



Combined Financial Statements  
and Other Information

New York City Housing  
Development Corporation

October 31, 2015



**New York City Housing Development Corporation**

**Combined Financial Statements and  
Additional Information**

**Year Ended October 31, 2015**

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Ernst & Young LLP  
5 Times Square  
New York, NY 10036-6530

Tel: +1 212 773 3000  
Fax: +1 212 773 6350  
ey.com

## Report of Independent Auditors

Management and the Members of the  
New York City Housing Development Corporation

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of the New York City Housing Development Corporation (the “Corporation”), a component unit of the City of New York, as of and for the year ended October 31, 2015, and the related notes to the financial statements, which collectively comprise the Corporation’s basic financial statements as listed in the table of contents.

### **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### **Auditor’s Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the Corporation as of October 31, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

## **Report on Summarized Comparative Information**

We have previously audited the Corporation's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 26, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Required Supplementary Information**

U.S. generally accepted accounting principles require that Management's Discussion and Analysis, the Schedule of Funding Progress for the Retiree Healthcare Plan, the Schedule of the Corporation's Proportionate Share of the Net Pension Liability and the Schedule of the Corporation's Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The accompanying Schedule of Net Position for the Housing Revenue Bond Program as of October 31, 2015 and 2014 and the Schedule of Revenue, Expenses and Changes in Net Position for the years then ended, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Ernst + Young LLP*

January 26, 2016

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
**Management's Discussion and Analysis**  
**Year Ended October 31, 2015**

**INTRODUCTION**

The New York City Housing Development Corporation (“HDC” or the “Corporation”) is a State public benefit corporation created pursuant to Article XII of the New York State Private Housing Finance Law that finances affordable housing in New York City. HDC issues tax-exempt and taxable debt and uses the proceeds along with other monies of the Corporation to make loans to finance new residential construction and the rehabilitation of existing multi-family housing. HDC, which is financially self-supporting, also lends its own internally-generated funds for these purposes. All of these activities are reported in the financial statements under the heading “Housing Development Corporation.”

HDC currently has two active subsidiaries that are discretely presented as component units in the financial statements. The New York City Residential Mortgage Insurance Corporation (“REMIC”) insures residential mortgages in New York City. The New York City Housing Assistance Corporation (“HAC”) made mortgage loans for affordable housing in the 1980s. Presently, it provides rental subsidy assistance to a small number of residential developments.

The Corporation’s annual financial report consists of three parts: *management’s discussion and analysis*, the basic *financial statements*, and *required supplementary information*, which includes the schedule of funding progress, the schedule of the Corporation’s proportionate share of the net pension liability, and the schedule of the Corporation’s contributions. This follows directly after the notes to the financial statements.

This section of the Corporation’s annual financial report presents our discussion and analysis of the Corporation’s financial performance during the fiscal year that ended on October 31, 2015. This period is also referred to as Fiscal Year 2015. Data is presented for the primary governmental entity HDC only. Reported amounts have been rounded to facilitate reading.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

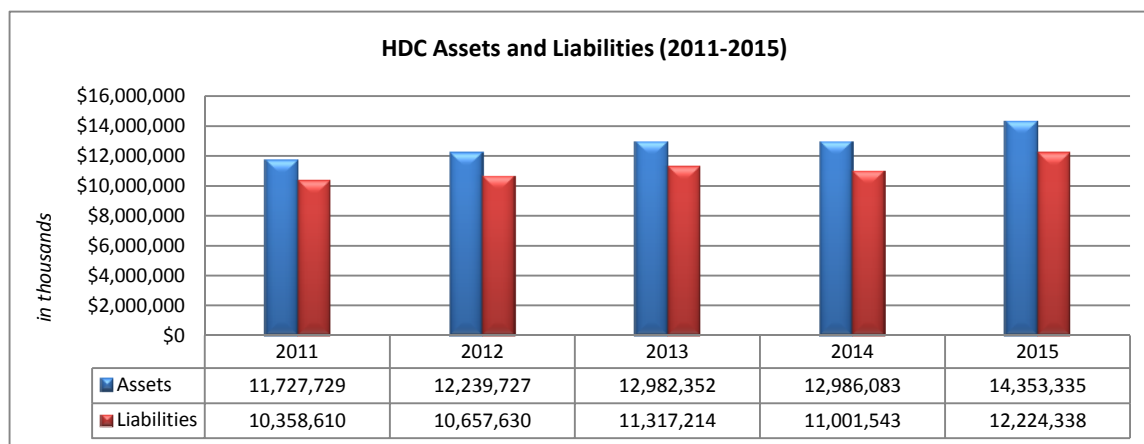
The Corporation is a self-supporting entity and follows enterprise fund reporting. An enterprise fund reports activity that is financed with debt that is secured solely by a pledge of the net revenue from that activity as well as activity that is not supported by taxes or similar revenues. HDC’s financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting matches revenues and expenses to the time period in which they are earned or attributable, respectively, which may differ from the period in which the associated cash is received or expended.

Enterprise fund statements offer short-term and long-term financial information about the Corporation’s activities. While detailed sub-fund information is not presented in the Corporation’s financial statements, separate accounts are maintained for each bond issue and component unit, as well as the Corporation’s general operating fund, known as the Corporate Services Fund. These sub-funds permit HDC to control and manage money for particular purposes and to demonstrate that the Corporation is properly using specific resources. In

addition, HDC also services construction and permanent loans on behalf of New York City’s Department of Housing Preservation and Development (“HPD”).

## CORPORATE AND FINANCIAL HIGHLIGHTS

During Fiscal Year 2015, HDC maintained its position as one of the nation’s leading housing finance agencies. The Corporation’s assets continued to grow, increasing by \$1.4 billion or 10.54% from fiscal year end 2014, to a total of \$14.3 billion. The growth was attributable to the financing activities of the Corporation in further support of its mission to increase the availability of affordable housing in New York City in conjunction with the Mayor’s affordable housing plan announced in May 2014. HDC acts as the central financing engine behind Mayor Bill de Blasio’s *Housing New York Plan*, which is to provide 200,000 units of affordable housing in ten years. HDC’s response was to have one of its most active years in bond issuances and loan closings. Bond issuances during this fiscal year were approximately \$2.1 billion. This includes the issuance of a number of series of bonds pursuant to a newly created standard called Sustainable Neighborhood Bonds (“SNB”), as a means of attracting new investors. Additionally, the total amount of bonded loans closed during this fiscal year was approximately \$1.5 billion, an all time high for the Corporation. The Corporation also funded subsidy loans from its reserves for approximately \$253.9 million. The following chart presents the comparative data of HDC’s assets and liabilities over the last five years:



Overall in 2015, HDC had total revenues of \$415.2 million compared to \$402.4 million in 2014. The 3.18% increase was driven by higher earnings in interest on loans and fee-based income as a result of HDC’s robust financing activities in 2015. Non-operating revenues consisting of 421-a Grant Revenue, loan participation income, and investment income decreased by \$18.2 million, or 23.00%, from 2014. According to a 2011 agreement, HDC is entitled to receive grant revenue from the New York City Battery Park City Authority (“BPCA”). In 2015, the grant revenue decreased by \$5.9 million from 2014. Loan participation income in 2015 was 7.78% lower due to a decline in prepayments from the Mitchell-Lama participating loans. Earnings on investments declined by 4.25% as the interest rate environment continue to be challenging. The Corporation continues to mitigate interest rate risk by lowering the average life on its investment portfolio. The combination of lower interest rates and the shorter maturities have resulted in lower investment income in spite of the higher investment portfolio balance.

In 2015, HDC's operations resulted in a growth of net position, which increased to \$2.1 billion. Net income was \$144.5 million. Total expenses were \$270.8 million, which includes \$216.0 million of debt related expenses. The net operating income in 2015 was \$83.5 million, compared to net operating income in 2014 of \$93.4 million.

### CONDENSED STATEMENT OF NET POSITION

The condensed statement of net position presents the Corporation's assets, deferred outflows, liabilities, deferred inflows, and net position as of October 31, 2015. The following table represents the changes in the primary entity, HDC's, net position between October 31, 2015 and 2014 and should be read in conjunction with the financial statements. (Dollar amounts are in thousands):

	2015	2014	Change	Percent Change
<b>Assets</b>				
Cash and Investments	\$3,494,782	\$3,162,200	\$332,582	10.52%
Mortgage Loans	9,650,031	8,779,509	870,522	9.92
Loan Participation Receivable				
The City of New York	626,645	631,047	(4,402)	(0.70)
Notes Receivable	450,528	286,290	164,238	57.37
Accrued Interest	37,903	30,669	7,234	23.59
Other Receivables	67,600	70,633	(3,033)	(4.29)
Capital and Other Assets	13,496	13,400	96	0.72
<b>Total Assets</b>	<b>14,340,985</b>	<b>12,973,748</b>	<b>1,367,237</b>	<b>10.54</b>
<b>Deferred Outflows</b>	12,350	12,335	15	0.12
<b>Liabilities</b>				
Bonds Payable & Debt Obligations (net)	10,207,453	9,313,491	893,962	9.60
Interest Payable	89,441	78,077	11,364	14.55
Payable to the City of New York:				
Loan participation agreement	626,645	631,047	(4,402)	(0.70)
Other	365,719	237,920	127,799	53.72
Payable to Mortgagors	598,240	547,662	50,578	9.24
Accounts Payable	215,195	81,718	133,477	163.34
Net Pension Liability	10,908	9,730	1,178	12.11
OPEB Liability	8,919	7,196	1,723	23.94
Unearned Revenue and Other Liabilities	99,743	91,908	7,835	8.52
<b>Total Liabilities</b>	<b>12,222,263</b>	<b>10,998,749</b>	<b>1,223,514</b>	<b>11.12</b>
<b>Deferred Inflows</b>	2,075	2,794	(719)	(25.73)
<b>Net Position</b>				
Restricted for bond obligations	1,207,333	1,117,269	90,064	8.06
Unrestricted	921,664	867,271	54,393	6.27
<b>Total Net Position</b>	<b>\$2,128,997</b>	<b>\$1,984,540</b>	<b>\$144,457</b>	<b>7.28%</b>



## **Assets of the Corporation**

Assets consist largely of the following: cash and investments from bond proceeds, debt service and other reserves, funds designated for various housing programs, mortgage loans, and other assets which include participation interests in cash flows from pools of mortgage loans, housing-related notes receivable, and purpose investments. At October 31, 2015, HDC's total assets were at \$14.3 billion, an increase of 10.54% from fiscal year 2014. In fiscal year 2014, total assets were \$13.0 billion, an increase of 0.02% from 2013.

**Cash and Investments:** At fiscal year end, HDC had \$3.5 billion of total cash, investments, and purpose investments. Other than collateralized and purpose investments, investments were recorded at fair value. The investment portfolio increased by \$332.6 million, up 10.52% from fiscal year end 2014. This was primarily the result of the Corporation's increased bond issuance in 2015. Bond proceeds are expended over the construction period of the related mortgage loans, and unadvanced bond proceeds are invested until liquidated for mortgage advances. At October 31, 2015, approximately \$1.3 billion of the investment portfolio was unadvanced bond proceeds.

**Mortgage Loans:** Mortgage loans constitute 67.29% of the Corporation's total assets. The mortgage loan portfolio at the end of the fiscal year was \$9.7 billion, an increase of 9.92% from the previous year. In 2014, the mortgage loan portfolio was \$8.8 billion. In 2015, the Corporation financed fifty new bonded loans with the total amount exceeding \$1.5 billion. In addition, the Corporation closed subsidy mortgages of approximately \$253.9 million. During the fiscal year, cash flows generated by mortgage loan activities included cash advances of approximately \$1.8 billion and mortgage principal loan repayments of \$944.0 million. In addition, principal reserve and other funds previously held were applied to mortgage principal.

**Loan Participation Receivable:** Loan participation receivable at October 31, 2015 was \$626.6 million, a decrease from \$631.0 million a year ago. The Corporation generates loan participation income from prepayments of loans in the Mitchell-Lama restructuring program ("MLRP"). Under the MLRP, the Corporation preserves affordable housing units by refinancing the developments' existing mortgages. The new mortgages are financed by the Corporation by issuing Mitchell-Lama restructuring bonds. For some developments, the Corporation purchased a participating interest in existing second mortgages from the City of New York. In fiscal year 2015, there was one mortgage prepayment in the MLRP.

**Notes Receivable:** Notes receivable was \$450.5 million, up from \$286.3 million in 2014. The Corporation has two outstanding notes receivable, the Military Housing and New York City Housing Authority ("NYCHA") Capital Fund. There was a net increase of \$164.2 million, which is comprised of \$196.6 million of funds advanced as well as \$32.4 million in collections. The Military Housing Notes are secured by pledged revenues of the development and the NYCHA Capital Fund Notes are secured by payments from the United States Department of Housing and Urban Development ("HUD").

**Accrued Interest:** Interest receivable increased by 23.59% from fiscal year ended 2014. At October 31, 2015, accrued interest was \$37.9 million, up from \$30.7 million a year ago. The higher interest receivable balance directly correlates with the increase in mortgage loans outstanding.

**Other Receivables:** Other Receivables decreased by \$3.0 million from 2014, primarily due to the \$5.9 million decrease in 421-a Grant Funds receivable. In addition, there was an increase in loan advances of \$3.8 million to the Community Preservation Corporation (“CPC”) under an agreement to purchase a subordinate participation to provide financing for CPC Special Purpose Enterprise (“SPE”) for the acquisition or origination of mortgage loans. (See Note 17: “Financial Guaranties”) There was also a net decrease of \$1.2 million in NYCHA debt service receivable and other HDC loan servicing related accruals.

**Capital and Other Assets:** There was a minimal change in capital and other assets, mainly due to amortization of deferred participation interest charges, and net increase in the capital assets. Capital assets are mainly comprised of unamortized leasehold improvements, computer equipment, computer software, and office furniture.

### **Deferred Outflows of Resources**

Deferred outflows were \$12.4 million at October 31, 2015, a slight increase from 2014. Deferred outflows consist primarily of the loss incurred on the early retirement of debt due to an in-substance defeasance in 2013. In fiscal year 2015, the amount amortized on the deferred loss was \$0.6 million. Interest rate caps purchased to mitigate the Corporation’s exposure to its variable rate bonds in its General Resolution are also classified as deferred outflows. In August 2015, the Corporation purchased an additional interest rate cap for \$1.5 million. The fair market value of the three outstanding interest rate caps at October 31, 2015 was \$2.6 million. Deferred outflows also include the net difference between actual and expected earnings on pension plan investments related to the Corporation’s pension liability as calculated by the New York City Office of the Actuary (“NYCOA”). Contributions made after the plan measurement date are also recorded as deferred outflows.

### **Liabilities of the Corporation**

Total liabilities were \$12.2 billion at October 31, 2015, an increase of \$1.2 billion or 11.12% from 2014. Liabilities can be grouped into three main categories. The largest is HDC bonds and other debt obligations outstanding, which was approximately \$10.2 billion. Bonds outstanding account for approximately 83.52% of total liabilities. The second largest category is “Payable to New York City” (the “City”). This includes construction loan funds administered on behalf of HPD and other assets which will ultimately revert to the City pursuant to various loan participation and other agreements. These include loan assets which are currently held by HDC and pledged to pay HDC bonds. The loans are transferred back to the City when the related bonds are retired. The last category of liabilities includes payable to mortgagors, accounts and other payables, loan participation payable and unearned revenue. The Payable to Mortgagors funds are held and administered by HDC but are the property of others, such as escrows held by HDC in the course of its loan servicing functions.

**Bonds Payable and Debt Obligations:** Bonds and outstanding debt obligations increased by \$894.0 million from fiscal year 2014 to \$10.2 billion. In fiscal year 2015, HDC issued 25 bond series for a total of \$2.1 billion. In addition, \$58.1 million of proceeds were drawn down on previously issued series. The Corporation had unscheduled bond redemptions of \$1.1 billion, including the \$550 million refinancing of the 8 Spruce Street development (Liberty Bonds). The refunded Liberty Bonds were refinanced by the issuance of the 2014 Multi-Family Mortgage

Revenue Bonds. Scheduled debt service principal payments this fiscal year were \$153.4 million. In addition, there was also an in substance conduit bond defeasance for \$6.8 million. Bond premium and discount amortization of \$4.1 million was recorded in this fiscal year. The Corporation closed on seven Multi-Family Debt Obligation agreements with Citibank N.A. (“Citibank”). HDC recorded debt obligations, also referred to as “Back to Back Loans”, whereby Citibank lends money to HDC and then HDC lends those funds to the developer of a housing project. The debt obligations are generally made with private activity bond volume cap and are mostly funded on a draw down basis. The total debt obligations payable outstanding at October 31, 2015 was \$34.7 million, an increase of \$33.4 million from 2014. Also included in this category is a Payable to the Federal Financing Bank, (“FFB”) related to a financing agreement with the FFB. As of October 31, 2015, the payable was \$71.5 million, a decrease of \$0.6 million relating to regularly scheduled principal payments from a year ago. (See Note 10: “Bonds Payable”.)

**Interest Payable:** Accrued interest payable increased to \$89.4 million at October 31, 2015 from \$78.1 million in 2014. The increase was due to the bond issuance activities of the Corporation in 2015, as bond issuance net of redemptions was up by approximately \$894.0 million.

**Payable to the City of New York:** Payable to the City of New York increased by a net of \$123.4 million to \$992.4 million, an increase of 14.20% from 2014. The increase was primarily due to the receipt of \$87.2 million from HPD to fund mortgage loans under the HPD Grant Program pursuant to Section 661 of the NYS Private Housing Finance Law. During the fiscal year, HDC collaborated with the City through HPD to assign approximately \$46.0 million in mortgage loans to the Corporation through purchase and sale agreements. The assignments were done as part of restructuring the related development’s existing debt with the Corporation.

**Payable to Mortgagors:** Payable to mortgagors increased from \$547.7 million to \$598.2 million in 2015. This represents an increase of \$50.6 million or 9.24% from 2014. Escrow and reserve for replacements funds collected from the mortgagors, in the course of the Corporation’s loan servicing function, exceeded payments by \$20.2 million. Principal reserve and other prepayment funds received to cover bond debt service increased by a net of \$47.2 million. Mortgagor’s equity funds and Community Development Block Grants (“CDBG”) funds paid to mortgagors increased by \$16.8 million.

