,667	5,000,000	525,012,000	61,375,667
Project-Related GNMA	151,863,621	151,863,621	-	153,388,466	(1,524,846)
Municipal Bonds	72,475,000	75,915,000	(3,440,000)	77,035,000	(4,560,000)
Treasuries	344,458,000	345,309,000	(851,000)	344,869,000	(411,000)
Total	2,678,526,071	2,556,044,682	122,481,390	2,627,870,239	50,655,832

Diversification Details:

Repurchase Agreements:	Amount Outstanding
Chase Securities, Inc.	-
Citigroup	-
Daiwa Securities	120,404,000
Banc Of America Securities	-
Mizuho Securities Usa, Inc.	81,191,000
Total	201,595,000

Commercial Paper

	Amount Outstanding	%	Collateralized	%	Total
Guaranteed Investment Contracts	Uncollateralized	%	Collateralized	%	Total
Bank Of America	-	0.00%	6,131,891	0.00%	6,131,891
Bayerische Landesbank	12,300,314	5.15%	-	0.00%	12,300,314
Credit Agricole CIB NEW YORK Calyon	217,784,755	91.20%	-	0.00%	217,784,755
Deutsche Bank Ag New York -GIC PROVIDER	-	0.00%	71,191,214	0.00%	71,191,214
Rabobank International	4,521,780	1.89%	-	0.00%	4,521,780
RBC Capital Markets Corporation	3,411,999	1.43%	-	0.00%	3,411,999
Societe Generale Gic	776,558	0.33%	-	0.00%	776,558
Westdeutsche Landesbank	-	0.00%	1,190,000	1.52%	1,190,000
Total	238,795,407	100.00%	78,513,105	100.00%	317,308,512

GIC Uncollateralized %	75.26%
GIC Collateralized %	24.74%

Demand Deposit (Interest Bearing)

H.S.B.C	94,234,048	10.06%	3,518%
Flushing Commercial Bank	52,111,472	5.56%	1.946%
JP MORGAN CHASE BANK	141,446,593	15.10%	5.281%
NYC Community Bank	259,431,944	27.70%	9.686%
Signature	389,214,215	41.56%	14.531%
Total	936,438,272	100.00%	34.961%

Note : Does not include DDA accounts that reconcile to zero.



NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

MEMORANDUM

To: Members of the Audit Committee
From: Mary Hom *MH*
Date: April 3, 2013
Re: Counterparty Credit Risk Exposure

I have attached a report detailing the Corporation's counterparty exposure as of March 25, 2013.

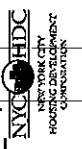
Please let me know if you have any questions.

FOR INTERNAL USE ONLY

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
 Counterparty Credit Risk Exposure Report as of March 25, 2013
 (UNAUDITED)

Counterparty	Moody's	S&P	Construction LOC	Permanent Enhancement	Investment	Liquidity Providers	COUNTERPARTY EXPOSURE	TOTAL COUNTERPARTY EXPOSURE	% Total Counterparty Exposure
Assured Guaranty	A2	AA-	\$67,800,000				\$67,800,000	\$67,800,000	0.66%
Bank of America	A3	A	\$163,520,000	\$26,455,000	\$61,341,891		\$251,316,891	\$251,316,891	2.44%
Bank of New York	Aa1	AA-	\$93,310,000		\$12,585,358		\$93,310,000	\$93,310,000	0.91%
Bayerische Landesbank	Aaa	NR			\$210,300,146		\$12,585,358	\$12,585,358	0.12%
CALYON/Credit Agricole Corporate & Investment Bank	A2	A			\$210,300,146		\$210,300,146	\$210,300,146	2.04%
Citibank	A3	A	\$846,580,976	\$305,559,579			\$1,152,140,555	\$1,152,140,555	11.20%
Daiwa Securities	Baa2	BBB+			\$118,339,000		\$118,339,000	\$118,339,000	1.15%
Deutsche Bank	A2	A+			\$71,191,214		\$71,191,214	\$71,191,214	0.69%
Dexia (**See below)	Baa2	BBB					\$0	\$0	0.00%
Dormitory Authority of the State of New York	NR	AAA			\$5,000,000		\$5,000,000	\$5,000,000	0.05%
Flushing Bank	NR	NR			\$47,735,091		\$47,735,091	\$47,735,091	0.46%
Goldman Sachs Bank	A2	A	\$124,140,000				\$124,140,000	\$124,140,000	1.21%
Helaba (guaranteed)	Aa1	AA-		\$139,900,000			\$139,900,000	\$139,900,000	1.36%
Helaba (unguaranteed)	A2	A	\$210,000,000				\$210,000,000	\$210,000,000	2.04%
HSBC	Aa3	AA-			\$91,635,223		\$91,635,223	\$91,635,223	0.89%
JPMorgan Chase Bank	Aa3	A+	\$418,735,000	\$16,910,000	\$204,824,658		\$640,469,658	\$640,469,658	6.23%
Landesbank Baden-Wuerttemberg	A3	NR		\$70,000,000			\$70,000,000	\$70,000,000	0.68%
M&T Bank	A2	A	\$13,145,000				\$13,145,000	\$13,145,000	0.13%
MBIA-Illinois/Natl Public Finance Guarantee Corp	Baa2	BB		\$213,990,000			\$213,990,000	\$213,990,000	2.08%
Mizuho Securities	A2	A			\$23,153,000		\$23,153,000	\$23,153,000	0.23%
NYC GO (Dexia) (**See below)	Baa2	BBB			\$28,060,000		\$28,060,000	\$28,060,000	0.27%
NYC GO (unenhanced)	Aa2	AA			\$36,750,000		\$36,750,000	\$36,750,000	0.36%
NYC Transitional Finance Authority	Aa1	AAA			\$520,000		\$520,000	\$520,000	0.01%
NY Community Bank	A3	BBB			\$219,347,911		\$219,347,911	\$219,347,911	2.13%
NYS Urban Development	NR	AAA			\$1,145,000		\$1,145,000	\$1,145,000	0.01%
Portigon AG (formerly WestLB)	Aa1	AA-			\$1,190,000		\$1,190,000	\$1,190,000	0.01%
Rabobank	Aa2	AA-			\$4,545,531		\$4,545,531	\$4,545,531	0.04%
RBS Citizens N.A.	A3	A	\$635,000,000				\$635,000,000	\$635,000,000	6.17%
REMIC	NR	AA		\$186,094,369			\$186,094,369	\$186,094,369	1.81%
Royal Bank of Canada (RBC)	Aa3	AA-			\$3,411,999		\$3,411,999	\$3,411,999	0.03%
Signature Bank	NR	NR			\$386,290,344		\$386,290,344	\$386,290,344	3.76%
Societe Generale	A2	A			\$839,280		\$839,280	\$839,280	0.01%
SONYMA	Aa1	NR			\$1,000,000		\$382,084,897	\$382,084,897	3.72%
SunTrust Bank	A3	BBB+			\$100,000,000		\$100,000,000	\$100,000,000	0.97%
US Agency:	Aaa	AA+	\$295,870,000	\$3,086,574,576	\$748,531,287		\$4,130,975,863	\$4,130,975,863	40.17%
FHA/HUD			\$33,080,000	\$76,523,225			\$109,603,225	\$109,603,225	1.07%
FHLB			\$262,790,000				\$456,781,667	\$456,781,667	4.44%
FHLMC				\$558,567,685			\$708,323,685	\$708,323,685	6.89%
FNMA (**See below)				\$2,299,620,045			\$2,484,895,045	\$2,484,895,045	24.16%
GNMA				\$151,863,621			\$303,727,241	\$303,727,241	2.95%
Other Agency				\$151,863,621			\$67,645,000	\$67,645,000	0.66%
US Treasury	Aaa	AA+			\$342,172,000		\$342,172,000	\$342,172,000	3.33%
Wells Fargo Bank	Aa3	AA-	\$249,325,000			\$20,765,000	\$270,090,000	\$270,090,000	2.63%
TOTAL			\$3,117,425,976	\$4,526,568,422	\$2,619,908,935	\$20,765,000	\$10,284,668,332	\$10,284,668,332	100.00%