**Accounts Payable:** Accounts payable increased from \$81.7 million at October 31, 2014 to \$215.2 million at October 31, 2015, a net increase of \$133.5 million. The increase is primarily the result of payments made to the Corporation on a construction loan participating agreement with Citibank. Under the agreement, Citibank funds the mortgage advances on construction loans for a specified period. In fiscal year 2015, loan advances made on behalf of the Corporation as well as accrued interest exceeded the repayments by \$126.9 million. Other payables increased by \$6.6 million, which includes the funds from HUD received on behalf of one development, mortgage insurance premiums payable, and accrued salaries payable.

**Net Pension and OPEB Liabilities:** The accumulated amount of the Corporation’s net pension liability as calculated by the NYCOA was \$10.9 million as of October 31, 2015, an increase of \$1.2 million from 2014. Other post-employment liabilities OPEB increased by \$1.7 million to \$8.9 million. The increase consisted of the Corporation’s net obligation for the fiscal year, which includes normal costs for current employees and interest expense.

**Unearned Revenues and Other Liabilities:** Unearned revenues increased by \$7.8 million to \$99.7 million at October 31, 2015. The increase was due mainly to the receipt of construction financing fees, which will be earned over the construction period of the related mortgages. Other unearned revenues include deferred guaranty fees and prepaid debt service.

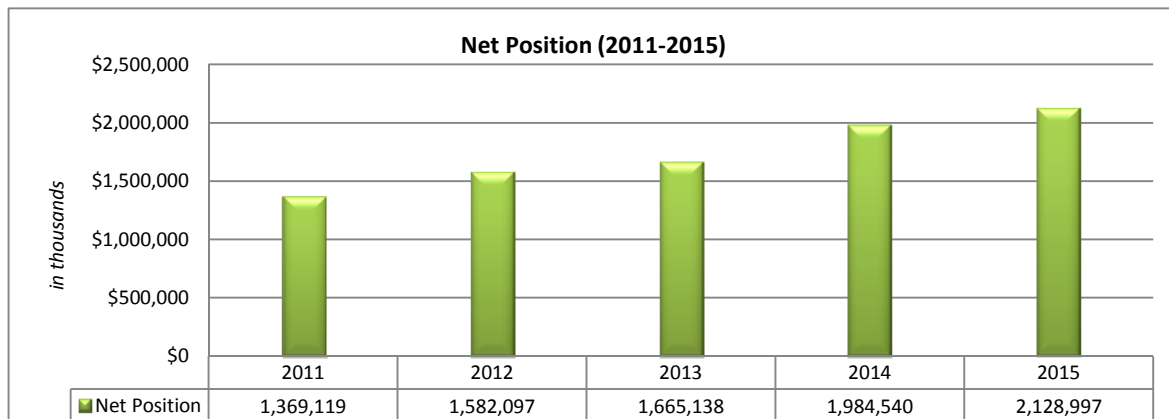
**Deferred Inflows of Resources**

Deferred inflows of resources decreased from \$2.8 million at October 31, 2014 to \$2.1 million as of October 31, 2015. The deferred inflow is related to the Corporation’s pension liability and represents the net difference between the expected and actual investment earnings on pension plan investments as calculated by the NYCOA.

**Net Position**

Net position, the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources, totaled \$2.1 billion as of October 31, 2015. This represents an increase of \$144.5 million or 7.28% over the same period in the previous year. In 2014, total net position increased by \$332.7 million or 20.14%, which included a special item of \$160.2 million recorded in 2014. Without the special item, net position increased by \$172.5 million in 2014. The growth in the Corporation’s net position of \$144.5 million includes \$83.5 million of net operating income and \$61.0 million from non-operating revenues, net of expenses. Non-operating revenue is mainly comprised of 421-a Grant Funds and earnings on investments, including the fair market value adjustment.

Net position is classified as either restricted or unrestricted assets, with restricted assets being committed by law or contract to specific purposes. HDC’s most significant restricted assets include debt service reserves for HDC bond issues, and undisbursed bond proceeds held prior to construction advances. Unrestricted assets may be classified as designated or undesignated. Designated assets are those allocated by action or policy for specific purposes determined by HDC’s Members, such as rating agency reserves (to support the Corporation’s general obligation rating), specific housing loan programs to which the Corporation has committed resources under the Mayor’s *Housing New York Plan*, and working capital. Virtually all of the Corporation’s net position is either restricted or designated. The following chart presents the comparative data of the Corporation’s net position over the last five years:



## Condensed Statement of Revenues, Expenses and Changes in Net Position

The condensed Statement of Revenues, Expenses and Changes in Net Position presents revenues recognized in and expenses attributed to the fiscal year ended October 31, 2015. The table below summarizes the primary entity, HDC's, revenues and expenses and presents comparative data. It should be read in conjunction with the financial statements. (Dollar amounts are in thousands):

	2015	2014	Change	Percent Change
<b>Revenues</b>				
Interest on Loans	\$270,483	\$224,094	\$46,389	20.70%
Fees and Charges	62,992	49,244	13,748	27.92
Income on Loan Participation Interests	2,827	23,129	(20,302)	(87.78)
Other Income	17,945	26,774	(8,829)	(32.98)
<b>Total Operating Revenues</b>	<b>354,247</b>	<b>323,241</b>	<b>31,006</b>	<b>9.59</b>
<b>Expenses</b>				
Bond Interest and Amortization	216,005	184,819	31,186	16.87
Salaries and Related Expenses	24,142	21,562	2,580	11.97
Trustee and Other Fees	11,746	9,401	2,345	24.94
Bond Issuance Costs	12,782	7,917	4,865	61.45
Corporate Operating Expenses	6,105	6,187	(82)	(1.33)
<b>Total Operating Expenses</b>	<b>270,780</b>	<b>229,886</b>	<b>40,894</b>	<b>17.79</b>
<b>Operating Income</b>	<b>83,467</b>	<b>93,355</b>	<b>(9,888)</b>	<b>(10.59)</b>
<b>Non-operating Revenues (Expenses)</b>				
Earnings on Investments	23,227	24,258	(1,031)	(4.25)
Unrealized Gains on Investments	6,130	11,662	(5,532)	(47.44)
Other Non-operating Revenues (Expenses)	31,633	43,285	(11,652)	(26.92)
<b>Total Non-operating Revenues, net</b>	<b>60,990</b>	<b>79,205</b>	<b>(18,215)</b>	<b>(23.00)</b>
<b>Income before Special Item</b>	<b>144,457</b>	<b>172,560</b>	<b>(28,103)</b>	<b>(16.29)</b>
Loan Participation Securitization	-	160,162	(160,162)	
<b>Change in Net Position</b>	<b>144,457</b>	<b>332,722</b>	<b>(188,265)</b>	<b>(56.58)</b>
Net Position, Beginning of year	1,984,540	1,651,818	332,722	20.14
<b>Net Position, End of Year</b>	<b>\$2,128,997</b>	<b>\$1,984,540</b>	<b>\$144,457</b>	<b>7.28%</b>

Revenues of the Corporation are classified as operating and non-operating. Interest income from mortgages represents the Corporation's major source of operating revenue. It also includes various loan and bond program fees such as commitment, bond financing, mortgage insurance, and servicing fees. The Corporation's non-operating revenues consist mostly of earnings on investments and purpose investments as well as revenues from grant income. Investment income accrues to the benefit of the program for which the underlying sources of funds are utilized. Also reported separately as part of non-operating revenues (expenses) is the amount of unrealized appreciation or (depreciation) on investments reported by the Corporation during the year.

HDC's expenses are also classified as operating and non-operating. Operating expenses consist primarily of interest on bonds, which accounted for 79.77% of operating expenses in fiscal year 2015. Other operating expenses include corporate operating expenses (salaries, overhead, and depreciation) and fees. Non-operating expenses consist largely of the amortization of interest rate caps, loss on the early retirement of debt, and the amortization of the capitalized value of a purchased cash flow.

## **RESULTS OF OPERATIONS**

### **Revenues**

The Corporation had operating revenues of \$354.2 million in 2015 compared to \$323.2 million in fiscal year 2014. Operating revenues were approximately 85.31% of total revenues in 2015. The increase in interest on loans and fee based income was offset by the decline in loan participation income and other income. As a result, net operating income for the year was \$83.5 million compared to \$93.4 million in 2014. As a percentage of total operating revenues, net operating income was 23.56% in fiscal year 2015 and 28.88% in 2014.

**Interest on Loans:** The largest component of operating revenues is interest on loans, which increased from \$224.1 million to \$270.5 million, or 20.70%, from fiscal year 2014. The increase is a result of the higher mortgage and loan balances of the Corporation in 2015 compared to the previous year. The Corporation had one of its most active years in loan originations closing over \$1.5 billion of new bonded mortgages.

**Fees and Charges:** Fees and charges, which is mainly comprised of loan origination and servicing related fees, increased from \$49.2 million to \$63.0 million in 2015, or 27.92%. Loan closings during the fiscal year resulted in a 115.35% increase in commitment fees compared to 2014.

**Income on Loan Participation Interests:** Loan participation income in fiscal year 2015 was \$2.8 million, a decrease of \$20.3 million, or 87.78%, from last year. In 2014, loan participation income was \$23.1 million. Loan Participation income is driven by prepayments of second mortgage loans in the MLRP program.

**Other Income:** Other income in fiscal year 2015 was \$17.9 million, a decrease of 32.98% from 2014 when it was \$26.8 million. Other income is mainly comprised of a receivable setup for debt service on the NYCHA Capital Fund Grant program bonds and income on mortgage participation fees. The NYCHA bonds debt service is paid semiannually by HUD. For fiscal year 2015, there was a reduction of \$4.9 million to cover debt service on the NYCHA related bonds. Income on mortgage participation fees in 2015 was \$1.2 million, a decrease of \$4.3 million from the previous year.



## Expenses

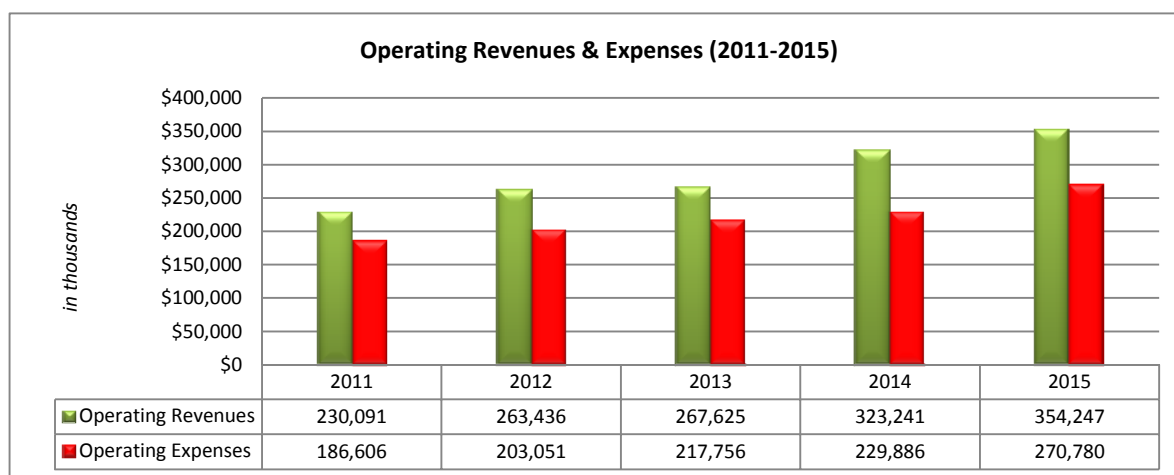
Total expenses in fiscal year 2015 increased by 17.79% compared to the previous year. This increase was primarily due to the Corporation's bond issuance activities during the fiscal year.

**Bond Interest and Amortization:** Bond interest expenses constitute 79.77% of the total operating expenses. The increase is directly related to the higher bonds outstanding balance at fiscal year end.

**Salaries and Related Expense:** Salaries and related expense increased by \$2.6 million or 11.97% from a year ago. The increase was mainly due to the setup of pension and other post-employment benefits liabilities. Without the pension and OPEB accrued expenses, salaries expense increased by 2.55%. As a percentage of total operating expenses, salaries and related expenses were 8.92% in fiscal year 2015 and 9.38% in 2014.

**Bond Issuance and Administration Expenses:** Bond issuance costs and trustees fees increased from \$17.3 million in fiscal year 2014 to \$24.5 million in 2015. This represents a net increase of \$7.2 million or 41.63%.

The following chart presents the comparative data of the Corporation's operating revenues and expenses over the last five years:



## Other Non-Operating Revenues (Expenses)

**Earnings on Investments and Unrealized Gains:** Non-operating revenues primarily consist of earnings on investments and other non-operating revenues. Investment income, including the fair market valuation adjustment, decreased by \$6.6 million from the prior year in spite of the higher investment portfolio balance. The decrease in investment income can be attributed to the continued lower interest rate environment and the reduced average life of the investment portfolio. Approximately 41% of the Corporation's investments are in demand deposit accounts. Without the fair market valuation, realized investment income decreased by 4.25%.

Other non-operating revenues include \$37.2 million from 421-a grant revenue and \$3.0 million in pass-through related revenues on the City loan sale participation programs. There was a \$0.7

million loss on early debt retirement and a capital transfer of \$8.0 million to the REMIC subsidiary to increase its capital base.

### **Net Income before Special Item**

Net income for fiscal year 2015 was \$144.5 million, down from \$172.6 million from the previous year. The decrease of \$28.1 million, or 16.29%, includes a decrease of \$9.9 million in operating income and a decrease of \$18.2 million in non-operating revenue including 421-a grant fund income.

### **DEBT ADMINISTRATION**

At year-end, the Corporation had approximately \$10.2 billion of bond principal and debt obligations outstanding, net of discount and premium. This is an increase of 9.60% over the prior year. The following table summarizes the changes in bonds payable and debt obligations between October 31, 2014 and October 31, 2015. (Dollar amounts are in thousands):

	2015	2014	Percentage increase FY 2014 to 2015
Bonds Payable & Debt Obligations	\$10,207,453	\$9,313,491	9.60%

In fiscal year 2015, all variable rate demand obligations (“VRDO”) bond series were successfully remarketed and there were no bonds that were tendered to become Bank Bonds. Additional information about HDC’s debt is presented in Note 10 to the financial statements.

### **NEW BUSINESS**

In fiscal year 2015, the Corporation issued 25 new taxable and tax-exempt bond series totaling \$2.1 billion. Included in this total were 19 series of Housing Revenue Bond Program bonds totaling \$1.3 billion and six series of Multi-Family Mortgage Revenue Bonds totaling \$877 million. In addition, the Corporation issued 7 series of Multi-Family Mortgage Revenue Debt Obligations tax-exempt and taxable, totaling \$33.5 million. The Corporation also made low interest loans from its net position. Subsequent to October 31, 2015, HDC issued additional bond series and debt obligations totaling \$395.2 million. (See Note 20: “Subsequent Events”.)

### **CONTACTING THE CORPORATION’S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Corporation’s finances and to demonstrate the Corporation’s accountability for the resources at its disposal. If you have questions about this report or need additional financial information, contact the Public Information Officer, New York City Housing Development Corporation, 110 William Street, New York, NY 10038. The Corporation also maintains information on its website at [www.nychdc.com](http://www.nychdc.com).



# New York City Housing Development Corporation Statements of Net Position

At October 31, 2015 (with comparative summarized financial information as of October 31, 2014) (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	2015	2014
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents (note 3)	\$ 782,027	\$ -	\$ -	\$ 782,027	\$ 570,451
Investments (note 3)	375,587	-	-	375,587	323,658
Receivables:					
Mortgage loans (note 4)	124,761	30	-	124,791	625,276
Accrued interest	27,807	21	-	27,828	25,760
Notes (note 5)	29,455	-	-	29,455	28,410
Other (note 7)	44,295	-	-	44,295	47,332
Total Receivables	226,318	51	-	226,369	726,778
Other assets	15	-	-	15	14
<b>Total Current Assets</b>	<b>1,383,947</b>	<b>51</b>	<b>-</b>	<b>1,383,998</b>	<b>1,620,901</b>
<b>Noncurrent Assets:</b>					
Restricted cash and cash equivalents (note 3)	1,090,674	812	37,122	1,128,608	1,338,568
Restricted investments (note 3)	1,215,428	2,091	75,434	1,292,953	1,002,114
Purpose investments (note 2)	31,066	-	-	31,066	31,697
Mortgage loans (note 4)	398,282	-	-	398,282	444,013
Restricted receivables:					
Mortgage loans (note 4)	9,055,538	28,605	-	9,084,143	7,667,863
Mortgage loan participation - Federal Financing Bank (note 4)	71,450	-	-	71,450	72,020
Loan participation receivable - The City of NY (note 6)	626,645	-	-	626,645	631,047
Accrued interest	10,096	1,393	-	11,489	7,456
Notes (note 5)	421,073	-	-	421,073	257,880
Other (note 7)	23,305	-	12	23,317	23,314
Total restricted receivables	10,208,107	29,998	12	10,238,117	8,659,580
Primary government/component unit receivable (payable)	2,567	(2,548)	(19)	-	-
Capital assets	1,796	-	-	1,796	1,344
Other assets (note 8)	9,118	-	-	9,118	9,475
<b>Total Noncurrent Assets</b>	<b>12,957,038</b>	<b>30,353</b>	<b>112,549</b>	<b>13,099,940</b>	<b>11,486,791</b>
<b>Total Assets</b>	<b>14,340,985</b>	<b>30,404</b>	<b>112,549</b>	<b>14,483,938</b>	<b>13,107,692</b>
<b>Deferred Outflows of Resources</b>					
Interest rate caps (note 9)	2,602	-	-	2,602	3,674
Deferred loss on early retirement of debt (note 9)	7,685	-	-	7,685	8,311
Deferred outflows related to pension plan (note 13)	2,063	-	-	2,063	350
<b>Total Deferred Outflows of Resources</b>	<b>\$ 12,350</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,350</b>	<b>\$ 12,335</b>

See accompanying notes to the basic financial statements.