*Counterparty Exposures Above 10% Are Highlighted
 **Does not include municipal investment exposure (see following page)



NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Counterparty Credit Risk Exposure Report as of March 25, 2013
 (UNAUDITED)

Municipal Investments:	Amount	% Total
Issuer		Counterparty Exposure
Dormitory Authority of the State of New York	\$5,000,000	0.27%
NYC GO (Dexia-enhanced)	\$28,060,000	
NYC GO (unenanced)	\$36,750,000	
NYC TFA	\$520,000	
NYS Urban Development	\$1,145,000	
SONYMA	\$1,000,000	
Total Municipal Investments	\$72,475,000	
Including VRDO Exposure:	TOTAL COUNTERPARTY EXPOSURE	% Total Counterparty Exposure
	\$28,060,000	0.27%
Counterparty		
Dexia		
Exposure to Counterparties Rated A- Minus and Below, or Not-Rated:		
Counterparty	Amount	% Total Counterparty Exposure
Bank of America	\$251,316,891	2.44%
Citibank	\$1,152,140,555	11.20%
Daiwa Securities*	\$118,339,000	1.15%
Dexia Credit Local	\$28,060,000	0.27%
Flushing Bank^	\$47,735,091	0.46%
Landesbank Baden-Wuerttemberg	\$70,000,000	0.68%
MBIA-Illinois/Natl Public Finance Guarantee Corp+	\$213,990,000	2.08%
NY Community Bank^	\$219,347,911	2.13%
RBS Citizens	\$635,000,000	6.17%
Signature Bank^	\$386,290,344	3.76%
SunTrust Bank	\$100,000,000	0.97%
TOTAL	\$3,222,219,793	31.33%
<i>*Repurchase agreement fully- or over-collateralized by US Treasury/Agency securities</i>		
<i>^Money market fully-collateralized by FHLB LOC or U.S. Agency securities</i>		
<i>+ 2005 Series A Capital Fund Program Revenue Bonds (NYCHA); underlying bond rating of AA+ by S&P</i>		
Country Exposure (Ex-U.S.):		
Country	Type	% Total Counterparty Exposure
Canada (RBC)	GIC/MUNI	0.03%
France (CALYON/Dexia/Societe Generale)	GIC/MUNI	2.33%
Germany (Bayerische Landesbank/Deutsche/Heilaba/LBW/Portigon)	GIC/LOC	4.91%
Japan (Mizuho/Daiwa)	REPO	1.38%
Netherlands (Rabobank Nederland)	GIC	0.04%
United Kingdom (HSBC)	MM	0.89%
TOTAL		9.58%

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Credit Enhancement Diversification as of March 25, 2013
 (UNAUDITED)