# New York City Housing Development Corporation Statements of Net Position (continued)

At October 31, 2015 (with comparative summarized financial information as of October 31, 2014) (in thousands)

Discretely Presented Component Units				
New York City Housing Development Corporation	New York City Housing Assistance Corporation	New York City Residential Mortgage Insurance Corporation	Total	
			2015	2014

## Liabilities

### Current Liabilities:

Bonds payable (net) (note 10)	\$ 429,706	\$ -	\$ -	\$ 429,706	\$ 834,981
Accrued interest payable	89,441	-	-	89,441	78,077
Payable to mortgagors	138,226	-	-	138,226	130,903
Restricted earnings on investments	16,535	41	-	16,576	14,767
Accounts and other payables	215,195	-	-	215,195	81,718
<b>Total Current Liabilities</b>	<b>889,103</b>	<b>41</b>	<b>-</b>	<b>889,144</b>	<b>1,140,446</b>

### Noncurrent Liabilities:

Bonds and debt obligations payable:					
Bonds payable (net) (note 10)	9,671,638	-	-	9,671,638	8,405,292
Debt obligations payable	34,659	-	-	34,659	1,198
Loan participation payable to Federal Financing Bank	71,450	-	-	71,450	72,020
Payable to The City of New York:					
Loan participation agreements (note 12)	626,645	-	-	626,645	631,047
Other	365,719	29,826	-	395,545	272,284
Payable to mortgagors	460,014	503	-	460,517	417,262
Net pension liabilities (note 13)	10,908	-	-	10,908	9,730
OPEB liability (note 14)	8,919	-	-	8,919	7,196
Unearned revenues, amounts received in advance and other liabilities	83,198	-	-	83,198	77,173
Due to the United States Government (note 15)	10	-	-	10	9
<b>Total Noncurrent Liabilities</b>	<b>11,333,160</b>	<b>30,329</b>	<b>-</b>	<b>11,363,489</b>	<b>9,893,211</b>
<b>Total Liabilities</b>	<b>12,222,263</b>	<b>30,370</b>	<b>-</b>	<b>12,252,633</b>	<b>11,033,657</b>

## Deferred Inflows of Resources

Deferred inflows from pensions	2,075	-	-	2,075	2,794
<b>Total Deferred Inflows of Resources</b>	<b>2,075</b>	<b>-</b>	<b>-</b>	<b>2,075</b>	<b>2,794</b>

## Net Position

Restricted for bond obligations (note 19)	1,207,333	34	-	1,207,367	1,117,381
Restricted for insurance requirement and others	-	-	64,274	64,274	52,921
Unrestricted (note 19)	921,664	-	48,275	969,939	913,274
<b>Total Net Position</b>	<b>\$ 2,128,997</b>	<b>\$ 34</b>	<b>\$ 112,549</b>	<b>\$ 2,241,580</b>	<b>\$ 2,083,576</b>

See accompanying notes to the basic financial statements.

# New York City Housing Development Corporation Statements of Revenues, Expenses and Changes in Net Position

Year ended October 31, 2015 (with comparative summarized financial information for the year ended October 31, 2014) (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	2015	2014
<b>Operating Revenues</b>					
Interest on loans (note 4)	\$ 270,483	\$ -	\$ -	\$ 270,483	\$ 224,094
Fees and charges (note 7)	62,992	-	3,071	66,063	52,146
Income on loan participation interests (note 6)	2,827	-	-	2,827	23,129
Other	17,945	-	-	17,945	26,774
<b>Total Operating Revenues</b>	<b>354,247</b>	<b>-</b>	<b>3,071</b>	<b>357,318</b>	<b>326,143</b>
<b>Operating Expenses</b>					
Interest and amortization of bond premium and discount (note 10)	216,005	-	-	216,005	184,819
Salaries and related expenses (note 13)	24,142	-	-	24,142	21,562
Trustees' and other fees	11,746	-	-	11,746	9,401
Bond issuance costs	12,782	-	-	12,782	7,917
Corporate operating expenses (note 11)	6,105	-	-	6,105	6,187
<b>Total Operating Expenses</b>	<b>270,780</b>	<b>-</b>	<b>-</b>	<b>270,780</b>	<b>229,886</b>
<b>Operating Income</b>	<b>83,467</b>	<b>-</b>	<b>3,071</b>	<b>86,538</b>	<b>96,257</b>
<b>Non-operating Revenues (Expenses)</b>					
Earnings on investments (note 3)	23,227	-	2,224	25,451	26,765
Unrealized gains (losses) on investments (note 3)	6,130	(78)	821	6,873	17,215
Loss on early retirement of debt, net	(699)	-	-	(699)	-
Other non-operating revenues, net (note 7)	31,841	-	8,000	39,841	42,811
Payments from REMIC Subsidiary to HDC	491	-	(491)	-	-
<b>Total Non-operating Revenues, net</b>	<b>60,990</b>	<b>(78)</b>	<b>10,554</b>	<b>71,466</b>	<b>86,791</b>
<b>Income (Loss) before Special Item</b>	<b>144,457</b>	<b>(78)</b>	<b>13,625</b>	<b>158,004</b>	<b>183,048</b>
Loan participation agreement securitization	-	-	-	-	160,162
<b>Changes in Net Position</b>	<b>144,457</b>	<b>(78)</b>	<b>13,625</b>	<b>158,004</b>	<b>343,210</b>
Total net position - beginning of year	1,984,540	112	98,924	2,083,576	1,740,366
<b>Total Net Position - End of Year</b>	<b>\$ 2,128,997</b>	<b>\$ 34</b>	<b>\$ 112,549</b>	<b>\$ 2,241,580</b>	<b>\$ 2,083,576</b>

See accompanying notes to the basic financial statements.

# New York City Housing Development Corporation Statements of Cash Flows

Years ended October 31, 2015 and 2014 (in thousands)

	2015	2014
<b>Cash Flows From Operating Activities</b>		
Mortgage loan repayments	\$ 1,240,635	\$ 1,129,021
Note repayments	45,039	44,900
Receipts from fees and charges	59,728	48,557
Mortgage escrow receipts	153,866	161,969
Reserve for replacement receipts	25,004	32,669
Mortgage loan advances	(1,821,164)	(806,694)
Note advances	(196,618)	(35,315)
Escrow disbursements	(134,474)	(124,516)
Reserve for replacement disbursements	(16,251)	(27,370)
Payments to employees	(22,982)	(21,818)
Payments to suppliers for corporate operating expenses	(5,748)	(5,795)
Project contributions and funds received from NYC	129,817	86,018
Advances and other payments for NYC	(60,331)	(101,283)
Bond cost of issuance	(10,762)	(8,942)
Other receipts	464,650	494,405
Other payments	(277,483)	(479,969)
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(427,074)</b>	<b>385,837</b>
<b>Cash Flows From Non Capital Financing Activities</b>		
Proceeds from sale of bonds	2,146,562	1,076,846
Proceeds from loan participation - FFB	-	72,020
Proceeds from debt obligations	33,460	1,198
Retirement of bonds	(1,281,916)	(1,339,099)
Interest paid	(205,947)	(182,577)
Grant proceeds from BPCA	42,803	45,795
Payments to component units	(10,517)	(2,299)
<b>Net Cash Provided by (Used in) Non Capital Financing Activities</b>	<b>724,445</b>	<b>(328,116)</b>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchase of capital assets	(838)	(428)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(838)</b>	<b>(428)</b>
<b>Cash Flows From Investing Activities</b>		
Sale of investments	23,380,366	11,159,988
Purchase of investments	(23,730,497)	(11,082,949)
Interest and dividends collected	28,565	30,245
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>(321,566)</b>	<b>107,284</b>
(Decrease) increase in cash and cash equivalents	(25,033)	164,577
Cash and cash equivalents at beginning of year	1,897,734	1,733,157
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,872,701</b>	<b>\$ 1,897,734</b>

See accompanying notes to the basic financial statements.

# New York City Housing Development Corporation

## Statements of Cash Flows (continued)

Years ended October 31, 2015 and 2014 (in thousands)

	2015	2014
<b>Reconciliation of Operating Income to Net Cash (Used in) Provided by Operating Activities:</b>		
<b>Operating Income</b>	<b>\$ 83,467</b>	<b>\$ 93,355</b>
<b>Adjustments to reconcile Operating Income to Net Cash (Used in) Provided by Operating Activities:</b>		
Depreciation expense	386	421
Amortization of bond discount and premium	(4,144)	(3,848)
Amortization of deferred loss on early retirement of debt	626	570
Non-operating bond interest payment	205,948	182,577
<b>Changes in Assets and Liabilities:</b>		
Mortgage loans	(873,552)	96,657
Accrued interest receivable	(8,587)	7,677
Notes receivables	(164,238)	(15,827)
Other receivables	6,198	7,272
Primary government/component unit receivable	3,008	2,773
Other assets	(643)	(5,327)
Payable to The City of New York	124,235	(16,015)
Payable to mortgagors	47,963	37,599
Accounts and other payables	136,289	(18,086)
Restricted earnings on investments	(700)	(1,236)
Unearned revenues, amounts received in advance and other liabilities	5,296	12,493
Accrued interest payable	11,374	4,782
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>\$ (427,074)</b>	<b>\$ 385,837</b>
<b>Non Cash Investing Activities:</b>		
Increase in fair value of investments	\$ 6,130	\$ 11,662
<b>Non Capital Financing Activities:</b>		
Loan participation securitization	\$ -	\$ 160,162

See accompanying notes to the basic financial statements.

# New York City Housing Development Corporation

## Notes to the Financial Statements

October 31, 2015

### Note 1: Organization

The New York City Housing Development Corporation (the “Corporation” or “HDC”) is a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York (the “State”). The Corporation is also a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (the “Code”). The Corporation was established in 1971 under the provisions of Article XII of the Private Housing Finance Law (the “Act”) of the State and is to continue in existence for at least as long as bonds, notes or other obligations of the Corporation are outstanding.

The Corporation was created to encourage the investment of private capital through low-interest mortgage loans in order to increase the supply of safe and sanitary dwelling accommodations for families and persons whose need for housing accommodations cannot be provided by unassisted private enterprise. To accomplish its objectives, the Corporation is empowered to finance housing through new construction or rehabilitation and to provide permanent financing for multi-family residential housing. The Corporation finances significant amounts of its activities through the issuance of bonds, notes and debt obligations. The bonds, notes and debt obligations of the Corporation are not debts of either the State or The City of New York (the “City”).

Pursuant to Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*, the Corporation’s financial statements are included in the City’s financial statements as a component unit for financial reporting purposes.

#### Primary Government Entity

For the purpose of these financial statements, the Corporation is the primary government entity. Financial activity in HDC’s bond and loan programs and in its Corporate Services Fund are aggregated and reported in the financial statements under Housing Development Corporation. The Corporation sells bonds, administers bond proceeds and manages bond revenues and repayments in accordance with bond resolutions adopted by its Board Members (See Note 10: “Bonds Payable”). Bond proceeds are used to make loans and provide for related costs and reserves, and loan repayments are applied to pay principal and interest on the related bonds (See Note 4: “Mortgage Loans”; Note 5: “Notes Receivable”; and Note 6: “Loan Participation Receivable for The City of New York”). Corporation resources that are not pledged under or governed by a bond resolution are managed in the Corporate Services Fund. This fund accounts for (1) fees and earnings transferred from the bond and loan programs; (2) fees earned on loans serviced for HDC and for the City; (3) compliance monitoring fees; (4) income from Corporate Services Fund investments; (5) grant revenues; (6) payments of the Corporation’s operating expenses; and (7) loans made with corporate funds.

The Corporation currently has one blended component unit, two active subsidiaries that are reported as Discretely Presented Component Units in the financial statements, and one inactive subsidiary.

# New York City Housing Development Corporation

## Notes to the Financial Statements

October 31, 2015

The New York City Housing Assistance Corporation (“HAC”) and the New York City Residential Mortgage Insurance Corporation (“REMIC”) represent active subsidiaries and together with the Housing New York Corporation (“HNYC”) and the Real Estate Owned Corporation comprise the reporting entity. HAC and REMIC have been included in the Corporation’s financial statements as discretely presented component units of HDC. All of these entities have been reported as component units because HDC’s Members comprise all or a controlling majority of the Board for each entity and HDC’s staff provides all services for each entity.

### Discretely Presented Component Units

#### *(A) New York City Housing Assistance Corporation*

HAC is a public benefit corporation established pursuant to Section 654-b of the Act as a subsidiary of the Corporation.

HAC is empowered to receive monies from any source, including, but not limited to, the Corporation, the City or the State, for the purpose of assisting rental developments to maintain rentals affordable to low and moderate-income persons for whom the ordinary operation of private enterprise cannot supply safe, sanitary and affordable housing accommodations. In order to accomplish this objective, HAC may transfer, lend, pledge or assign these monies to any rental development or assist the Corporation in financing such developments. As a subsidiary of HDC, HAC’s functions are administered by the Corporation and its Board Members substantially overlap with HDC’s Board Members, so it is reported as a discretely presented component unit in HDC’s financial statements.

#### *(B) New York City Residential Mortgage Insurance Corporation*

REMIC is a public benefit corporation established pursuant to Section 654-d of the Act as a subsidiary of HDC. REMIC is the successor entity to the New York City Rehabilitation Mortgage Insurance Corporation (“Old REMIC”), which was dissolved on January 27, 1993. REMIC has the authority to insure residential mortgage loans throughout the City in order to promote the preservation of neighborhoods which are blighted, are becoming blighted or may become blighted, to discourage divestment and encourage the investment of mortgage capital in such neighborhoods and to provide safe, sanitary and affordable housing accommodations to persons and families for whom the ordinary operations of private enterprise cannot supply such accommodations.

REMIC maintains three reserves; the Housing Insurance Fund, the Mortgage Insurance Fund, and the Premium Reserve Fund. The Mortgage Insurance Fund was used solely for the payment of liabilities arising from mortgage insurance contracts of the Old REMIC. During fiscal year 2015, the last loan in the Old REMIC insurance contract was paid off and subsequent to October 31, 2015, the remaining balance in the Mortgage Insurance Fund was transferred to the Operating Fund.

The Housing Insurance Fund can be used as a revolving fund solely for the payment of liabilities arising from housing insurance contracts issued by REMIC. The Housing Insurance Fund requirement as of any particular date is established by statute and must be in an amount equal to the aggregate of (i) one hundred percent of the insured amounts due and payable pursuant to housing insurance contracts, plus

# New York City Housing Development Corporation

## Notes to the Financial Statements

October 31, 2015

(ii) twenty percent of the insured amounts under housing insurance contracts other than insured amounts which are due and payable pursuant to (i) above, plus (iii) twenty percent of the amounts to be insured under REMIC's commitments to insure. The Housing Insurance Fund requirement at October 31, 2015 is \$64,274,000.

Any income or interest earned on these two reserves in excess of their respective requirements is transferred at least annually to the Premium Reserve Fund. The Premium Reserve Fund must also be maintained to provide for the payment of REMIC's liabilities arising from its operations, including liabilities arising from housing and mortgage insurance contracts. REMIC also maintains an Operating Fund for operation purposes. As a component unit of HDC, REMIC functions are administered by the Corporation. The Premium Reserve Fund and Operating Fund have a combined balance of \$48,275,000 at October 31, 2015. REMIC is a component unit because HDC's Members comprise a controlling majority of the Board and HDC's staff provides all services for REMIC.

### Blended Component Unit

#### *(C) Real Estate Owned Corporation*

The NYC HDC Real Estate Owned Corporation ("REO Subsidiary Corporation") was established under Section 654-a of the Act on September 20, 2004. The REO Subsidiary Corporation has the power to hold property whenever, in the sole discretion of the Corporation, it has become necessary to acquire a project in the case of sale under foreclosure or in lieu of foreclosure to effectuate the purposes of the Act. There was no activity undertaken by this subsidiary during fiscal year 2015. The REO Subsidiary Corporation is treated as a blended component unit of HDC.

### Inactive Subsidiary

#### *(D) Housing New York Corporation*

The Housing New York Corporation is a public benefit corporation established pursuant to Section 654-c of the Act as a subsidiary of the Corporation. Authorization for the funding of the Housing New York Program ended on July 1, 1995. Consequently, HNYC can no longer issue bonds or notes to fund the Housing New York Program.

Upon repayment of all of the outstanding HNYC bonds on November 3, 2003, HNYC became an inactive subsidiary of the Corporation and its remaining funds were transferred out of HNYC. However, HNYC is not expected to be dissolved.

### **Note 2: Summary of Significant Accounting Policies**

The Corporation follows the principles of fund accounting, with a sub-fund for each bond series, for the Corporate Services Fund, and for each component unit. Each fund's assets, liabilities and net position are accounted for as separate entities and follow enterprise fund reporting. Certain individual funds are aggregated into larger categories for the purpose of financial reporting. The accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of



# New York City Housing Development Corporation

## Notes to the Financial Statements

October 31, 2015

accounting wherein revenues are recognized when earned and expenses when incurred. In its accounting and financial reporting, the Corporation follows the pronouncements of the GASB.

Other significant accounting policies are:

### *A. Revenue and Expense Recognition*

The Corporation's operating revenues consist of earnings on loans and loan participation interests, fees and charges associated with both financing and servicing mortgages and loans, and other revenues that are received to cover the costs of raising capital. All other revenue, which is primarily investment income and grant revenue are considered non-operating. Revenues are recognized when earned.

Operating expenses include bonding costs, expenses for administering the various bond resolutions, personnel expenses, corporate operating expenses, bond issuance and financing costs, and depreciation expense. The Corporation reports all other expenses, including distributions of first mortgage earnings to the City in connection with loan participations and the payment, if necessary, of mortgage loan principal receipts on bond payments, as non-operating expenses. Expenses are recognized as incurred.

Virtually all resources are either restricted or designated. Net position has been restricted in accordance with terms of an award, agreement or by state law. Designated assets are committed for specific purposes pursuant to HDC policy and/or Board directives. (Please see Note 19: "Net Position" for more detailed information.)

### *B. Cash Equivalents and Investments*

Short-term bank deposits and investments with stated maturities of 90 days or less are reported as Cash and Cash Equivalents. All investments are reported at fair value, except for investment agreements. The Corporation's investment agreements, which can take the form of open time deposits or fixed repurchase agreements, are reported at an amount equal to principal and accrued interest.

Generally Accepted Accounting Principles ("GAAP") require that restricted assets be reported as non-current assets. In the case of cash equivalents and investments, this treatment generally causes restricted investments with maturities less than one year to be reported as non-current. However, to more accurately report the alignment of HDC's current liability for payment of bond principal and interest with funds available to satisfy these liabilities, HDC has included in Current Assets, the cash, cash equivalents and investments totaling \$578,932,000 at October 31, 2015, to cover the payment of bond principal and interest due in the following year.

### *C. Purpose Investments*

As part of its financing activities, HDC has made three housing development loans that are secured by GNMA certificates rather than mortgages on the related properties. The GNMA certificates provide payments at such times and in such amounts as to fully repay the respective HDC loans, and are the only source of repayment for these loans. The GNMA certificates are treated under U.S. Treasury regulations as acquired program obligations. The GNMA certificates are classified in the financial statements as

# New York City Housing Development Corporation

## Notes to the Financial Statements

### October 31, 2015

purpose investments and identified separately from other investments and restricted investments in the financial statements. However, interest earned on the GNMA certificates is included in investment income.

It is the Corporation's policy to record GNMA certificates at amortized cost, which amounted to \$31,066,000 and \$31,697,000 at October 31, 2015 and October 31, 2014, respectively. The fair value of these purpose investments amounted to \$32,676,000 and \$32,352,000 at October 31, 2015 and at October 31, 2014, respectively.

#### *D. Mortgage Loans*

As part of the Corporation's major financing activities, mortgage loans are funded from bond and debt obligation proceeds and corporate reserves. The mortgage loans funded from bond proceeds and debt obligations are generally classified as restricted receivables because the loan repayments of all such loans are pledged to cover the debt service on the related bonds and obligations. The loans funded from corporate reserves are not restricted but designated for a specific purpose.

#### *E. Earnings on Investments*

Investment earnings on monies held for the City, project reserves for replacement and certain other project escrows are not reported as revenues; rather, they are reported as payable to the City or payable to mortgagors, respectively.

#### *F. Allowance for Credit Losses*

HDC's loans are underwritten according to standards the Corporation believes prudent and are closely monitored for payment and for management of the associated housing developments. In addition, many of the Corporation's mortgages have credit enhancements through letters of credit, mortgage insurance and other supports. Therefore, HDC believes that the likelihood of experiencing material credit losses relating to its bonded mortgage programs is remote. Management has determined that current charges against income are not required.

#### *G. Summarized Financial Information*

The financial statements include summarized comparative information as of and for the year ended October 31, 2014 in total but not by reporting unit. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended October 31, 2014 (which are available from the Corporation and on its website).

#### *H. Recent and Upcoming Accounting Pronouncements*

##### Accounting Standards Issued But Not Yet Adopted.

GASB Statement No. 72, *Fair Value Measurement and Application*, was issued in February 2015. The

# New York City Housing Development Corporation

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scope of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about concepts and definitions established in Concepts Statement No. 6, *Measurement of Elements of Financial Statements, and other relevant literature*. The Statement is effective for fiscal years beginning after June 15, 2015. The Corporation is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68 were issued in June 2015. The requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and non-employer contributing entities. This Statement also clarifies the application of certain provisions of Statements 67 and 68 with regard to the following issues:

- Information that is required to be presented as notes to the 10-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported.
- Accounting and financial reporting for separately financed specific liabilities of individual employers and non-employer contributing entities for defined benefit pensions.
- Timing of employer recognition of revenue for the support of non-employer contributing entities not in a special funding situation.

The Statement is effective for fiscal years beginning after June 15, 2015. The Corporation is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* was issued in June 2015. Statement 74 replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and required supplementary information related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The Statement is effective for fiscal years beginning after June 15, 2016. The Corporation is in the process of evaluating the impact of its adoption on the financial statements.

# New York City Housing Development Corporation

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GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued in June 2015. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity. In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and non-employer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, Non-employer contributing entities, the OPEB plan administrator, and the plan members.

The Statement is effective for fiscal years beginning after June 15, 2017. The Corporation is in the process of evaluating the impact of its adoption on the financial statements.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015. The Corporation is currently evaluating the impact this standard will have on its financial statements.

# New York City Housing Development Corporation

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In August 2015, GASB issued Statement No. 77 (“GASB No. 77”), *Tax Abatement Disclosures*. The objective of this Statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current-year revenues were sufficient to pay for current-year services, (b) compliance with finance-related legal or contractual requirements, (c) where a government’s financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time. The provisions of this statement are effective for fiscal years beginning after December 15, 2015. The Corporation is currently evaluating the impact that this standard will have on its financial statements.

In December 2015, GASB issued Statement No. 78 (“GASB No. 78”), *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of GASB No. 68. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The provisions of this statement are effective for fiscal years beginning after December 15, 2015. The Corporation is currently evaluating the impact that this standard will have on its financial statements.

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants* (“GASB No. 79”). The objective of this Statement is to address for certain external investment pools and their participants, the accounting and financial reporting implications that result from changes in the regulatory provisions referenced by previous accounting and financial reporting standards. The provisions of this statement are effective for fiscal years beginning after December 15, 2015. The Corporation is currently evaluating the impact this standard will have on its financial statements.

### Note 3: Investments and Deposits

The Corporation is authorized to engage in investment activity pursuant to the Act and the Corporation’s respective bond resolutions. Investment policies are set for the Corporation by the Members of the Corporation on an annual basis, through the annual adoption of written investment guidelines. Investments are reviewed on a periodic basis by the Corporation’s Audit Committee. Day-to-day investment decisions are made by the Corporation’s Investment Committee. The Corporation principally invests in securities of the United States and its agencies, open time deposits (“OTDs”) in the form of investment agreements, demand accounts, and repurchase agreements. In fiscal year 2015, HDC continued investing in taxable municipal bonds of New York State and New York City, consistent with the Corporation’s statute and Investment Guidelines. The Corporation did not enter into any reverse repurchase agreements during the year ended October 31, 2015. The Corporation is not aware of any violations of any provisions of the foregoing policies.

All securities, other than securities held by the respective trustees for the benefit of the bondholders, were held by the Corporation or its agents in the Corporation’s name. Bond program investments are held by the trustee of the applicable program.

# New York City Housing Development Corporation

## Notes to the Financial Statements

### October 31, 2015

All investment transactions are recorded on the trade date. Investments, other than purpose investments, at October 31, 2015, were as follows:

Investment Type <i>(in thousands)</i>	Investment Maturities at October 31, 2015 (in Years)				
	2015	Less than 1	1-5	6-10	More than 10
Money Market and NOW Accounts	\$1,432,011	1,432,011	—	—	—
FHLMC Bonds	562,629	—	489,893	14,938	57,798
Fixed Repurchase Agreements	418,199	418,199	—	—	—
FHLB Bonds	271,486	—	194,886	28,524	48,076
Term Repurchase Agreements	241,038	75,022	159,886	—	6,130
U.S. Treasury (Bonds, Notes, Bills)	233,202	229,064	—	4,138	—
FNMA Bonds	153,973	26,702	—	102,358	24,913
Open Time Deposits	51,184	3,212	—	—	47,972
Federal Farm Credit Bonds	49,566	—	—	49,566	—
NYS/NYC Municipal Bonds *	36,457	3,638	32,819	—	—
Farmer MAC Bonds	8,614	—	—	8,614	—
<b>Total</b>	<b>\$3,458,359</b>	<b>2,187,848</b>	<b>877,484</b>	<b>208,138</b>	<b>184,889</b>
Less amounts classified as cash equivalents	(1,867,344)	(1,867,344)	—	—	—
<b>Total investments</b>	<b>\$1,591,015</b>	<b>320,504</b>	<b>877,484</b>	<b>208,138</b>	<b>184,889</b>

\*Note: Primarily taxable VRDO instruments which can be put weekly.

In addition to the investments identified above, as of October 31, 2015 and 2014, the Corporation held \$5,357,000 and \$5,207,000, respectively, uninvested as cash in various trust and escrow accounts.

As required by GASB No. 31 the Corporation has recorded a fair value adjustment in its investment portfolio. The Corporation recorded a net appreciation of \$6,130,000 at October 31, 2015.

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates, the Corporation's Investment Guidelines charge the Investment Committee with "...determining appropriate investment instruments...based on...length of time funds are available for investment purposes..." among other factors. Thus, maturities are matched to the Corporation's liquidity needs. As part of the Corporation's investment policies, it looks to invest its bond and corporate related reserves in long term securities that carry a higher yield, with the intent to hold the investments to maturity.

*Credit Risk:* The Corporation's investment guidelines and policies are designed to protect principal by limiting credit risk. This is accomplished by making decisions based on a review of ratings, collateral, and diversification requirements that vary according to the type of investment.

As of October 31, 2015, investments in Federal National Mortgage Association ("FNMA" or "Fannie Mae"), Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac") and Federal Home Loan Bank ("FHLB") were rated by Standard & Poor's and/or Moody's Investors Service (Fannie Mae, Freddie Mac, FHLB, Farmer MAC and Federal Farm Credit Bank are collectively referred to as "Agency"). These ratings were AA+ and A-1+ by Standard & Poor's, and Aaa and P-1 by Moody's for long-term and short-term instruments, respectively. Investments in Fannie Mae, Freddie Mac and FHLB are implicitly guaranteed by the U.S. government. They carry ratings equivalent to the credit ratings for



# New York City Housing Development Corporation

## Notes to the Financial Statements

October 31, 2015

the U.S. government. Some investments were not rated by Fitch Ratings. Of the investments that were rated by Fitch Ratings, they carried ratings from BBB+ to AAA. Money market accounts are either backed by collateral held by the provider or letters of credit provided by third parties.

Ratings for NYS/ NYC municipal bonds are based on each issuer's rating for its general obligation debt. The issuers' ratings were AA by Standard & Poor's; ranged from Aa1 to Aa2 by Moody's; and AA by Fitch Ratings Service. Money Market, Open Time Deposits and Repurchase Agreements in the form of OTDs are not rated; however, the providers are rated.

*Custodial Credit Risk:* For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Corporation, and are held by either the counterparty or the counterparty's trust department or agent but not in the name of the Corporation. The Corporation manages custodial credit risk by limiting its investments to highly rated institutions and/or requiring high quality collateral be held by the counterparty in the name of the Corporation.

As of October 31, 2015, open time deposits in the amount of \$30,093,000, repurchase agreements in the amount of \$659,237,000 and demand accounts in the amount of \$1,432,011,000 were collateralized by high quality instruments such as U.S. Treasury Notes, U.S. Treasury Bills, and Agency investments and Letters of Credits held by the Corporation's agent in the name of the Corporation. A portion of collateral supporting the demand accounts was in the form of FHLB letters of credit.

For deposits, custodial credit risk is the risk that in the event of a bank failure the Corporation's deposit may not be returned to it. HDC bank deposits amounted to \$11,632,000 at October 31, 2015, of which \$10,877,000 was uninsured by Federal Deposit Insurance Corporation ("FDIC") and uncollateralized. Correspondingly, \$4,114,000 was secured in trust accounts, which are protected under state law and \$7,518,000 was held in Demand Deposit Accounts ("DDA"). HDC limits its deposits to highly rated institutions, and such deposits are either in trust accounts or partially insured through the FDIC. The maximum coverage of \$250,000 is available to depositors under the FDIC's general deposit insurance rules. All of the Corporation's funds held in the DDA are subject to this provision.

*Concentration of Credit Risk:* The Corporation follows its annually adopted investment guidelines in accordance with concentration limits and reviews its credit concentration monthly. The Corporation's Credit Risk unit monitors concentration risk amongst issuers and reports regularly to the Members of the Corporation's Audit Committee.

# New York City Housing Development Corporation

## Notes to the Financial Statements

### October 31, 2015

The following table shows issuers that represent 5% or more of total investments at October 31, 2015 (\$ in thousands):

Issuer	Dollar Amount	Percentage
FHLMC	\$612,793	17.72%
NY Community Bank	530,874	15.35
Signature Bank*	508,321	14.70
Daiwa Securities	305,992	8.85
Deutsche Bank	233,718	6.76
FHLB	221,324	6.40

\*Note: Covered by FHLB securities and/or FHLB letter of credit collateral held at FHLB as the Corporation's collateral agent.

#### **Note 4: Mortgage Loans**

The Corporation had outstanding, under various loan programs, mortgage loans of \$9,650,031,000 and \$8,779,509,000 as of October 31, 2015 and 2014, respectively. These amounts represent the portion of mortgage loans for which the Corporation has advanced monies. Of the total loans outstanding above, \$398,282,000 of loans funded from corporate reserves were not restricted assets as they were not pledged to any specific bonds or under any bond resolutions. However, they are considered designated as defined under Note 19: Net Position. The portion of mortgage loans that has not yet been advanced is recorded as investments and amounted to \$1,259,861,000 and \$1,337,573,000 at October 31, 2015 and October 31, 2014, respectively. (See Note 16: "Commitments".)

#### Changes in Mortgage Loans

The changes in Mortgage Loans are as follows:

Mortgage loans outstanding at October 31, 2014	\$8,779,509,000
Mortgage Advances	1,886,057,000
Principal Collections	(1,015,543,000)
Discount/Premium Amortized	8,000
<u>Mortgage loans outstanding at October 31, 2015</u>	<u>\$9,650,031,000</u>

#### *(A) New York City Housing Development Corporation*

(i) The HDC mortgage loans listed above were originally repayable over terms of 9 to 50 years and bear interest at rates from 0.01% to 10.36% per annum. Almost all mortgage loans receivable are collateralized by first or second mortgages on the property of the housing sponsors and contain exculpatory clauses with respect to the liability of the principals of such housing sponsors. The table above does not include loans which are not secured by mortgages, which include a military housing loan and a loan to the New York City Housing Authority ("NYCHA"), each of which are secured by notes (See Note 5: "Notes Receivable"), and loans secured by GNMA certificates (See Note 2C: "Purpose Investments"). Of the total HDC mortgages including those that are in the Mitchell-Lama programs held as of October 31, 2015, 78% are first mortgages and 22% are subordinate loans.



# New York City Housing Development Corporation

## Notes to the Financial Statements

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(ii) In Fiscal Year 2014, the Corporation entered into a new financing agreement with the Federal Financing Bank (“FFB”) for selling beneficial ownership interests in mortgage loans originated by housing finance agencies and insured with mortgage insurance provided by the Federal Housing Administration (“FHA”) pursuant to a risk sharing agreement between FHA and the Corporation. The Corporation was selected to be the first housing finance agency to participate in this new Federal initiative to reduce the costs of capital for affordable housing. The Corporation will act as servicer of the loans and will receive the monthly mortgage payments from the borrower as per the schedule of the Certificate of Participation. The monthly loan principal and interest payment will be remitted to the FFB as per the schedule of the Certificate of Participation.

During fiscal year 2014, the Corporation sold a beneficial ownership interest in its mortgage regarding the Arverne View Apartments (“a.k.a. Ocean Village”) originated by the Corporation and converted to a permanent loan with FHA mortgage insurance. As of October 31, 2015, the mortgage loan participation with FFB balance was \$71,450,000.

### *(B) Housing Assistance Corporation*

The Housing Assistance Corporation financed construction and capitalized interest costs for eight affordable housing projects during the period of 1986 to 1990. These loans, funded by the City, accrue interest at the rate of 0-1% per annum. There were four loans remaining and the total outstanding loan balance was \$28,635,000 and \$29,663,000 at October 31, 2015 and October 31, 2014, respectively.

### **Note 5: Notes Receivable**

HDC has loans outstanding that are secured by notes and pledged revenues. Military Housing Notes Receivable of \$45,245,000 was received in connection with the 2004 Series A Class I & II Military Housing Revenue Bond (Fort Hamilton LLC Project) issuance. The notes are secured by pledged revenues of the development under a Master Trust Indenture. The interest rate on the mortgage loan is a blended rate of 6.32% which is equal to the bond interest rate. The interest on the mortgage is collected semi-annually on the debt service date. As of October 31, 2015, the outstanding Military Housing Notes Receivable was \$45,245,000.

During fiscal year 2013, notes receivable from NYCHA received in connection with the Corporation’s 2005 Series A Capital Fund Program Revenue Bonds were replaced upon the issuance of the Corporation’s 2013 Series A Capital Fund Program Revenue Bonds. As of October 31, 2015, the outstanding NYCHA Notes Receivable relating to the 2013 Series A Bonds was \$175,526,000.

In addition to the NYCHA Notes Receivable of the 2013 Series A Bonds, the Corporation also agreed to provide additional funds for a second note from NYCHA for the purpose of modernizing and making capital improvements at NYCHA projects across the City. The Corporation issued the 2013 Series B Capital Fund Program Revenue Bonds for this purpose. As of October 31, 2015, the outstanding NYCHA Notes Receivable relating to the 2013 Series B Bonds was \$229,757,000.

The 2013 Series A and B Notes Receivables are secured by a first priority pledge of NYCHA’s Capital Grant money provided by the United States Department of Housing and Urban Development (“HUD”).

# **New York City Housing Development Corporation**

## **Notes to the Financial Statements**

**October 31, 2015**

### **Note 6: Loan Participation Receivable for The City of New York**

In fiscal year 2002, the Corporation acquired interests in two real estate mortgage investment trusts in connection with its housing activities. In addition, the Corporation entered into various agreements with the City whereby HDC sold bonds and used the bond proceeds to purchase from the City interests in various mortgage loans and pools of mortgage loans.

In each of fiscal years 2002 and 2003, HDC used bond proceeds from its Multi-Family Housing Revenue Bonds, 2002 Series D (the “2002 Series D Bonds”), and Multi-Family Housing Revenue Bonds, 2003 Series D (the “2003 Series D Bonds”), to purchase a subordinated position in a 100% participation interest in a portion of the cash flows from a pool of mortgage loans the City had previously securitized in 1996. This pool is known as the Sheridan Trust II and HDC’s purchased asset is the Sheridan Trust II Class B Certificate. Upon completion of the 2003 transaction, HDC’s participation interest covered all of the City’s cash flows from the Sheridan Trust II. In September 2005, the senior lien interests were satisfied and HDC became the primary beneficiary of Sheridan Trust II. At that time, therefore, the loan asset was added to HDC’s statement of net position and was valued at its principal amount.

In 2006, the Corporation issued its Multi-Family Housing Revenue Bonds, 2006 Series A, which refinanced its 2002 Series D and 2003 Series D Bonds. In May, 2014, the 2006 Series A bonds were fully redeemed. Simultaneously, the Corporation issued the Multi-Family Housing Revenue Bonds, 2014 Series B-1 and 2014 Series B-2 (collectively, the “2014 Series B Bonds”) to re-securitize the remaining underlining loan portfolio, which included the Sheridan Trust II Class B Certificate. At that time, the Sheridan Trust II had a balance of \$57,372,000. The Sheridan Trust II, along with the other remaining underlining loans under the 2006 Series A Bonds totaling \$246,698,000, were transferred to the 2014 Series B Bonds.