CONSTRUCTION PROJECTS

Enhancement During Construction:		Expected Permanent Enhancement:			
Number of Projects	LOC Amount	% of Total During Construction	Number of Projects	Permanent Enhanced or Insured Amount	% of Total During Permanent
1	\$67,800,000	2.17%	1	\$67,800,000	3.75%
5	\$163,520,000	5.25%	0	\$0	0.00%
5	\$93,310,000	2.99%	0	\$0	0.00%
15	\$846,580,976	27.16%	1	\$27,750,000	1.53%
2	\$33,080,000	1.06%	7	\$161,501,000	8.92%
12	\$262,790,000	8.43%	1	\$69,865,000	3.86%
0	\$0	0.00%	6	\$266,610,000	14.73%
0	\$0	0.00%	1	\$635,000,000	35.08%
4	\$124,140,000	3.98%	0	\$0	0.00%
1	\$210,000,000	6.74%	1	\$210,000,000	11.60%
23	\$418,735,000	13.43%	0	\$0	0.00%
1	\$13,145,000	0.42%	0	\$0	0.00%
8	\$0	0.00%	1	\$0	0.00%
1	\$635,000,000	20.37%	0	\$0	0.00%
0	\$0	0.00%	49	\$81,589,000	4.51%
0	\$0	0.00%	15	\$227,678,806	12.58%
6	\$249,325,000	8.00%	1	\$62,250,000	3.44%
84	\$3,117,425,976	100.00%	84	\$1,810,043,806	100.00%

Provider	Moody's	S&P
Assured Guaranty	A2	AA-
Bank of America	A3	A
Bank of New York	Aa1	AA-
Citibank	A3	A
FHA/HUD	Aaa	AA+
FHLB	Aaa	AA+
FHLMC	Aaa	AA+
FNMA	Aaa	AA+
Goldman Sachs Bank	A2	A
Helaba (unguaranteed)	A2	A
JPMorgan Chase	Aa3	A+
M&T Bank	A2	A
NONE	NR	NR
RBS Citizens NA	A3	A
REMIC	NR	AA
SONYMA	Aa1	NR
Wells Fargo	Aa3	AA-
TOTAL		

In Construction:

Rating	% of Total
AAA	0.00%
AA	20.48%
A	79.52%
NR	0.00%
TOTAL	100.00%

PERMANENT LOANS WITH ENHANCEMENT

Number of Projects	Enhanced Amount	% of Total Permanent Enhanced Amount
2	\$26,455,000	0.58%
35	\$305,559,579	6.75%
24	\$228,386,846	5.05%
22	\$558,567,685	12.34%
64	\$2,299,620,045	50.80%
1	\$139,900,000	3.09%
3	\$16,910,000	0.37%
1	\$70,000,000	1.55%
1	\$213,990,000	4.73%
166	\$186,094,369	4.11%
40	\$381,084,897	8.42%
1	\$100,000,000	2.21%
360	\$4,526,568,422	100.00%

Provider	Moody's	S&P
Bank of America	A3	A
Citibank	A3	A
FHA/GNMA	Aaa	AA+
FHLMC	Aaa	AA+
FNMA	Aaa	AA+
Helaba (guaranteed)	Aa1	AA-
JPMorgan Chase	Aa3	A+
Landesbank Baden Wuer	A3	NR
MBIA-Illinois/Natl Public Finance	Baa2	BB
REMIC*	NR	AA
SONYMA	Aa1	NR
SunTrust Bank	A3	BBB+
TOTAL		

In Permanent:

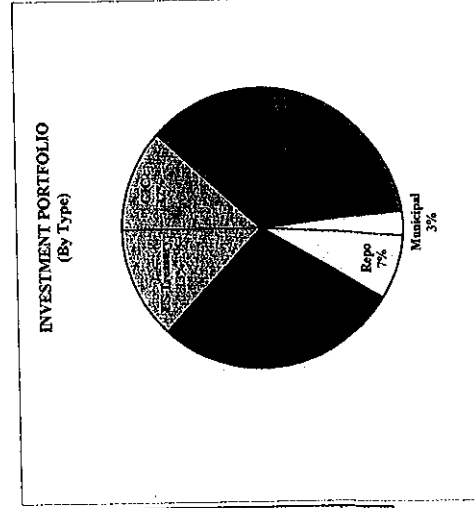
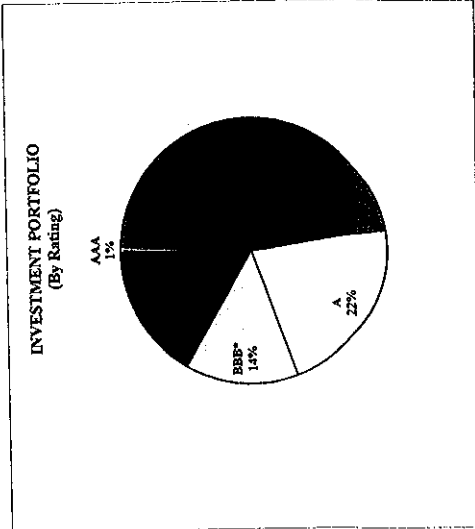
Rating	% of Total
AAA	0.00%
AA	83.81%
A	9.25%
BBB	2.21%
BB	4.73%
TOTAL	100.00%

*Unenhanced portion totals approximately \$704 million

^Bond Insurance on 2005 Series A (NYCHA) Capital Fund Program Revenue Bonds; underlying bond rating is AA+ by S&P

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Investment Summary as of March 25, 2013
 (UNAUDITED)