As of October 31, 2015, the balance in the Sheridan Trust II was \$42,910,000. This balance is included under “Loan Participation Receivable – The City of New York” which totaled to \$626,645,000 at October 31, 2015. This total balance represents the excess face amount of collateral over the related bonds. In each case, the “Loan Participation Receivable - The City of New York” are pledged to the associated bonds but revert to the City when such bonds are retired. (See Note 12: “Payable to The City of New York”.)

### **Note 7: Other Receivables**

Other Receivables of \$67,600,000 represent mortgage related fees, servicing fees receivable and Corporate Services Fund loans not secured by mortgages on the properties, bond interest receivable from HUD, interest and servicing fees receivable on HPD loans serviced (but not owned) by HDC, and 421-A grant funds due to be received from the Battery Park City Authority (“BPCA”).

# New York City Housing Development Corporation

## Notes to the Financial Statements

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On March 29, 2010, The City of New York entered into a grant agreement with BPCA whereby the City is to receive funds from BPCA that exceed BPCA's operating expenses over the next seven years. This amount was anticipated to be \$400,000,000. The City designated HPD and the Corporation to each receive \$200,000,000 of these funds to further the purpose of creating additional affordable housing in New York City.

On April 20, 2011, the Corporation entered into a "421-A Fund Agreement" with The City of New York which further details the roles and responsibilities of the Corporation and HPD related to the use and reporting of the BPCA funds. The funds are intended to be used by HDC and HPD to address the availability of affordable housing in the City with priority given to the fifteen sub-borough areas with the highest percentage of households below the poverty line according to the most recent United States census bureau data.

On May 14, 2015, the Corporation received the final installment of the contractual obligation to receive \$200 million from the BPCA in the amount of \$32,809,000. In addition, the Corporation also received \$9,900,000 on a pay-as-you-go basis. HDC will continue to receive 421-A funds from BPCA on a pay-as-you-go basis. At October 31, 2015, \$37,190,000 was accrued as grant revenue which will be received in 2016.

### Note 8: Other Non Current Assets

On June 27, 2011, a trust created by the City was dissolved and the Corporation and the City entered into the 2011 Participation Agreement. The trust when created consisted of a pledge of the income from Interest Reduction Payment Contracts ("Section 236 Contracts") from HUD on 32 developments. Under the 2011 Participation Agreement, the Corporation holds a 100% participation interest in the second mortgages and related Section 236 Contracts on the remaining nine properties. The Corporation paid the City \$10,266,000 as the purchase price, which represents the discounted value of the future cash flows (monthly interest reduction payments). During fiscal year 2015, \$357,000 was amortized and was recorded as a non-operating expense. The unamortized value of the 2011 Participation Interest was \$9,118,000 at October 31, 2015.

### Note 9: Deferred Outflow of Resources

The Corporation uses interest rate caps to mitigate its exposure to rising interest rates on its variable rate debt. On August 3, 2015, the Corporation purchased a new 5-year interest rate cap from Barclays Bank PLC in the amount of \$1,525,000 which covers \$150,000,000 of its portfolio of floating rate debt.

At October 31, 2015, the values of all the interest rate caps were:

Bonds	Providers	Fair Value
2002 Series C	Barclays Bank	\$ 892,000
2008 Series K	Goldman Sachs	439,000
2014 Series B-2	PNC Bank	1,271,000
Total		\$ 2,602,000

# New York City Housing Development Corporation

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On September 10, 2013, the 2005 Series A Capital Fund Program Revenue Bonds (NYCHA) were retired through an in-substance defeasance and incurred a loss in the amount of \$8,958,000 which will be amortized over the shorter of the life of the old bonds or the new bonds. At October 31, 2015, the balance of the unamortized deferred loss on early retirement of debt was \$7,685,000.

In Fiscal Year 2014, the Corporation adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The Statement requires that if a participating employee makes a contribution to the plan after the measurement date, the amount should be reported as a deferred outflow of resources. At October 31, 2015, the Corporation's pension contribution after the measurement date was \$950,000. In addition, as calculated by the NYCOA, the Corporation recorded Deferred Outflows of Resources in the amount of \$1,113,000. This amount represents the net difference between projected and actual investment earnings on pension plan investments. At October 31, 2015 the total amount of Deferred Outflows of Resources related to pension was \$2,063,000.

### Note 10: Bonds Payable and Debt Obligations

The Corporation's authority to issue bonds and notes for any corporate purpose is limited by the Act to the extent that (i) the aggregate principal amount outstanding may not exceed \$11.25 billion, exclusive of refunding bonds or notes, and (ii) the maximum Capital Reserve Fund requirement may not exceed \$85 million. No bonds are currently subject to the Capital Reserve Fund requirement. These limits may be changed from time to time through State legislation. During the year ended October 31, 2015, the limit on the aggregate principal amount outstanding remains unchanged at \$11.25 billion.

#### Bond Programs

The Corporation issues bonds and notes to fund mortgage loans for multi-family residential developments under the bond programs described below. As of October 31, 2015, the Corporation had bonds outstanding in the aggregate principal amount of \$10,064,760,000. All of the bonds are separately secured, except for the bonds issued under the General Resolution which are equally and ratably secured by the assets pledged under the General Resolution (See "*C. Housing Revenue Bond Program*" below). None of the bonds under the bond programs described in "*A. Multi-Family Mortgage Revenue Bond Program*", "*B. Military Housing Revenue Bond Program*", "*D. Liberty Bond Program*", "*E. Capital Fund Revenue Bond Program*" and, "*F. Multi-Family Housing Pass-Through Revenue Bond Program*" provide security under the General Resolution, and none of the bonds under these programs is secured by the General Resolution.

*A. Multi-Family Program.* The Corporation established its Multi-Family Program to develop privately-owned multi-family housing, all or a portion of which is reserved for low income tenants. The following describes the Corporation's activities under its Multi-Family Program.

(1) Rental Projects; Fannie Mae or Freddie Mac Enhanced: The Corporation has issued tax-exempt and/or taxable bonds which either (i) are secured by mortgage loan payments, which payments are secured by obligations of Fannie Mae under various collateral agreements, (ii) are secured by a Direct Pay Credit Enhancement Instrument issued by Fannie Mae or (iii) are secured by a Direct Pay Credit Enhancement Agreement with Federal Home Loan Mortgage Corporation ("Freddie Mac").

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## Notes to the Financial Statements

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(2) Rental Projects; Letter of Credit Enhanced: The Corporation has issued tax-exempt and/or taxable bonds to finance a number of mixed income projects and entirely low income projects, which bonds are secured by letters of credit issued by investment-grade rated commercial lending institutions.

(3) Residential Housing; Credit Enhanced: The Corporation has issued bonds to provide financing for residential facilities for hospital staff and for post-secondary students, faculty and staff which bonds are secured by letters of credit issued by investment-grade rated institutions.

(4) Rental Projects; Not Rated: The Corporation has issued bonds and obligations to provide financing for rental projects, which bonds and obligations are not rated by a rating agency and were not publicly offered.

(5) Commercial Mortgage Backed Security Program: Under this program, the Corporation has issued bonds structured as commercial mortgage backed securities to refinance a multi-family housing development.

*B. Military Housing Revenue Bond Program.* Under this program, the Corporation has issued taxable obligations in order to fund a portion of the cost of the design, demolition, renovation, construction and operation of housing units in residential family housing areas located at Fort Hamilton.

*C. Housing Revenue Bond Program.* Under its Housing Revenue Bond Program, the Corporation may issue bonds payable solely from and secured by the assets held under its General Resolution which include a pool of mortgage loans, some of which are construction loans (which pool contains FHA-insured mortgage loans, REMIC-insured mortgage loans, State of New York Mortgage Agency (“SONYMA”) insured mortgage loans, GNMA mortgage-backed securities, other mortgage loans and participation interests in mortgage loans), the revenues received on account of all such loans and securities, and other assets pledged under such resolution and any supplemental resolution for a particular series of bonds. Certain of the projects, which secure a portion of the mortgage loans, receive the benefits of subsidy payments.

*D. Liberty Bond Program.* In accordance with Section 301 of the Job Creation and Worker Assistance Act of 2002, the Corporation has issued tax-exempt and taxable bonds, each secured by a letter of credit to finance the development of multi-family housing within an area of lower Manhattan designated in such legislation as the “Liberty Zone”.

*E. Capital Fund Revenue Bond Program.* Under this program, the Corporation has issued tax-exempt obligations in order to assist the New York City Housing Authority with the execution of a multi-year construction initiative that addressed critical capital improvement needs of their aging housing portfolio.

*F. Pass-Through Revenue Bond Program.* Under this program, the Corporation has issued bonds to finance loans evidenced by a note and secured by a mortgage of privately owned multi-family housing. All repayments and prepayments derived from the associated mortgage loans, including a payment of insurance, if any, are passed through to the bondholder to redeem the bonds on a monthly basis.

**New York City Housing Development Corporation**  
**Notes to the Financial Statements**  
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Changes in Bonds Payable:

The summary of changes in Bonds Payable was as follows:

Bonds Payable outstanding at October 31, 2014	\$9,240,273,000
Bonds Issued	2,146,549,000
Bond Principal Retired	(1,281,346,000)
Net Premium/Discount on Bonds Payable	(4,132,000)
<u>Bonds Payable outstanding at October 31, 2015</u>	<u>\$10,101,344,000</u>

Details of changes in HDC bonds payable for the year ended October 31, 2015 were as follows:

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2015)</i>	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
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MULTI-FAMILY MORTGAGE REVENUE  
BOND PROGRAM:

*Multi-Family Rental Housing Revenue Bonds  
– Rental Projects; Fannie Mae or Freddie  
Mac Enhanced*

1997 Series A (AMT) Related-Tribeca Tower Project –0.01% to 0.13% Variable Rate Bonds due upon demand through 2019.....	\$ 55,000	\$ —	\$ —	\$ 55,000	\$ —
1998 Series A (AMT) 100 Jane Street Development – 0.02% to 0.13% Variable Rate Bonds due upon demand through 2028...	15,950	—	(600)	15,350	—
1998 Series A (AMT) One Columbus Place Project –0.02% to 0.12% Variable Rate Bonds due upon demand through 2028.....	142,300	—	—	142,300	—
1999 Series A (AMT) Brittany Development Project – 0.02% to 0.12% Variable Rate Bonds due upon demand through 2029.....	56,300	—	(1,500)	54,800	—
2000 Series A (AMT) Related West 89 <sup>th</sup> Street Development – 0.01% to 0.11% Variable Rate Bonds due upon demand through 2029.....	53,000	—	—	53,000	—
2001 Series A Queenswood Refunding – 0.01% to 0.11% Variable Rate Bonds due upon demand through 2031.....	10,800	—	—	10,800	—
2001 Series A (AMT) Related Lyric Development –0.02% to 0.12% Variable Rate Bonds due upon demand through 2031.....	85,000	—	—	85,000	—



**New York City Housing Development Corporation**  
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Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2001 Series B (Federally Taxable) Related Lyric Development – 0.05% to 0.15% Variable Rate Bonds due upon demand through 2031.....	4,000	—	—	4,000	—
2002 Series A James Tower Development – 0.01% to 0.11% Variable Rate Bonds due upon demand through 2032.....	19,110	—	(440)	18,670	18,670
2002 Series A (AMT) The Foundry – 0.02% to 0.12% Variable Rate Bonds due upon demand through 2032.....	55,100	—	—	55,100	—
2003 Series A (AMT) Related-Sierra Development –0.02% to 0.12% Variable Rate Bonds due upon demand through 2033.....	56,000	—	—	56,000	—
2004 Series A (AMT) Related-Westport Development – 0.02% to 0.12% Variable Rate Bonds due upon demand through 2034...	110,000	—	—	110,000	—
2004 Series B (Federally Taxable) Related – Westport Development—0.05% to 0.15% Variable Rate Bonds due upon demand through 2034.....	13,800	—	(600)	13,200	—
2005 Series A Royal Charter Properties – 0.01% to 0.10% Variable Rate Bonds due upon demand through 2035.....	89,200	—	—	89,200	—
2005 Series A (AMT) Atlantic Court Apartments – 0.02% to 0.13% Variable Rate Bonds due upon demand through 2035.....	83,700	—	—	83,700	—
2005 Series B (Federally Taxable) Atlantic Court Apartments – 0.05% to 0.14% Variable Rate Bonds due upon demand through 2035...	13,100	—	(1,500)	11,600	—
2005 Series A (AMT) The Nicole Development –0.02% to 0.13% Variable Rate Bonds due upon demand through 2035.....	54,600	—	—	54,600	—
2005 Series B (Federally Taxable) The Nicole Development – 0.05% to 0.14% Variable Rate Bonds due upon demand through 2035..	5,700	—	(900)	4,800	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2015)</i>	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
2005 Series B (AMT) Progress of People Development – 3.50% to 4.95% Term Bonds maturing in varying installments through 2036.....	47,925	—	(1,115)	46,810	1,175
2006 Series A (AMT) Rivereast Apartments – 0.02% to 0.13% Variable Rate Bonds due upon demand through 2036.....	50,000	—	—	50,000	—
2006 Series B (Federally Taxable) Rivereast Apartments – 0.11% to 0.15% Variable Rate Bonds due upon demand through 2036.....	3,300	—	(700)	2,600	—
2006 Series A (AMT) Seaview Towers – 3.70% to 4.75% Serial & Term Bonds maturing in varying installments through 2039.....	19,225	—	(1,165)	18,060	1,220
2007 Series A (AMT) Ocean Gate Development – 0.01% to 0.13% Variable Rate Bonds due upon demand through 2040.....	8,445	—	—	8,445	—
2007 Series B (AMT) Ocean Gate Development – 4.80% to 5.35% Term Bonds maturing in varying installments through 2025.....	11,560	—	(770)	10,790	810
2007 Series A (AMT) West 61 <sup>st</sup> Street Apartments –0.03% to 0.05% Variable Rate Bonds due upon demand through 2037.....	54,000	—	(54,000)	—	—
2007 Series B (Federally Taxable) West 61 <sup>st</sup> Street Apartments- 5.63% Fixed Rate Term Bonds due 2019.....	7,415	—	(7,415)	—	—
2007 Series A (AMT) 155 West 21 <sup>st</sup> Street Apartments – 0.01% to 0.11% Variable Rate Bonds due upon demand through 2037 .....	37,900	—	—	37,900	—
2007 Series B (Federally Taxable) 155 West 21 <sup>st</sup> Street Apartments – 0.07% to 0.12% Variable Rate Bonds due upon demand through 2037.....	12,000	—	(700)	11,300	—
2008 Series A (AMT) Linden Plaza – 0.01% to 0.13% Variable Rate Bonds due upon demand through 2043.....	65,250	—	(1,615)	63,635	1,705



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Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2009 Series A Gateways Apartments – 2.65% to 4.5% Term Bonds due upon demand through 2025.....	21,140	—	(255)	20,885	270
2009 Series A The Balton – 0.01% to 0.13% Variable Rate Bonds due upon demand through 2049.....	29,750	—	—	29,750	—
2009 Series A Lexington Courts – 0.01% to 0.13% Variable Rate Bonds due upon demand through 2039.....	21,900	—	(1,000)	20,900	—
2012 Series A 1133 Manhattan Avenue Development – 0.01% to 0.13% Variable Rate Bonds due upon demand through 2046..	46,000	—	—	46,000	—
2014 Series A-1 NYCHA Triborough Preservation Development – 0.55% to 3.95% Fixed Rate Serial and Term Bonds due 2044..	—	230,000	—	230,000	—
2014 Series A-2 (Federally Taxable) NYCHA Triborough Preservation Development – 0.30% to 1.07% Fixed Rate Serial Bonds due 2016.....	—	5,000	(1,280)	3,720	3,265
<i>Multi-Family Mortgage Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced</i>					
2001 Series A (AMT) West 48th Street – 0.02% to 0.12% Variable Rate Bonds due upon demand through 2034.....	20,000	—	—	20,000	—
2002 Series A (AMT) First Avenue Development – 0.02% to 0.12% Variable Rate Bonds due upon demand through 2035..	44,000	—	—	44,000	—
2004 Series A (AMT) Aldus Street Apartments – 0.02% to 0.14% Variable Rate Bonds due upon demand through 2037.....	8,100	—	—	8,100	—
2004 Series A (AMT) 941 Hoe Avenue Apartments – 0.02% to 0.14% Variable Rate Bonds due upon demand through 2037.....	6,660	—	—	6,660	—
2004 Series A (AMT) Peter Cintron Apartments – 0.02% to 0.14% Variable Rate Bonds due upon demand through 2037.....	7,840	—	—	7,840	—

**New York City Housing Development Corporation**  
**Notes to the Financial Statements**  
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Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2004 Series A (AMT) State Renaissance Court—0.02% to 0.13% Variable Rate Bonds due upon demand through 2037.....	35,200	—	—	35,200	—
2004 Series A (AMT) Louis Nine Boulevard Apartments —0.01% to 0.12% Variable Rate Bonds due upon demand through 2037.....	7,300	—	—	7,300	—
2004 Series A (AMT) Courtlandt Avenue Apartments —0.01% to 0.11% Variable Rate Bonds due upon demand through 2037.....	7,905	—	—	7,905	—
2004 Series A (AMT) Ogden Avenue Apartments —0.02% to 0.14% Variable Rate Bonds due upon demand through 2038.....	4,760	—	—	4,760	—
2004 Series A (AMT) Nagle Courtyard Apartments —0.02% to 0.14% Variable Rate Bonds due upon demand through 2038.....	4,200	—	—	4,200	—
2005 Series A (AMT) Morris Avenue Apartments —0.02% to 0.13% Variable Rate Bonds due upon demand through 2038.....	14,700	—	—	14,700	—
2005 Series A (AMT) Vyse Avenue Apartments —0.02% to 0.14% Variable Rate Bonds due upon demand through 2038.....	4,335	—	—	4,335	—
2005 Series A (AMT) 33 West Tremont Avenue Apartments —0.02% to 0.14% Variable Rate Bonds due upon demand through 2038.....	3,490	—	—	3,490	—
2005 Series A (AMT) Ogden Avenue Apartments II — 0.03% to 0.13% Variable Rate Bonds due upon demand through 2038...	2,500	—	—	2,500	—
2005 Series A (AMT) White Plains Courtyard Apartments — 0.02% to 0.13% Variable Rate Bonds due upon demand through 2038.....	4,900	—	—	4,900	—
2005 Series A (AMT) Highbridge Apartments — 0.02% to 0.13% Variable Rate Bonds due upon demand through 2039.....	13,600	—	—	13,600	—
2005 Series A (AMT) 89 Murray Street Development — 0.02% to 0.12% Variable Rate Bonds due upon demand through 2039...	49,800	—	—	49,800	—