Counterparty	Type	NRSRO Rating--March 25, 2013:					NR*
		AAA	AA	A	BBB*	NR*	
Bank of America	GIC/REPO	\$61,341,891		\$61,341,891			
Bayrische Landesbank (guaranteed)	GIC	\$12,585,358		\$210,300,146			
CALYON/Credit Agricole CIB	REPO	\$118,339,000		\$71,191,214	\$118,339,000		
Daiwa Securities	GIC	\$71,191,214					
Deutsche Bank	MUNI	\$5,000,000					\$47,735,091
Dormitory Authority of the State of NY	MM	\$47,735,091					
Flushing Bank	MM	\$91,635,223		\$204,824,658			
HSBC	MM	\$204,824,658		\$23,153,000			
JPMorgan Chase	REPO	\$23,153,000					
Mizuho Securities	MUNI	\$28,060,000			\$28,060,000		
NYC GO (Dexia)	MUNI	\$36,750,000					
NYC GO	MUNI	\$520,000					
NYC TFA	MM	\$219,347,911			\$219,347,911		
NY Community Bank	MM	\$1,145,000					
NYS Urban Development	MUNI	\$1,190,000					
Portigon AG (formerly WestLB)	GIC	\$4,545,531					
Rabobank	GIC	\$3,411,999					
Royal Bank of Canada	MM	\$386,290,344		\$839,280			\$386,290,344
Signature Bank	GIC	\$839,280					
Societe Generale	MM	\$1,000,000					
SONYMA	MUNI	\$1,000,000					
US Agency	US Agency	\$748,531,287					
US Treasury	US Treasury	\$342,172,000					
% of Total		\$2,619,908,935	\$18,730,358	\$1,229,756,040	\$571,650,190	\$365,746,911	\$434,025,436
		100.00%	0.71%	46.94%	21.82%	13.96%	16.57%



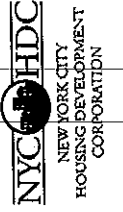
*BBB and NR exposures are fully-collateralized

Investment Portfolio--By Type of Investment:	Amount	% Total	Weighted Average Maturity (Years):
GIC	\$310,195,420	11.84%	4.10
Money Market	\$949,833,228	36.25%	
Municipal	\$72,475,000	2.77%	
Repo	\$196,702,000	7.51%	
US Agency	\$748,531,287	28.57%	
US Treasury	\$342,172,000	13.06%	
Total	\$2,619,908,935	100.00%	



NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Liquidity Providers as of March 25, 2013

WELLS FARGO BANK	Amount
Issue	\$20,765,000
2012 K-2	
	<u>\$20,765,000</u>




FOR INTERNAL USE ONLY



NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

MEMORANDUM

To: Members of the Audit Committee
From: Mary Hom 
Date: April 3, 2013
Re: Developer Concentration Report 2012

I have attached the annual Developer Concentration Report for 2012. Please let me know if you have any questions.

FOR INTERNAL USE ONLY

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Developer Concentration Report 2012

PRODUCTION DATA

	<u>2012</u>	<u>2011</u>	<u>% Change ('12 vs '11)</u>
Number of Projects	40	34	18%
Number of Units	11,400	10,482	9%
<i>New Construction</i>	2,681	1,232	118%
<i>As % of Units</i>	24%	12%	
<i>Rehab/Preservation/Mitchell-Lama</i>	8,719	9,250	-6%
<i>As % of Units</i>	76%	88%	
HDC First Mortgage Loans (\$000)	\$980,236	\$830,965	18%
HDC Second Mortgage Loans (\$000)	\$135,315	\$84,970	59%
Volume Cap (\$000)	\$607,640	\$587,570	3%
Number of Developers	35	29	21%
Number of Conversions	34	35	-3%
Number of Units Converted	4,732	4,081	16%

Top 4 Developers, By Number of Projects (2012):

<u>Developer</u>	<u>Number of Projects</u>	<u># Units</u>	<u>% Total 2012 Units</u>
Best Development	3	429	3.76%
L+M Development	2	1,755	15.39%
Phipps Houses	2	241	2.11%
Promesa	2	445	3.90%
Total	9	2,870	25.18%

Top 3 Developers, By Number of Units (2012):

<u>Developer</u>	<u># Units</u>	<u>% Total 2012 Units</u>	<u>Number of Projects</u>
Amalgamated Warbasse	2,585	22.68%	1
L+M Development	1,755	15.39%	2
DeMatteis	871	7.64%	1
Total	5,211	45.71%	

Top 3 Developers, By First Mortgage Amounts (2012):

<u>Developer</u>	<u>HDC First Mtge Amount</u>	<u>% Total HDC First Mtge Amt</u>	<u>Number of Projects</u>
L+M Development	\$126,455,375	12.90%	2
American Campus Communities	\$67,800,000	6.92%	1
Best Development	\$65,110,000	6.64%	3
Total	\$259,365,375	26.46%	


Top 3 Developers, By Second Mortgage Amounts (2012):

<u>Developer</u>	<u>HDC Second Mtge Amount</u>	<u>% Total HDC Second Mtge Amt</u>	<u>Number of Projects</u>
Best Development	\$36,235,000	26.78%	3
Forest City Ratner	\$11,605,000	8.58%	1
The Arker Companies	\$11,375,000	8.41%	1
Total	\$59,215,000	43.76%	



NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

MEMORANDUM

TO: Members of the Audit Committee
FROM: Richard Froehlich 
SUBJECT: Approval of HDC's Purchasing Guidelines
DATE: April 2, 2013

Pursuant to Sections 2824 (e) and 2879 of the Public Authorities Law, HDC is required to have its Members annually review and approve the procurement guidelines of the Corporation. After approval, the guidelines are submitted to the Office of the State Comptroller, through its Public Authorities Reporting Information System ("PARIS"). The guidelines will also be published on the Corporation's website.

This year senior staff is recommending two changes to the purchasing guidelines. The first change relates to the purchase order ("PO") approval process for purchases under \$1,500. Staff is recommending that POs under \$1,500 can be approved by the Vice President of Office Services and need not go through the Chief of Staff, as they are considered de minimus. The second change relates to POs over \$1 million. Although rare, if a PO is over \$1 million then a second senior officer's review and approval should be required in the automated PO approval process in the Oracle system. It should be noted that all corporate expenditures, no matter what the dollar amount, always require two senior staff members' review and signature upon payment.

Recommendation and Action by Members

Staff recommends that the Members approve the attached purchasing guidelines.

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

PURCHASING PROCEDURES

Updated as of March 25, 2013

I. ORDERING ITEMS

All requests for purchases are to be coordinated through the Department of Office Services. The employee who requests goods to be purchased must contact the Purchasing Manager by e-mail. All requests for purchases must have a prior approval from the employee's Department or Division Head. The Purchasing Manager and the IT Systems Administrator are the only employees who have the ability to purchase items. However, the IT Systems Administrator does not have authority to purchase items for any department other than the MIS Department. In the event such individual is unavailable, the Vice President of Office Services is deemed to have authority to purchase items for the MIS Department.

No item can be purchased without a valid contract. After a Contract Officer from the Legal Department has determined that a contract is valid and all appropriate approvals have been confirmed, the Legal Department is responsible for entering details of the contract into the Oracle Contract Management Module.

For each contract, the following fields are maintained: Contract Number, Contract Description, Begin Date, Department, Contract Expiration Date, Automatic Renewal and Comments. The Legal Department is responsible for generating a contract number.

A Purchase Order cannot be created until a contract number is generated. A contract number can also be generated for vendors used where a contract is not needed or for an item that cannot be competitively bid (hotel, conferences, meals). In such instances a memo from the department requesting the contract number will provide the Legal Department with a written explanation of the vendor chosen and what kind of goods and/or services are being purchased. The Legal Department will add the vendor to its spreadsheet and assign the vendor a contract number. Where possible categories of vendors (such as books, publications, training and development), will be maintained under one category by subject. In cases where categorization is not possible such vendor will receive its own number.

If the amount of goods or services exceeds our competitive bid threshold, then proper bidding procedures must be adhered in order to generate a purchase order.

The Legal Department and the Purchasing Manager should monitor the expiration date on a contract before a renewal order can be placed. The Purchasing Manager shall insure that a product received is in accordance with the contract, but if there is a service provided, that service should be monitored by the department or employee that has engaged such service.

Each purchase will go through an electronic email-based hierarchy approval process except for those purchases that are required to flow through a manual signature process through the Executive Vice President / Senior Vice President (such as sign off on time sheets for interns and part-time employees). For purchases that flow through the email-based hierarchy system, the following procedures must be completed before a final payment can be generated:

Procedures for Corporate Related Purchases:

After receiving the e-mail request, the Purchasing Manager will create a Purchase Order with the specific contract number that was assigned by the Legal Department, which will be forwarded electronically in Oracle to the Vice President of Office Services for final review and approval.

If a Purchase Order has goods and/or services valued over \$1,500, the Purchase Order requires an additional level of review and will be electronically routed to the Chief of Staff, Administration for the final review and approval after the Vice President of Office Services has reviewed and approved it. After the final approval, the Purchasing Manager will be notified electronically and will generate the Purchase Order.

In the event the aforementioned individuals are unavailable for signatures, the following individuals are authorized to review and approve Purchase Orders: Executive Vice President / Senior Vice President. In the event the Purchasing Manager is unavailable to generate the Purchase Order, the Vice President of Office Services will create a Purchase Order with the specific contract number that was assigned by the Legal Department, which will be forwarded electronically in Oracle to the Chief of Staff, Administration for final review and approval.

If a Purchase Order has goods and/or services valued over \$1,000,000, the Purchase Order requires an additional level of review and approval by a senior officer and will be electronically routed to the Senior Vice President of Portfolio Management for the final review and approval after the Chief of Staff, Administration has reviewed and approved it.

Procedures for MIS Related Purchases:

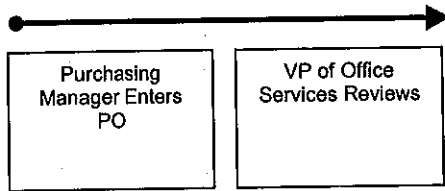
The IT System Administrator or the Purchasing Manager will create a Purchase Order with a specific contract number which will be input into the Oracle database for the Senior Manager MIS review and approval. The Senior Manager MIS will review and approve the Purchase Order and forward it to the Vice President of Office Services. The Vice President of Office Services will review and approve the Purchase Order and forward it to the Chief Information Officer for final review and approval.

If a Purchase Order has goods and/or services valued over \$7,500, the Purchase Order requires an additional level of review and will be electronically routed to the Chief

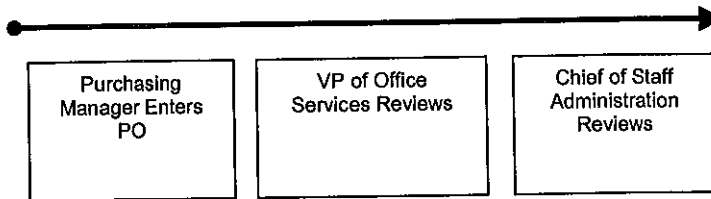
of Staff, Administration for final review and approval after the Chief Information Officer has reviewed and approved it. After the final approval the Purchasing Manager will be notified electronically and will then generate the Purchase Order. If there is a change on an MIS related Purchase Order after it has gone through all necessary approvals, the IT System Administrator will notify the Purchasing Manager of the change by e-mail. The Purchasing Manager will in turn make the change within the Oracle system and resubmit the Purchase Order for approval.