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Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2005 Series A (AMT) 270 East Burnside Avenue Apartments — 0.01% to 0.11% Variable Rate Bonds due upon demand through 2039.....	6,400	—	—	6,400	—
2006 Series A (AMT) Reverend Ruben Diaz Gardens Apartments — 0.02% to 0.14% Variable Rate Bonds due upon demand through 2038.....	6,400	—	—	6,400	—
2006 Series A (AMT) Villa Avenue Apartments — 0.02% to 0.14% Variable Rate Bonds due upon demand through 2039.....	5,990	—	—	5,990	—
2006 Series A (AMT) Bathgate Avenue Apartments — 0.02% to 0.14% Variable Rate Bonds due upon demand through 2039.....	4,435	—	—	4,435	—
2006 Series A (AMT) Spring Creek Apartments I & II — 0.02% to 0.12% Variable Rate Bonds due upon demand through 2039.....	24,000	—	—	24,000	—
2006 Series A (AMT) Linden Boulevard Apartments — 3.90% to 4.75% Serial and Term Bonds maturing in varying installments through 2039.....	12,950	—	(245)	12,705	390
2006 Series A (AMT) Markham Garden Apartments — 0.02% to 0.12% Variable Rate Bonds due upon demand through 2040.....	16,000	—	—	16,000	—
2008 Series A 245 East 124 <sup>th</sup> Street — 0.01% to 0.12% Variable Rate Bonds due upon demand through 2046.....	35,400	—	—	35,400	—
2008 Series A Bruckner by the Bridge — 0.01% to 0.12% Variable Rate Bonds due upon demand through 2048.....	36,800	—	—	36,800	—
2008 Series A Hewitt House Apartments — 0.01% to 0.12% Variable Rate Bonds due upon demand through 2048.....	4,100	—	—	4,100	—
2010 Series A Eliot Chelsea Development — 0.01% to 0.12% Variable Rate Bonds due upon demand through 2043.....	40,750	—	—	40,750	—

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Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2011 Series A (AMT) West 26 <sup>th</sup> Street Development – 0.01% to 0.14% Variable Rate Bonds due upon demand through 2041..	28,700	—	—	28,700	—
2011 Series B West 26 <sup>th</sup> Street Development – 0.01% to 0.13% Variable Rate Bonds due upon demand through 2045.....	8,470	—	—	8,470	—
2012 Series A West 26 <sup>th</sup> Street Development – 0.01% to 0.13% Variable Rate Bonds due upon demand through 2045.....	41,530	—	—	41,530	—
<i>Multi-Family Mortgage Revenue Bonds – Rental Projects; Letter of Credit Enhanced</i>					
2003 Series A (AMT) Related-Upper East — 0.02% to 0.13% Variable Rate Bonds due upon demand through 2036.....	67,000	—	—	67,000	—
2003 Series B (Federally Taxable) Related-Upper East — 0.15% to 0.18% Variable Rate Bonds due upon demand through 2036.....	3,000	—	—	3,000	—
2004 Series A (AMT) Manhattan Court Development— 0.03% to 0.15% Variable Rate Bonds due upon demand through 2036...	17,500	—	—	17,500	—
2004 Series A (AMT) East 165 <sup>th</sup> Street Development — 0.03% to 0.15% Variable Rate Bonds due upon demand through 2036...	7,665	—	—	7,665	—
2004 Series A (AMT) Parkview Apartments — 0.03% to 0.13% Variable Rate Bonds due upon demand through 2036.....	5,935	—	—	5,935	—
2004 Series A (AMT) Thessalonica Court Apartments — 0.02% to 0.14% Variable Rate Bonds due upon demand through 2036.....	17,100	—	(17,100)	—	—
2004 Series A (AMT) Brookhaven Apartments — 0.02% to 0.14% Variable Rate Bonds due upon demand through 2036.....	8,000	—	(8,000)	—	—
2004 Series A Marseilles Apartments — 0.01% to 0.13% Variable Rate Bonds due upon demand through 2034.....	11,425	—	(300)	11,125	—

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Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2005 Series A (AMT) 2007 LaFontaine Avenue Apartments —0.03% to 0.15% Variable Rate Bonds due upon demand through 2037.....	3,825	—	—	3,825	—
2005 Series A (AMT) La Casa del Sol Apartments —0.02% to 0.14% Variable Rate Bonds due upon demand through 2037.....	4,650	—	(100)	4,550	—
2005 Series A (AMT) 15 East Clarke Place Apartments —0.01% to 0.12% Variable Rate Bonds due upon demand through 2037.....	5,430	—	—	5,430	—
2005 Series A (AMT) Urban Horizons II Development — 0.02% to 0.14% Variable Rate Bonds due upon demand through 2038...	5,465	—	(100)	5,365	—
2005 Series A (AMT) 1090 Franklin Avenue Apartments — 0.03% to 0.13% Variable Rate Bonds due upon demand through 2037.....	2,320	—	—	2,320	—
2005 Series A (AMT) Parkview II Apartments —0.02% to 0.13% Variable Rate Bonds due upon demand through 2037.....	4,255	—	—	4,255	—
2005 Series A (AMT) Grace Towers Development —0.02% to 0.14% Variable Rate Bonds due upon demand through 2037...	10,100	—	(100)	10,000	—
2006 Series A (AMT) Granville Payne Apartments —0.03% to 0.15% Variable Rate Bonds due upon demand through 2039.....	5,560	—	—	5,560	—
2006 Series A (AMT) Target V Apartments — 0.02% to 0.14% Variable Rate Bonds due upon demand through 2038.....	6,600	—	(200)	6,400	—
2006 Series A (AMT) Beacon Mews Development —0.01% to 0.13% Variable Rate Bonds due upon demand through 2039...	23,500	—	—	23,500	—
2006 Series A (AMT) Granite Terrace Apartments — 0.03% to 0.15% Variable Rate Bonds due upon demand through 2038.....	4,060	—	—	4,060	—
2006 Series A (AMT) Intervale Gardens Apartments — 0.03% to 0.15% Variable Rate Bonds due upon demand through 2038.....	3,115	—	—	3,115	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2015)</i>	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
2006 Series A (AMT) 500 East 165 <sup>th</sup> Street Apartments – 0.02% to 0.13% Variable Rate Bonds due upon demand through 2039.....	7,255	—	—	7,255	—
2006 Series A (AMT) 1405 Fifth Avenue Apartments – 0.03% to 0.15% Variable Rate Bonds due upon demand through 2039.....	14,190	—	—	14,190	—
2007 Series A (AMT) 550 East 170 <sup>th</sup> Street Apartments – 0.03% to 0.15% Variable Rate Bonds due upon demand through 2042.....	5,500	—	—	5,500	—
2007 Series A (AMT) Susan’s Court – 0.02% to 0.13% Variable Rate Bonds due upon demand through 2039.....	24,000	—	—	24,000	—
2007 Series A (AMT) The Dorado Apartments – 0.02% to 0.13% Variable Rate Bonds due upon demand through 2040.....	3,470	—	—	3,470	—
2007 Series A (AMT) The Plaza – 0.03% to 0.15% Variable Rate Bonds due upon demand through 2039.....	11,300	—	(200)	11,100	—
2007 Series A (AMT) Boricua Village Apartments Site A-2 – 0.03% to 0.13% Variable Rate Bonds due upon demand through 2042.....	4,250	—	—	4,250	—
2007 Series A (AMT) Boricua Village Apartments Site C – 0.02% to 0.13% Variable Rate Bonds due upon demand through 2042.....	6,665	—	—	6,665	—
2007 Series A (AMT) Cook Street Apartments – 0.02% to 0.13% Variable Rate Bonds due upon demand through 2040.....	4,480	—	(100)	4,380	—
2008 Series A (AMT) Las Casas Development –0.05% to 0.15% Variable Rate Bonds due upon demand through 2040.....	19,200	—	—	19,200	—
2008 Series A Sons of Italy Apartments — 0.01% to 0.12% Variable Rate Bonds due upon demand through 2048.....	7,570	—	—	7,570	—

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Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2009 Series A-1 (Federally Taxable) Beekman Tower— 0.23% to 0.28% Variable Rate Bonds due upon demand through 2048...	123,350	—	(123,350)	—	—
2009 Series A-2 (Federally Taxable) Beekman Tower— 0.25% Variable Rate Bonds due upon demand through 2048.....	61,700	—	(61,700)	—	—
2010 Series A-1 (Federally Taxable) Beekman Tower— 0.30% Variable Rate Bonds due upon demand through 2048.....	76,200	—	(76,200)	—	—
2010 Series A-2 (Federally Taxable) Beekman Tower— 0.25% Variable Rate Bonds due upon demand through 2048.....	73,850	—	(73,850)	—	—
2010 Series A 101 Avenue D Apartments — 0.01% to 0.14% Variable Rate Bonds due upon demand through 2043.....	25,000	—	—	25,000	—
2012 Series A 461 Dean Street Development— 0.01% to 0.13% Variable Rate Bonds due upon demand through 2046..	45,000	—	(45,000)	—	—
2013 Series A 50 <sup>th</sup> Avenue Development — 0.01% to 0.12% Variable Rate Bonds due upon demand through 2048.....	62,250	—	—	62,250	—
2013 Series B 50 <sup>th</sup> Avenue Development — 0.01% to 0.13% Variable Rate Bonds due upon demand through 2048.....	74,710	—	—	74,710	—
2014 Series A 50 <sup>th</sup> Avenue Development — 0.01% to 0.12% Variable Rate Bonds due upon demand through 2045.....	—	26,265	—	26,265	—
<i>Residential Revenue Bonds – Residential Housing; Letter of Credit Enhanced</i>					
1993 Series A Montefiore Medical Center— 0.01% to 0.11% Variable Rate Term Bonds maturing in varying installments through 2030.....	6,400	—	(200)	6,200	300
2012 Series A College of Staten Island Residences — 2.00% to 4.15% Fixed Rate Serial and Term Bonds due 2046.....	65,800	—	—	65,800	—



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Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2012 Series B College of Staten Island Residences (Federally Taxable) — 1.39% to 2.44% Fixed Rate Serial Bonds due 2017...	1,580	—	(735)	845	750
<i>Multi-Family Mortgage Revenue Bonds</i>					
<i>Rental Projects; Not Rated</i>					
2007 Series A Queens Family Courthouse Apartments – 1.76% to 1.86% Variable Rate Bonds due upon demand through 2047.....	40,000	—	—	40,000	—
2013 Series A Borden Avenue Development – 2.21% to 2.31% Variable Rate Bonds due upon demand through 2048.....	4,996	3,419	—	8,415	—
2013 Series B Borden Avenue Development - 2.21% to 2.31% Variable Rate Bonds due upon demand through 2044.....	13,875	—	—	13,875	—
2013 Series C Borden Avenue Development – 2.21% to 2.31% Variable Rate Bonds due upon demand through 2048.....	15,314	21,975	—	37,289	—
2013 Series A 250 Ashland Development – 1.96% to 2.06% Variable Rate Bonds due upon demand through 2022.....	250	32,750	—	33,000	—
2013 Series A City Point-Tower One – 1.26% to 1.36% Variable Rate Bonds due upon demand through 2046.....	49,330	—	—	49,330	—
2014 Series A City Point-Tower One – 1.26% to 1.36% Variable Rate Bonds due upon demand through 2044.....	12,670	—	—	12,670	—
2014 Series A Borden Avenue Development –2.21% to 2.31% Variable Rate Bonds due upon demand through 2016.....	—	7,750	—	7,750	—
<i>Multi-Family Commercial Mortgage Backed Securities</i>					
2014 Series A, B and C - 8 Spruce Street (Federally Taxable) –3.71% to 3.93% Fixed Rate Term Bonds due 2048.....	—	346,100	—	346,100	—
<b>Total Multi-Family Mortgage Revenue Bonds</b>	<b>2,946,345</b>	<b>673,259</b>	<b>(483,035)</b>	<b>3,136,569</b>	<b>28,555</b>

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2015)</i>	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<b><u>MILITARY HOUSING REVENUE BOND PROGRAM:</u></b>					
2004 Series A (Federally Taxable) Class I & II Fort Hamilton Housing LLC Project— 5.60% to 6.72% Term Bonds maturing in varying installments through 2049.....	45,610	—	(365)	45,245	395
Total Military Housing Revenue Bond Program	45,610	—	(365)	45,245	395
<b><u>HOUSING REVENUE BOND PROGRAM:</u></b>					
<i>Multi-Family Housing Revenue Bonds Under the Corporation's General Resolution, assets pledged to bondholders include a pool of mortgage loans.</i>					
1998 Series A (Federally Taxable — 6.84% Term Bonds maturing in varying installments through 2030.....	100	—	—	100	—
1998 Series B — 3.75% to 5.25% Serial and Term Bonds maturing in varying installments through 2031.....	100	—	—	100	—
1999 Series A-1 (Federally Taxable) — 5.83% to 6.06% Term Bonds maturing in varying installments through 2022 .....	9,185	—	(900)	8,285	1,000
1999 Series B-2 (Federally Taxable) — 6.83% to 7.32% Term Bonds maturing in varying installments through 2022 .....	15,800	—	(15,800)	—	—
1999 Series C (AMT) — 4.40% to 5.70% Serial and Term Bonds maturing in varying installments through 2031.....	115	—	—	115	—
1999 Series E — 4.40% to 6.25% Serial and Term Bonds maturing in varying installments through 2036.....	100	—	—	100	—
2002 Series A (AMT) — 2.20% to 5.50% Serial and Term Bonds maturing in varying installments through 2034.....	150	—	(50)	100	—
2002 Series B (AMT) — 2.20% to 5.50% Serial and Term Bonds maturing in varying installments through 2032.....	150	—	(50)	100	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2015)</i>	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
2002 Series C (Federally Taxable) — 0.39% to 0.44% Variable Rate Term Bonds maturing in varying installments through 2034.....	42,595	—	(985)	41,610	1,060
2003 Series B-2 (AMT) – 2.00% to 4.60% Serial and Term bonds maturing in varying installments through 2036.....	100	—	—	100	—
2003 Series E-2 (AMT) — 2.25% to 5.05% Serial and Term Bonds maturing in varying installments through 2036.....	100	—	—	100	—
2004 Series E-1— 4.95% Term Bonds maturing in varying installments through 2033.....	39,595	—	(39,595)	—	—
2004 Series E-2 (Federally Taxable) — 5.75% Term Bonds maturing in varying installments through 2024.....	8,980	—	(8,980)	—	—
2004 Series F (Federally Taxable) — 3.68% to 5.70% Serial and Term Bonds maturing in varying installments through 2035.....	17,350	—	(17,350)	—	—
2004 Series G (Federally Taxable) — 5.63% Term Bonds maturing in varying installments through 2029.....	9,995	—	(9,995)	—	—
2004 Series H (AMT) — 2.70% to 5.25% Serial and Term Bonds maturing in varying installments through 2046.....	8,605	—	(8,605)	—	—
2004 Series I-2 (AMT) — 2.50% to 5.20% Serial and Term Bonds maturing in varying installments through 2038.....	22,760	—	(22,760)	—	—
2004 Series J (Federally Taxable) — 2.95% to 5.70% Serial and Term Bonds maturing in varying installments through 2036.....	18,280	—	(18,280)	—	—
2005 Series A-1— 4.50% to 4.60% Term Bonds maturing in 2027 and 2035, respectively.....	9,735	—	(9,735)	—	—
2005 Series C (AMT) — 3.10% to 4.80% Serial and Term Bonds maturing in varying installments through 2037.....	3,845	—	(3,845)	—	—

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Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2005 Series D (AMT) — 3.10% to 4.80% Serial and Term Bonds maturing in varying installments through 2047.....	5,380	—	(5,380)	—	—
2005 Series E (AMT) — 2.90% to 4.75% Serial and Term Bonds maturing in varying installments through 2035.....	2,380	—	(235)	2,145	2,145
2005 Series F-1 — 4.65% and 4.75% Term Bonds maturing in 2025 and 2035, respectively.....	65,410	—	(11,005)	54,405	54,405
2005 Series F-2 (Federally Taxable) — 4.66% and 5.43% Term Bonds maturing in 2010 and 2017, respectively.....	28,175	—	(16,925)	11,250	11,250
2005 Series G — 3.35% to 4.35% Serial and Term Bonds maturing in varying installments through 2018.....	2,070	—	(425)	1,645	1,645
2005 Series J-1— 4.65% to 4.85% Term Bonds maturing in 2036.....	20,495	—	—	20,495	20,495
2005 Series K (AMT) — 3.60% to 5.00% Serial and Term Bonds maturing in 2037.....	11,535	—	(230)	11,305	11,305
2005 Series L (AMT) — 3.85% to 5.05% Serial and Term Bonds maturing in 2039.....	11,865	—	(235)	11,630	11,630
2006 Series B (AMT) — 5.35% Term Bonds due on demand through 2049.....	29,385	—	(650)	28,735	695
2006 Series C (AMT) — 4.05% to 5.13% Serial and Term Bonds maturing in varying installments through 2040.....	36,375	—	(625)	35,750	35,750
2006 Series D-1 — 4.95% Term Bonds maturing in 2036.....	2,510	—	—	2,510	2,510
2006 Series G-1 (AMT) — 3.80% to 4.88% Serial and Term Bonds maturing in 2039.....	23,640	—	(460)	23,180	480
2006 Series H-1 (AMT) — 3.85% to 4.70% Serial and Term Bonds maturing in 2040.....	23,735	—	(465)	23,270	480
2006 Series I (Federally Taxable) — 5.33% to 5.96% Term Bonds maturing in varying installments through 2040.....	6,375	—	(105)	6,270	110