In the event the aforementioned individuals are unavailable for signatures, the following individuals are authorized to review and approve Purchase Orders: Executive Vice President / Senior Vice President. In the event the IT System Administrator is unavailable to generate the Purchase Order, the Senior Manager MIS can begin the Purchase Order process within the IT System.

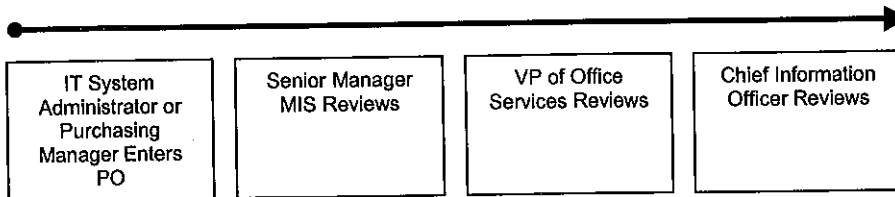
CORPORATE PURCHASES (NON-MIS) UNDER \$1,500



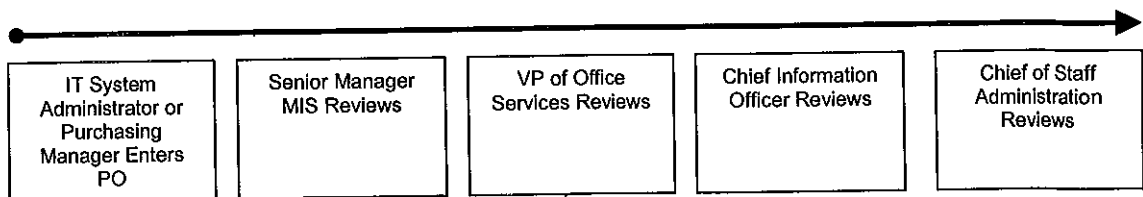
CORPORATE PURCHASES (NON-MIS) OVER \$1,500



MIS PURCHASES UNDER \$7,500



MIS PURCHASES OVER \$7,500



A. PURCHASES REQUIRING COMPETITIVE BIDDING

If the aggregate total of goods and services is over \$2,500, then a competitive bidding process must be performed prior to the purchase of such goods and services. A Purchase Order will not be generated until such process has been successfully completed. Upon successful completion, the Purchase Order will be generated and forwarded to the Cash Management Department, Accounts Payable Administrator. The following procedures shall be followed:

1. The Purchasing Manager, after receiving the e-mail request for goods will contact at least three vendors for price quotes, including at least one vendor (if available) on a list of approved vendors maintained by the New York State Office of General Services. This solicitation can be done either verbally or in writing. However, written solicitations are required for all purchases that are expected to equal or exceed \$10,000. The written solicitation must contain a description of the item; the date the bid must be received by HDC and the name and telephone number of the Purchasing Manager. Responsive bids must be obtained from at least two vendors.

For office and computer supplies, printing, kitchen supplies and other similar items ordered frequently, bids should be obtained annually or in some cases every two years (such determination shall be made by either the Chief Information Officer, VP of Office Services, Executive Vice President or Senior Vice President). An annual summary of bids will be completed by the Purchasing Manager and submitted to the Chief Information Officer, VP of Office Services, Chief of Staff or Senior Vice President for approval.

All other items totaling over \$2,500 must be bid at the time of request, unless an emergency purchase must be made. The order is to be awarded based on the most favorable bid or advantageous offer.

If the lowest bidder or bidder with the most advantageous offer is found to be non-responsive or not responsible, the Purchasing Manager will provide a written determination describing the specific reasons for such findings. This written determination is to be reviewed and approved by the Chief Information Officer, VP of Office Services, Executive Vice President or Senior Vice President and retained in the vendor file.

Price quotes for technical items can be obtained by the applicable department. For example: the MIS Department can obtain the bids for computer equipment and software purchases. The procedures set forth in the preceding paragraph must be followed and all documentation must be forwarded to the Purchasing Department before a purchase order will be generated.

If there is only one source for the required item, the determination and the basis must be in writing and submitted to the Chief Information Officer, VP of Office Services, Executive Vice President or Senior Vice President for review and approval. This documentation is to be retained in the vendor file.

If an emergency purchase has to be made, a written determination of the basis for the emergency procurement is to be made as soon as possible. This is to be approved by the Chief Information Officer, VP of Office Services, Executive Vice President or Senior Vice President and filed in the vendor file.

All goods must be purchased through a valid contract. In instances where common purchases are done and a contract will not be obtained, a memo is written and stored with the Legal Department detailing the purchase and reason for using a specific vendor. This memo will be used as a reference in creating a contract number for use within the Purchase Order system. When contracts are done, the contract must be reviewed and approved by the Legal Department and signed by the President, Executive Vice President / Senior Vice President. All approved contracts must be sent to the Scanning Specialist for scanning.

2. The Purchase Order will then be routed to the Purchasing Manager, who will then place the order with the vendor. Under HDC's data management program, an open Purchase Order file can be accessed only by the following people:

Purchasing Manager

Accounts Payable Administrator

Vice President of Office Services

IT System Administrator

3. All purchases must be made with the prior approval of the Chief Information Officer, VP of Office Services, Executive Vice President or Senior Vice President. The Corporation will not be responsible for purchases made without an authorized Purchase Order.