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<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2006 Series J-1— 0.96% to 1.03% Index Floating Rate Term Bonds due 2046....	100,000	—	—	100,000	—
2006 Series J-2-A (AMT) — 3.95% to 4.85% Serial and Term Bonds maturing in varying installments through 2040.....	10,360	—	(200)	10,160	205
2006 Series J-2-C (AMT) – 4.40% to 5.20% Serial and Terms Bonds maturing in varying installments through 2040.....	17,035	—	(320)	16,715	335
2007 Series A (Federally Taxable) – 5.26% to 5.52% Term Bonds maturing in 2041.....	24,695	—	(375)	24,320	395
2007 Series B-1 (AMT) – 4.40% to 5.25% Serial and Term Bonds maturing in varying installments through 2045 .....	33,040	—	(575)	32,465	615
2007 Series C (Federally Taxable) – 6.02% to 6.56% Term Bonds maturing in 2040.....	5,135	—	(75)	5,060	85
2007 Series D (Federally Taxable) –5.95% Terms Bonds maturing in 2039.....	26,335	—	(455)	25,880	490
2007 Series E-1 (AMT) – 3.90% to 5.45% Serial and Term Bonds maturing in varying installments through 2040.....	22,935	—	(405)	22,530	420
2008 Series A-1-A (AMT) — 5.00% to 5.45% Fixed Rate Term Bonds due 2046.....	15,665	—	—	15,665	—
2008 A-2 (AMT) – 4.35% to 5.00% Fixed Rate Serial Bonds maturing in varying installments through 2018.....	3,135	—	(560)	2,575	585
2008 Series C-2 (Federally Taxable) – 3.55% to 5.69% Serial & Term Bonds maturing in varying installments through 2018.....	4,040	—	(845)	3,195	895
2008 Series E (Federally Taxable) – 0.39% to 0.44% Index Floating Rate Terms Bonds maturing in 2037.....	93,315	—	(1,540)	91,775	1,650
2008 Series F (Federally Taxable) – 0.39% to 0.44% Index Floating Rate Term Bonds maturing in 2041.....	76,085	—	(1,000)	75,085	1,075

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Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2008 Series H-1 (AMT) – 4.50% to 5.50% Serial and Term Bonds maturing in varying installments through 2028.....	7,730	—	(355)	7,375	370
2008 Series H-2-A (AMT) — 5.00% to 5.35% Fixed Rate Term Bonds due 2041.....	14,540	—	—	14,540	—
2008 Series J (Federally Taxable) —0.84% to 0.91% Index Floating Rate Term Bonds due 2043.....	34,035	—	(155)	33,880	165
2008 Series K (Federally Taxable) — 0.84% to 0.91% Index Floating Rate Term Bonds due 2043.....	94,405	—	(2,340)	92,065	2,500
2008 Series L— 2.25% to 6.50% Fixed Rate Serial and Term Bonds due 2028.....	4,160	—	(300)	3,860	300
2008 Series M— 3.15% to 6.88% Fixed Rate Serial and Term Bonds due 2038.....	28,710	—	(670)	28,040	700
2009 Series A— 2.00% to 4.20% Term Bonds maturing in varying installments through 2019.....	2,940	—	(490)	2,450	510
2009 Series C-1— 2.50% to 5.70% Serial and Term Bonds due 2046.....	111,775	—	(1,490)	110,285	1,550
2009 Series F— 1.95% to 4.85% Fixed Rate Serial and Term Bonds maturing in varying installments through 2041.....	5,720	—	(100)	5,620	100
2009 Series I-1 (Federally Taxable) — 5.63% to 6.42% Fixed Rate Term Bonds maturing in varying installments through 2039.....	50,000	—	—	50,000	—
2009 Series I-2 (Federally Taxable) — 0.71% to 0.78% Index Floating Rate Term Bonds due 2039.....	25,000	—	—	25,000	—
2009 Series J — 0.70% to 4.80% Fixed Rate Serial and Term Bonds maturing in varying installments through 2036.....	22,365	—	(850)	21,515	870
2009 Series K — 1.95% to 4.95% Fixed Rate Serial and Term Bonds due 2039.....	73,030	—	(1,300)	71,730	1,350
2009 Series L-1 — 1.65% to 4.95% Fixed Rate Serial and Term Bonds due 2043.....	23,415	—	(360)	23,055	370

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2015)</i>	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
2009 Series M — 1.85% to 5.15% Fixed Rate Serial and Term Bonds due 2045.....	30,705	—	(150)	30,555	160
2010 Series A-1 — 3.35% to 4.90% Fixed Rate Serial and Term Bonds maturing in varying installments through 2041.....	25,325	—	—	25,325	—
2010 Series A-2 (Federally Taxable) — 3.67% to 4.97% Fixed Rate Term Bonds maturing in varying installments through 2019.....	2,760	—	(505)	2,255	525
2010 Series C — 1.50% to 4.95% Fixed Rate Serial and Term Bonds due 2047.....	14,515	—	(200)	14,315	200
2010 Series D-1-A — 1.60% to 5.00% Fixed Rate Serial and Term Bonds due 2042.....	31,960	—	(530)	31,430	555
2010 Series E — 0.80% to 3.85% Fixed Rate Serial and Term Bonds due 2019.....	4,445	—	(745)	3,700	765
2010 Series F — 1.70% to 4.75% Fixed Rate Serial and Term Bonds due 2030.....	3,930	—	(200)	3,730	200
2010 Series G — 0.40% to 4.75% Fixed Rate Serial and Term Bonds maturing in varying installments through 2041.....	43,135	—	(2,235)	40,900	2,305
2010 Series H (Federally Taxable) — 0.77% to 0.84% Variable Rate Term Bonds due 2040.....	64,150	—	(2,910)	61,240	3,075
2010 Series J-1— 0.75% to 5.00% Fixed Rate Serial Bonds due 2022.....	17,865	—	(1,820)	16,045	1,875
2010 Series K-1— 2.05% to 5.25% Fixed Rate Serial and Term Bonds due 2032.....	5,105	—	(120)	4,985	135
2010 Series L-2-B— 1.90% Fixed Rate Term Bonds due 2015.....	26,135	—	(26,135)	—	—
2010 Series L-1 — 2.35% to 5.00% Fixed Rate Serial and Term Bonds due 2026.....	12,620	—	—	12,620	845
2010 Series N— 0.60% to 4.25% Fixed Rate Serial Bonds due 2021.....	3,930	—	(565)	3,365	590



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Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2011 Series B-1— 0.50% to 3.65% Fixed Rate Serial and Term Bonds due 2018.....	3,310	—	(1,235)	2,075	560
2011 Series C — 2.25% to 4.50% Fixed Rate Serial and Term Bonds due 2022.....	1,980	—	(100)	1,880	225
2011 Series D — 0.28% to 3.37% Fixed Rate Serial and Term Bonds due 2020.....	3,830	—	(545)	3,285	555
2011 Series E — 1.40% to 4.93% Fixed Rate Serial and Term Bonds due 2036.....	16,675	—	—	16,675	460
2011 Series F-1 (Federally Taxable) — 0.29% to 3.47% Fixed Rate Serial Bonds due 2018.....	19,695	—	(4,160)	15,535	4,235
2011 Series F-2 (Federally Taxable) — 0.71% to 0.78% Index Floating Rate Term Bonds due 2040.....	56,460	—	—	56,460	—
2011 Series F-3 (Federally Taxable) — 0.71% to 0.78% Index Floating Rate Term Bonds due 2040.....	12,540	—	—	12,540	—
2011 Series G-1— 2.50% Fixed Rate Term Bonds due 2015.....	31,915	—	(31,915)	—	—
2011 Series G-2-A — 0.35% to 3.10% Fixed Rate Serial and Term Bonds due 2021.....	25,180	—	(3,155)	22,025	3,015
2011 Series G-2-B — 1.39% Fixed Rate Term Bonds due 2017.....	4,530	—	(1,455)	3,075	1,520
2011 Series G-3 — 1.32% Fixed Rate Term Bonds due 2015.....	12,980	—	(12,980)	—	—
2011 Series H-2-A — 1.10% to 4.40% Fixed Rate Serial and Term Bonds due 2031.....	22,890	—	(1,045)	21,845	1,165
2011 Series H-2-B — 4.00% to 4.40% Fixed Rate Term Bonds due 2031.....	15,970	—	—	15,970	—
2011 Series H-3-A —1.32% Fixed Rate Term Bonds due 2015.....	8,620	—	(8,620)	—	—
2011 Series H-3-B — 2.51% Fixed Rate Term Bonds due 2022.....	11,305	—	(1,200)	10,105	1,225

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Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2011 Series J-1 — 4.00% to 4.80% Fixed Rate Term Bonds due 2044.....	38,345	—	—	38,345	—
2011 Series J-2 — 1.55% to 2.55% Fixed Rate Term Bonds due 2022.....	9,970	—	(3,510)	6,460	755
2011 Series J-3 — 1.65% Fixed Rate Term Bonds due 2015.....	16,940	—	(14,000)	2,940	2,940
2011 Series J-4 — 1.20% to 1.65% Fixed Rate Term Bonds due 2015.....	18,500	—	(18,500)	—	—
2012 Series B (Federally Taxable) — 0.66% to 3.93% Fixed Rate Serial Bonds due 2025...	37,315	—	(2,870)	34,445	2,900
2012 Series D-1-A — 0.80% to 4.30% Fixed Rate Serial and Term Bonds due 2045.....	48,725	—	(45)	48,680	215
2012 Series D-1-B — 0.35% to 4.30% Fixed Rate Serial and Term Bonds due 2045.....	84,585	—	(1,620)	82,965	2,255
2012 Series D-2-A — 0.90% to 1.15% Fixed Rate Term Bonds due 2015.....	45,345	—	(27,020)	18,325	18,325
2012 Series D-2-B — 0.90% to 1.15% Fixed Rate Term Bonds due 2015.....	15,000	—	(13,820)	1,180	1,180
2012 Series D-2-C — 0.90% to 1.15% Fixed Rate Term bonds due 2015.....	18,000	—	(6,730)	11,270	11,270
2012 Series E (Federally Taxable) — 0.34% to 4.40% Fixed Rate Serial and Term Bonds due 2032.....	67,955	—	(2,885)	65,070	3,020
2012 Series F — 0.80% to 3.90% Fixed Rate Serial and Term Bonds due 2045.....	80,330	—	(21,700)	58,630	19,720
2012 Series G — 0.95% to 3.90% Fixed Rate Serial and Term Bonds due 2045.....	31,960	—	—	31,960	180
2012 Series H — 0.25% to 1.60% Fixed Rate Serial Bonds due 2018.....	9,325	—	(3,000)	6,325	2,165
2012 Series I (Federally Taxable) — 0.40% to 4.49% Fixed Rate Serial and Term Bonds due 2044.....	80,745	—	(7,065)	73,680	7,075

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2015)</i>	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
2012 Series K-1-A — 0.45% to 4.00% Fixed Rate Serial and Term Bonds due 2045.....	155,550	—	(9,050)	146,500	52,515
2012 Series K-1-B — 0.80% Fixed Rate Term Bonds due 2015.....	12,855	—	—	12,855	12,855
2012 Series K-2 — 0.01% to 0.12% Variable Rate Term Bonds due 2016.....	20,765	—	—	20,765	—
2012 Series L-1— 1.80% to 3.90% Fixed Rate Serial and Term Bonds due 2042.....	12,390	—	—	12,390	—
2012 Series L-2-A — 0.30% to 4.00% Fixed Rate Serial and Term Bonds due 2044.....	102,190	—	(470)	101,720	490
2012 Series L-2-B (AMT) — 2.30% to 3.60% Fixed Rate Serial and Term Bonds due 2026..	2,060	—	—	2,060	—
2012 Series M-1-A — 1.15% Fixed Rate Term Bonds due 2017.....	19,830	—	—	19,830	—
2012 Series M-1-B — 1.15% Fixed Rate Term Bonds due 2017.....	4,000	—	—	4,000	—
2012 Series M-2 — 1.10% to 4.00% Fixed Rate Serial and Term Bonds due 2047.....	9,745	—	—	9,745	—
2012 Series M-3 — 1.40% to 4.65% Fixed Rate Serial and Term Bonds due 2047.....	10,525	—	—	10,525	—
2013 Series A-1— 0.35% to 5.20% Fixed Rate Serial and Term Bonds due 2045.....	36,500	—	(2,410)	34,090	1,130
2013 Series B-1-A — 1.10% to 4.60% Fixed Rate Term Bonds due 2045.....	131,880	—	(9,960)	121,920	705
2013 Series B-1-B — 0.35% to 4.60% Fixed Rate Serial and Term Bonds due 2045.....	74,400	—	(10,740)	63,660	1,350
2013 Series B-1-C — 1.10% Fixed Rate Term Bonds due 2016.....	1,125	—	—	1,125	—
2013 Series B-2 — 0.01% to 0.12% Variable Rate Term Bonds due 2018.....	7,500	—	—	7,500	—
2013 Series B-3 — 0.01% to 0.12% Variable Rate Term Bonds due 2018.....	24,000	—	—	24,000	—

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Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2013 Series B-4 — 0.01% to 0.12% Variable Rate Term Bonds due 2018.....	17,610	—	—	17,610	—
2013 Series D-1 (Federally Taxable) – 0.70% to 3.78% Fixed Rate Serial and Term Bonds due 2028.....	40,135	—	(1,835)	38,300	2,380
2013 Series D-2 (Federally Taxable) – 0.88% to 0.89% Index Floating Rate Term Bonds due 2038.....	55,000	—	—	55,000	—
2013 Series E-1-A – 0.25% to 4.90% Fixed Rate Serial and Term Bonds due 2038.....	118,660	—	(6,860)	111,800	1,480
2013 Series E-1-B – 0.75% to 4.95% Fixed Rate Term Bonds due 2043.....	57,060	—	(12,000)	45,060	—
2013 Series E-1-C – 0.75% to 4.95% Fixed Rate Term Bonds due 2046.....	78,025	—	—	78,025	—
2013 Series E-2 – 0.01% to 0.14% Variable Rate Term Bonds due 2018.....	32,670	—	—	32,670	—
2013 Series E-3 – 0.01% to 0.14% Variable Rate Term Bonds due 2018.....	19,520	—	—	19,520	—
2013 Series F-1 – 1.25% to 4.50% Fixed Rate Serial and Term Bonds due 2047.....	29,080	—	—	29,080	—
2013 Series F-2 – 1.25% Fixed Rate Term Bonds due 2017.....	4,210	—	—	4,210	—
2013 Series F-3 – 1.00% Fixed Rate Term Bonds due 2017.....	9,205	—	—	9,205	—
2014 Series A – 0.20% to 4.35% Fixed Rate Serial and Term Bonds due 2044.....	8,170	—	(410)	7,760	415
2014 Series B-1 (Federally Taxable) – 0.25% to 3.69% Fixed Rate Serial Bonds due 2024...	100,000	—	(8,980)	91,020	8,645
2014 Series B-2 (Federally Taxable) – 0.72% to 0.79% Variable Rate Bonds due upon demand through 2033.....	50,000	—	—	50,000	—
2014 Series C-1-A – 0.70% to 4.30% Fixed Rate Serial and Term Bonds due 2047.....	162,345	—	—	162,345	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2015)</i>	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
2014 Series C-1-B – 0.40% to 1.25% Fixed Rate Term Bonds due 2018.....	62,705	—	—	62,705	—
2014 Series C-1-C – 1.10% to 4.00% Fixed Rate Serial and Term Bonds due 2047.....	30,500	—	—	30,500	—
2014 Series C-2 - 0.01% to 0.13% Variable Rate Bonds due upon demand through 2019...	35,840	—	—	35,840	—
2014 Series C-3 – 0.01% to 0.10% Variable Rate Bonds due upon demand through 2019...	13,000	—	—	13,000	—
2014 Series D-1 (Federally Taxable) – 0.40% to 4.10% Fixed Rate Serial and Term Bonds due 2027.....	38,000	—	(2,135)	35,865	4,305
2014 Series D-2 (Federally Taxable) – 0.72% to 0.79% Variable Rate Bonds due upon demand through 2037.....	38,000	—	—	38,000	—
2014 Series E – 2.90% to 3.75% Fixed Rate Serial and Term Bonds due 2035.....	39,595	—	—	39,595	—
2014 Series F – 0.11% Fixed Rate Term Bonds due 2046.....	34,015	—	(34,015)	—	—
2014 Series G-1 – 0.20% to 4.00% Fixed Rate Serial and Term Bonds due 2048.....	—	337,875	(475)	337,400	2,895
2014 Series G-2 – 0.25% to 4.00% Fixed Rate Serial and Term Bonds due 2048.....	—	8,330	—	8,330	20
2014 Series H-1 (Federally Taxable) – 0.76% to 4.32% Fixed Serial and Term Bonds due 2035.....	—	75,000	—	75,000	1,090
2014 Series H-2 (Federally Taxable) – 0.71% to 0.77% Variable Rate Term Bonds due 2044.....	—	50,000	—	50,000	—
2014 Series I – 1.45% Fixed Rate Term Bonds due 2018.....	—	3,260	—	3,260	—
2015 Series A-1 – 0.70% to 4.00% Fixed Rate Serial and Term Bonds due 2048.....	—	28,000	—	28,000	—
2015 Series A-2 – 2.25% to 3.75% Fixed Rate Serial and Term Bonds due 2035.....	—	6,150	—	6,150	—