4. The Purchasing Department is to perform an as needed review of the City's Vendex and Office of General Services list to obtain or review vendors. This list will also serve as the determination of whether the vendor is classified as a minority or women-owned enterprise. Efforts are to be made to include minority and women-owned enterprises.

B. PURCHASES NOT REQUIRING COMPETITIVE BIDDING

Certain items cannot be competitively bid due to their nature. The following is a list of categories to date that cannot be competitively bid:

Books & Publications: A check request form is to be prepared in lieu of a purchase order. The check request shall be approved by the employee's Division Head, Department Head and the Treasury Department and then retained in the vendor file;

Local Transportation: A list of car services utilized by the Corporation shall be maintained and a comparison of charges is to be prepared annually and submitted to the Executive Vice President / Senior Vice President for review and approval;

Training & Conference: Literature pertaining to the class or conference shall be retained in the vendor file. All requests must be approved by the Division Head, the Department Head and the Treasury Department;

Memberships: Renewal notices and/or literature pertaining to the organization is to be retained in the vendor file. The employee's Division Head, Department Head and the Treasury Department must approve all memberships; and

Employment Agencies: All agencies must agree in writing to HDC's fee policy before applicants can be interviewed. A copy of this agreement is to be retained in the vendor file.

Contract numbers must be received for all items even if such items cannot be bid. The contract number will be used as a reference in creating a contract number for use within the Purchase Order system.

The following procedures shall be followed for those items that cannot be competitively bid:

The department requesting the contract number will provide the Legal Department with a written explanation of the vendor chosen and what kind of goods and/or services are being purchased. The Legal Department will add the vendor to its spreadsheet and assign the vendor a contract number. Where possible categories of vendors (such as books, publications, training and development), will be maintained under one category by subject. In cases where categorization is not possible such vendor will receive its own number.

C. PURCHASES ON THE INTERNET

All requests for purchases on the Internet are to be coordinated through the Department of Office Services. In this case employees shall also send an e-mail to the

Purchasing Manager describing the items requested, and follow the procedures previously set forth in either Section IA or IB, whichever is applicable.

D. PURCHASING VERSUS LEASING

In certain circumstances the Corporation may determine to lease products rather than purchasing them. For these items the procedures set forth in the previous paragraphs should also be followed. In addition, an analysis should be performed to compare the costs and benefits of buying versus leasing such item. The terms of the lease should be compared to the terms of purchasing the item outright to determine the best option. The buy versus lease analysis should be submitted to the Chief Information Officer, VP of Office Services, Executive Vice President or Senior Vice President for review and approval and filed in the vendor file.

E. COMPETITIVE PROPOSAL PROCESS

A request for proposal process must be conducted for the selection of:

Auditing and Accounting Services: The Corporation must follow the City Comptroller's Directive No.22, "Guidelines for Component Unit Audit & Financial Reporting" when selecting a Certified Public Accounting firm:

- Requests for proposals should be sent to at least five firms selected from those on the Comptroller's approved list.
- Contracts should not be awarded for more than four years.
- Firms performing the audit for more than four consecutive years should be required to assign a different senior manager and partner in charge.
- The audit selection process should be completed no later than 60 days after the beginning of the Corporation's fiscal year.

Legal Counsel

Underwriters

Annual Report Design

A request for proposals may also be required for the selection of other professional services; such determination shall be made by the Legal Department.

II. RECEIVING ITEMS

Upon receipt of the goods by the Receiving Clerk or designee, the following process shall be followed:

1. The Receiving Clerk or designee who receives the goods shall date and initial the packing slips, and then check them in as received;
2. The Purchase Order is compared to the packing slip and the items received to ensure that the order is complete. The Receiving Clerk shall maintain a file for all packing slips;
3. Any discrepancy must be noted on the Purchase Order and Packing Slip and brought to attention of Purchasing Manager;
4. Orders shall not be accepted if a material discrepancy exists or if goods delivered are damaged;
5. The Receiving Clerk shall make an entry in Oracle that the item has been received; and
6. The Purchasing Manager is responsible for all follows-up with respect to discrepancies and damaged items including if an item has not been received in a reasonable amount of time.

III. PROCESSING INVOICES - ACCOUNTS PAYABLE

In order to process an invoice received, the following procedures shall be followed:

1. The Accounts Payable Administrator shall receive and review all Invoices received and such invoices shall be compared to the Purchase Order. If a Purchase Order has not been created, the Accounts Payable Administrator will forward the invoice, along with the appropriate documentation (e.g., accounts payable voucher, personal reimbursement form, or travel expense form, depending upon which is applicable) to the Purchasing Manager who will then create a Purchase Order. The Purchasing Manager will then forward the Purchase Order through Oracle to the Vice President of Office Services for review and approval. The Purchasing Manager will return the invoice and attached documentation to the Accounts Payable Administrator who will then create an invoice batch. Any discrepancies are to be brought to the attention of the Purchasing Manager, and the invoice should not be paid until all discrepancies have been resolved. Invoices that do not require a Purchase Order (e.g. payments for bond programs) are to be referred to the individual who initiated the order for proper authorization;

2. The Accounts Payable Administrator will then prepare the Payment Batch. During this stage, the Preliminary Payment Register, Checks, and Final Payment Register are printed.

3. Upon receipt of written authorization from the Vice President or Assistant Vice President of the Cash Management division, the Accounts Payable Administrator will forward the checks, invoices, and Final Payment Register to the Treasurer for review. In the Treasurer's absence, such documentation shall be sent to the EVP of Capital Markets.

4. The Final Payment Register must be signed by the President for all checks greater than \$20,000. The President shall not approve any invoices unless and until approval has been obtained by the Treasurer. Once approved, all documentation shall be returned to the Treasurer. Once complete, all checks and supporting documents will be forwarded to the Controller for the second signature.

5. In the event the aforementioned individuals are unavailable for signatures, the following individuals are authorized to sign checks: President, Executive Vice President of Capital Markets, Executive Vice President of Real Estate, Senior Vice President of Portfolio Management, and the Controller. The Final Payment Register may be signed by the Executive Vice President of Capital Markets or the Executive Vice President of Real Estate in the absence of the President. During this process, the Accounts Payable Administrator will keep track of the payment registers signed by these authorized individuals.

6. The Accounts Payable Administrator shall prepare and submit a disbursement along with the Preliminary Payment Report to Cash Management, who will fund the OTPS bank account;

7. Invoices in the Imaging system will be stamped "paid". In terms of the paper vendor files, invoices received from vendors must be stamped "paid" when payment is made. In cases where there are multiple pages of invoices such as telephone bills, the page with the remittance stub should be stamped "paid". If there is no remittance stub page then all pages of the invoice must be stamped. Documents such as check requests and personal reimbursement forms should have all supporting documentation such as receipts, memos and emails attached to it. The check request and the personal reimbursement forms should be stamped "paid";

8. The Accounts Payable Administrator shall make the necessary copies and mail the payment and remittance copy to the vendor;

9. All voided checks automatically voided by the computer will be sent to the Accounting Department for reference; and


10. The Accounts Payable Administrator will file the invoices and the check stubs in the vendor's file and shall maintain a register of such transactions.



NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

MEMORANDUM

TO: Members of the Audit Committee

FROM: Richard Froehlich 

SUBJECT: Approval of Rating Agency Reserve Policy

DATE: April 2, 2013

Senior management is requesting the Members' approval of the Corporation's formalization of a rating agency reserve policy.

The Corporation normally sets aside its reserves pursuant either to HDC policy, board resolutions or agreements. HDC established a rating agency reserve many years ago that was originally created to support the Corporation's independent credit rating from each of Standard & Poor's and Moody's. At several intervals over the years senior management has increased this reserve in an unofficial relationship with the Corporation's increase in obligations. Senior management is requesting that a policy correlating with the size of certain corporate obligations now be formally approved by the Members.

The reserve is set aside to cover the Corporation's general obligations and also may provide additional assurance that semi-annual debt service on the Open Resolution could be paid if for some reason it cannot be paid out of the debt service reserve account in the bond resolution. The reserve has also given comfort to the rating agencies of the Corporation's additional resources and supports HDC in maintaining its strong AA and Aa2 rating from the agencies, respectively.

During FY 2012, HDC issued almost \$1.23 billion in bonds while maintaining its AA and Aa2 credit ratings. The continued growth of the Corporation over the years is reflected in many areas throughout the financial statements including the amount of bonds outstanding, which has more than doubled from \$3.3 billion at the end of FY 2003 to over to \$8.79 billion at the end of FY 2012. The Open Resolution, the workhorse of the Corporation, has seen even larger percentage growth in its bonds outstanding. The parity resolution has more than quadrupled from \$1.048 billion at the end of FY 2003, to over \$4.3 billion at the end of FY 2012.

The Corporation maintained a rating agency reserve in FY 2012 of \$72.5 million based on \$3.033 billion long term bonds outstanding in the Open Resolution, approximately a

2.4% reserve. As of February 28th, 2013 the long term bonds outstanding in the Open Resolution were about \$3.1 billion. Based on this balance a 2.25% reserve would amount to \$70 million, a 2.5% reserve would be \$78 million, and a 2.75% reserve would amount to \$85 million. Based on these projections as well as the Corporation's planning and budget for the year, staff recommends that the reserve should be increased to \$80.0 million for FY 2013.

Taking into account what the Corporation has set aside in its rating agency reserve over the years relative to the bonds outstanding in the Open Resolution, the average reserve balance over the last five years was 2.77% of the long term bonds outstanding. Assuming 5% growth each year, the ten year average of the reserve balance is about 2.58% of the long term bonds outstanding. Based on the strong performance of the Corporation's mortgages and the related debt issued, senior management believes that an appropriate range of required ratings agency reserve balance would be between 2.25% to 2.75% of the long term bonds outstanding in the Open Resolution.

Recommendation and Action by Members

Staff recommends that the Members approve the attached ratings agency reserve policy.

Rating Agency Reserve Policy

In addition to the Debt Service Reserve Fund account requirement on all bond resolutions, the Corporation also has a Rating Agency Reserve account set aside to provide additional assurance that the semi-annual debt service can be paid, if necessary. The reserve also gives comfort to the rating agencies and supports HDC in maintaining its strong AA rating.

The Corporation normally sets aside its reserves pursuant either to HDC policy, Board resolutions or agreements. Therefore a policy for the rating agency reserve must be formally documented and approved.

The policy we propose is as follows:

- The reserve will be based on the Open Resolution's long term bonds outstanding
- The reserve amount should range between 2.25% to 2.75% of the long term bonds outstanding
- The reserve amount will be evaluated by senior management at each semi-annual debt service date (May 1st and Nov 1st), after the debt service is paid and prior to pulling out any surplus, to make certain that the balance falls within the range
- Additional reserves may be required for special bond deals or if the Corporation pledges its general obligation in support of a specific transaction
- On a semi-annual basis, the percentage and dollar amount of the reserve will be reported to the Audit Committee
- Any change to the rating agency reserve policy must be presented to and approved by HDC's Audit Committee Members