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<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2015 Series B-1 (Federally Taxable) – 0.60% to 3.53% Fixed Rate Serial Bonds due 2027...	—	37,000	—	37,000	4,550
2015 Series B-2 (Federally Taxable) – 0.68% to 0.70% Variable Rate Term Bonds due 2044.....	—	33,000	—	33,000	—
2015 Series C – 0.15% Term Rate Bonds due July 2015.....	—	20,585	(20,585)	—	—
2015 Series D-1-A – 1.30% to 4.35% Fixed Rate Serial and Term Bonds due 2048.....	—	167,495	—	167,495	—
2015 Series D-1-B – 0.85% to 4.35% Fixed Rate Serial and Term Bonds due 2048.....	—	322,470	—	322,470	—
2015 Series D-1-C – 1.35% Fixed Rate Term Bonds due 2018.....	—	7,200	—	7,200	—
2015 Series D-2 – 0.45% to 4.00% Fixed Rate Serial and Term Bonds due 2035.....	—	64,140	—	64,140	415
2015 Series D-3 – 0.02% to 0.07% Variable Rate Term Bonds due 2020.....	—	15,000	—	15,000	—
2015 Series D-4 – 0.02% to 0.07% Variable Rate Term Bonds due 2020.....	—	13,500	—	13,500	—
2015 Series E-1 – 0.30% to 4.05% Fixed Rate Serial and Term Bonds due 2047.....	—	37,660	—	37,660	140
2015 Series E-2 – 0.30% to 3.75% Fixed Rate Serial and Term Bonds due 2035.....	—	16,025	—	16,025	940
2015 Series F – 0.20% Term Rate Bonds due June 2016.....	—	26,700	—	26,700	—
<i>Multi-Family Secured Mortgage Revenue Bonds</i>					
2005 Series A-1 (Federally Taxable) Secured Mortgage Revenue Bonds — 5.65% Term Bonds due 2031.....	5,750	—	(70)	5,680	70
2005 Series A-2 (Federally Taxable) Secured Mortgage Revenue Bonds — 6.32% Term Bonds due 2037.....	4,075	—	(80)	3,995	90

**New York City Housing Development Corporation**  
**Notes to the Financial Statements**  
**October 31, 2015**

Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
2005 Series B (Federally Taxable) Secured Mortgage Revenue Bonds— 6.35% Term Bonds due 2038.....	3,175	—	(60)	3,115	60
2011 Series A (Federally Taxable) Secured Mortgage Revenue Bonds — 1.26% to 4.78% Fixed Rate Serial and Term Bonds due 2026.....	44,305	—	(3,380)	40,925	3,320
2013 Series A (Federally Taxable) Secured Mortgage Revenue Bonds — 0.48% to 5.34% Fixed Rate Serial and Term Bonds due 2035.....	43,840	—	(2,360)	41,480	2,530
<i>Federal New Issue Bond Program (NIBP)</i>					
2009 Series 1-2 HRB (NIBP) — 3.16% Fixed Rate Term Bonds due 2043 .....	89,600	—	—	89,600	—
2009 Series 1-3-A HRB (NIBP) — 3.70% Fixed Rate Term Bonds due 2043.....	19,120	—	—	19,120	—
2009 Series 1-3-B HRB (NIBP) (AMT) — 3.70% Fixed Rate Term Bonds due 2031 .....	8,120	—	—	8,120	—
2009 Series 1-4 HRB (NIBP) — 3.68% Fixed Rate Term Bonds due 2051 .....	14,990	—	—	14,990	—
2009 Series 1-5-A HRB (NIBP) — 2.47% Fixed Rate Term Bonds due 2048.....	158,800	—	—	158,800	—
2009 Series 1-5-B HRB (NIBP) (AMT) — 2.47% Fixed Rate Term Bonds due 2041.....	31,930	—	—	31,930	—
2009 Series 2-3 HRB (NIBP) — 3.70% Fixed Rate Term Bonds due 2043 .....	2,600	—	(50)	2,550	50
2009 Series 2-5 HRB (NIBP) — 2.47% Fixed Rate Term Bonds due 2048.....	39,220	—	(1,600)	37,620	1,650
<b>Total Housing Revenue Bond Program</b>	<b>4,708,255</b>	<b>1,269,390</b>	<b>(561,245)</b>	<b>5,416,400</b>	<b>370,775</b>

**LIBERTY BOND PROGRAM:**

*Multi-Family Mortgage Revenue Bonds*

2005 Series A 90 Washington Street — 0.01% to 0.12% Variable Rate Bonds due upon demand through 2035.....	74,800	—	—	74,800	—
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**New York City Housing Development Corporation**  
**Notes to the Financial Statements**  
**October 31, 2015**

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2015)</i>	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
2005 Series A The Crest— 0.01% to 0.13% Variable Rate Bonds due upon demand through 2036.....	132,500	—	—	132,500	—
2005 Series B (Federally Taxable) The Crest— 0.06% to 0.15% Variable Rate Bonds due upon demand through 2036.....	6,300	—	(1,300)	5,000	—
2006 Series A 90 West Street— 0.01% to 0.13% Variable Rate Bonds due upon demand through 2036.....	104,000	—	—	104,000	—
2006 Series B (Federally Taxable) 90 West Street— 0.07% to 0.10% Variable Rate Bonds due upon demand through 2036.....	8,000	—	—	8,000	—
2006 Series A - 2 Gold Street— 0.01% to 0.11% Variable Rate Bonds due upon demand through 2036.....	162,000	—	—	162,000	—
2006 Series B (Federally Taxable) - 2 Gold Street— 0.07% to 0.12% Variable Rate Bonds due upon demand through 2036.....	44,500	—	(2,200)	42,300	—
2006 Series A 201 Pearl Street— 0.01% to 0.11% Variable Rate Bonds due upon demand through 2041.....	65,000	—	—	65,000	—
2006 Series B (Federally Taxable) 201 Pearl Street— 0.07% to 0.10% Variable Rate Bonds upon demand through 2041.....	24,000	—	(400)	23,600	—
2008 Series A Beekman Tower – 0.10% to 0.12% Variable Rate Bonds due upon demand through 2048.....	203,900	—	(203,900)	—	—
2014 Series Classes D, E and F (8 Spruce Street) – 3.00% to 4.50% Fixed Rate Bonds due upon demand through 2048.....	—	203,900	—	203,900	—
<b>Total Liberty Bond Program</b>	<b>825,000</b>	<b>203,900</b>	<b>(207,800)</b>	<b>821,100</b>	<b>—</b>

**New York City Housing Development Corporation**  
**Notes to the Financial Statements**  
**October 31, 2015**

Description of Bonds as Issued	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2015)</i>					
<b>CAPITAL FUND PROGRAM REVENUE</b>					
<b>BONDS (New York City Housing Authority</b>					
<b>("NYCHA"))</b>					
2013 Series A Capital Fund Program—2.00% to 5.00% Serial Bonds maturing in varying installments through 2025.....	176,630	—	(12,840)	163,790	13,235
2013 Series B-1 Capital Fund Program— 2.00% to 5.25% Serial Bonds maturing in varying installments through 2033.....	341,190	—	(15,205)	325,985	15,825
2013 Series B-2 Capital Fund Program— 5.00% to 5.25% Serial Bonds maturing in varying installments through 2032.....	122,170	—	—	122,170	—
<b>Total Capital Fund Program Revenue Bonds</b>	<b>639,990</b>	<b>—</b>	<b>(28,045)</b>	<b>611,945</b>	<b>29,060</b>

*Pass-Through Revenue Bond Program*

2014 Series A (Federally Taxable) – 3.05% Fixed Rate Serial Bonds due 2036.....	34,357	—	(856)	33,501	921
<b>Total Pass-Through Revenue Bond Program</b>	<b>34,357</b>	<b>—</b>	<b>(856)</b>	<b>33,501</b>	<b>921</b>
Total Bonds Payable Prior to Net Premium Unamortized (Discount) on Bonds Payable	9,199,557	2,146,549	(1,281,346)	10,064,760	429,706
Net Premium (Discount) on Bonds Payable	40,716	13	(4,145)	36,584	—
<b>Total Bonds Payable (Net)</b>	<b>\$9,240,273</b>	<b>\$2,146,562</b>	<b>(\$1,285,491)</b>	<b>\$10,101,344</b>	<b>\$429,706</b>

*Interest on the Corporation's variable rate debt is based on the Securities Industry and Financial Markets Association ("SIFMA") rate and is reset daily and weekly.*

**Bonds issued in Fiscal Year 2015**

*(A) New York City Housing Development Corporation*

On November 13, 2014, two Multi-Family Mortgage Revenue Bonds (8 Spruce Street), 2014 Series were issued in the amount totaling \$550,000,000. The fixed rate series 2014, classes A, B and C (Federally Taxable) Bonds were issued in the amount of \$346,100,000 and the fixed rate series 2014, classes D, E and F Bonds were issued in the amount of \$203,900,000. The 2014 Bonds were issued to refinance the 2008, 2009 and 2010 Series A (Beekman Tower) bonds and to pay certain other related costs.

On November 20, 2014, the variable rate Multi-Family Mortgage Revenue Bonds, 2014 Series A (50<sup>th</sup> Avenue Development) were issued in the amount of \$26,265,000 to finance the remaining portion of a mortgage loan for the purpose of paying a portion of the costs of constructing and equipping a multi-

# **New York City Housing Development Corporation**

## **Notes to the Financial Statements**

### **October 31, 2015**

family rental housing development located in the borough of Queens, New York, and to pay certain other related costs.

On November 20, 2014, the variable rate Multi-Family Mortgage Revenue Bonds, 2014 Series A (Borden Avenue Development) were issued in the amount of \$7,750,000 to complete a multi-tranche financing transaction. The Bonds were issued to finance a portion of a mortgage loan for the purpose of paying a portion of the costs of constructing and equipping a multi-family rental housing development located in the borough of Queens, New York, and to pay certain other related costs.

On December 18, 2014, four Multi-Family Housing Revenue Bonds series were issued in the amount totaling \$399,465,000. The fixed rate 2014 Series G-1 Bonds were issued in the amount of \$337,875,000, the fixed rate 2014 Series G-2 Bonds were issued in the amount of \$8,330,000, the index floating rate 2014 Series H-2 (Federally Taxable) Bonds were issued in the amount of \$50,000,000, and the term rate 2014 Series I Bonds were issued in the amount of \$3,260,000. The 2014 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for certain developments and to refund certain outstanding bonds of the Corporation.

On December 23, 2014, two Multi-Family Rental Housing Revenue Bonds (NYCHA Triborough Preservation Development) were issued in the amount totaling \$235,000,000. The fixed rate 2014 Series A-1 Bonds were issued in the amount of \$230,000,000 and the 2014 Series A-2 (Federally Taxable) Bonds were issued in the amount of \$5,000,000. The 2014 Bonds were issued to finance a mortgage loan for the purpose of paying a portion of the costs of acquiring, renovating and equipping multi-family rental housing developments located in the boroughs of Bronx, Manhattan and Brooklyn, New York, and to pay certain other related costs.

On January 7, 2015, the fixed rate Multi-Family Housing Revenue Bonds, 2014 Series H-1 (Federally Taxable) Bonds were issued in the amount of \$75,000,000. The 2014 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for certain developments and to refund certain outstanding bonds of the Corporation.

On April 29, 2015, five Multi-Family Housing Revenue Bonds series were issued in the amount totaling \$124,735,000. The fixed rate 2015 Series A-1 Bonds were issued in the amount of \$28,000,000, the fixed rate 2015 Series A-2 Bonds were issued in the amount of \$6,150,000, the fixed rate 2015 Series B-1 (Federally Taxable) Bonds were issued in the amount of \$37,000,000, the index floating rate 2015 Series B-2 (Federally Taxable) Bonds were issued in the amount of \$33,000,000, and the term rate 2015 Series C Bonds were issued in the amount of \$20,585,000. The 2015 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for certain developments and to refund certain outstanding bonds of the Corporation.

On June 25, 2015, five Multi-Family Housing Revenue Bonds series were issued in the amount totaling \$525,665,000. The fixed rate 2015 Series D-1-A Bonds were issued in the amount of \$167,495,000, the fixed rate 2015 Series D-1-B Bonds were issued in the amount of \$322,470,000, the fixed rate 2015 Series D-1-C Bonds were issued in the amount of \$7,200,000, the variable rate 2015 Series D-3 Bonds were issued in the amount of \$15,000,000, and the variable rate 2015 Series D-4 Bonds were issued in the amount of \$13,500,000. The 2015 Bonds were issued and combined with other available monies to

# **New York City Housing Development Corporation**

## **Notes to the Financial Statements**

### **October 31, 2015**

finance construction and permanent mortgage loans for certain developments and to refund certain outstanding bonds of the Corporation.

On August 13, 2015, the fixed rate Multi-Family Housing Revenue Bonds, 2015 Series D-2 Bonds, were issued in the amount of \$64,140,000. The 2015 Bonds were issued for the purpose of refunding certain outstanding bonds of the Corporation.

On October 22, 2015, three Multi-Family Housing Revenue Bonds series were issued in the amount totaling \$80,385,000. The fixed rate 2015 Series E-1 Bonds were issued in the amount of \$37,660,000, the fixed rate 2015 Series E-2 Bonds were issued in the amount of \$16,025,000, and the term rate 2015 Series F Bonds were issued in the amount of \$26,700,000. The 2015 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for certain developments and to pay certain other related costs.

All the bonds listed above are subject to regular redemption and certain issues are also subject to special redemption provisions as well. The parameters under which the redemptions may occur are set forth in the respective bond resolutions.

In fiscal year 2013, the Corporation committed to issue two draw-down bonds in the amount totaling \$51,165,000, under the variable rate Multi-Family Mortgage Revenue Bonds 2013 Series A and 2013 Series C (Borden Avenue Development). In fiscal year 2015, the Corporation had drawn down an additional \$3,419,000 and \$21,975,000 from 2013 Series A bonds and 2013 Series C bonds, respectively. As of October 31, 2015, the balance for the drawn down bonds for both series totaled \$45,704,000.

In fiscal year 2014, the Corporation committed to issue a draw-down bonds in the amount totaling \$33,000,000, under the variable rate Multi-Family Mortgage Revenue Bond 2013 Series A (250 Ashland Development). In fiscal year 2015, the Corporation had drawn down an additional \$32,750,000 from the 2013 Series A bonds. As of October 31, 2015, the balance for the drawn down bonds for this series was \$33,000,000.

In fiscal year 2010, as part of the Housing Finance Agency (“HFA”) initiative using authority provided to the U.S. Department of the Treasury (“Treasury”) pursuant to the Housing and Economic Recovery Act of 2008 (“HERA”) to help expand resources to provide affordable mortgages for low and middle income households, and to support the development and rehabilitation of affordable housing units, the Corporation was allocated \$500,000,000 by Treasury to issue bonds under the New Issue Bond Program (“NIBP”). HDC has issued two programs under the NIBP. The variable rate 2009 Housing Revenue Bonds Series 1 (Federally Taxable) Bonds were issued in the amount of \$415,000,000 and the 2009 Housing Revenue Bonds Series 2 (Federally Taxable) Bonds were issued in the amount of \$85,000,000 on December 23, 2009. During the period between June 2010 and December 2011, all the principal amount of the 2009 Series 1 (NIBP) Bonds and the 2009 Series 2 (NIBP) Bonds were converted to fixed rate tax exempt bonds. These bonds were designated as the “Converted Bonds”. As of October 31, 2015, portions of the NIBP Converted Bonds in the amount of \$137,270,000 were redeemed and defeased.

# New York City Housing Development Corporation

## Notes to the Financial Statements

### October 31, 2015

#### Debt Obligations Program

In fiscal year 2015, the Corporation closed seven new funding loan agreements with Citibank N.A. (“Citibank”) to finance mortgage loans under its Multi-Family Housing Revenue Debt Obligations Program. Under the Agreement, Citibank will provide the funds to the Corporation, which the Corporation will then advance the loan proceeds to the project. This is also referred to as “Back to Back” loan restructuring. This debt obligation is subject to private activity bond volume cap.

At October 31, 2015, the aggregate principal amount outstanding under the Debt Obligations program was \$34,659,000.

#### Changes in Debt Obligations Payable:

The summary of changes in Debt Obligations Payable was as follows:

Debt Obligations Payable outstanding at October 31, 2014	\$ 1,198,000
Debt Obligations Issued	33,461,000
Debt Obligations Retired	—
Debt Obligations Payable outstanding at October 31, 2015	\$ 34,659,000

Details of changes in HDC debt obligations for the year ended October 31, 2015 were as follows:

Description of Debt Obligations as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2015)</i>	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
MFHR Debt Obligations (Harlem Dowling Residential) –2.49% Fixed Rate due 2047.....	\$ 574	\$ 1,710	\$ —	\$ 2,284	\$ —
MFHR Debt Obligations (Harlem Dowling Residential) –6.21% Fixed Rate due 2047.....	74	221	—	295	—
MFHR Debt Obligations (Harlem Dowling Community) –6.17% Fixed Rate due 2047.....	550	1,360	—	1,910	—
MFHR Debt Obligations (535 Carlton Avenue) –2.01% to 2.11% Variable Rate due 2058.....	—	150	—	150	—
MFHR Debt Obligations (Draper Hall) – 3.91% Fixed Rate due 2047.....	—	18,230	—	18,230	—
MFHR Debt Obligations (Stanley Commons) –3.60% Fixed Rate due 2048.....	—	9,510	—	9,510	—
MFHR Debt Obligations (38 Sixth Avenue) – 2.01% to 2.08% Variable Rate due 2048.....	—	50	—	50	—
MFHR Debt Obligations (La Casa del Mundo) –4.62% Fixed Rate due 2048.....	—	1,465	—	1,465	—

# New York City Housing Development Corporation

## Notes to the Financial Statements

### October 31, 2015

Description of Debt Obligations as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2015)</i>	Balance at Oct. 31, 2014	Issued	Retired	Balance at Oct. 31, 2015	Amount Due Within 1 Year
MFHR Debt Obligations (MHANY Portfolio) -5.21% Fixed Rate Term due 2049.....	—	315	—	315	—
MFHR Debt Obligations (MHANY Portfolio - Taxable) -5.21% Fixed Rate Term due 2049	—	450	—	450	—
<b>Total Debt Obligations Payable</b>	<b>\$ 1,198</b>	<b>\$ 33,461</b>	<b>\$ —</b>	<b>\$ 34,659</b>	<b>\$ —</b>

On July 1, 2014, the Corporation entered into a Funding Loan Agreement with Citibank (the “Multi-Family Housing Revenue Debt Obligations - Harlem Dowling”). The proceeds in the amount of \$12,850,000 were committed to finance the acquisition and construction, and to pay certain other related costs of a multi-family rental housing development located in the borough of Manhattan, New York. The total obligation outstanding as of October 31, 2015 was \$4,489,000.

On December 15, 2014, the Corporation entered into a Funding Loan Agreement with Citibank (the “Multi-Family Housing Revenue Debt Obligations – 535 Carlton”). The proceeds in the amount of \$73,000,000 were committed to finance the acquisition and construction, and to pay certain other related costs of a multi-family rental housing development located in the borough of Brooklyn, New York. The total obligation outstanding as of October 31, 2015 was \$150,000.

On December 24, 2014, the Corporation entered into a Funding Loan Agreement with Citibank (the “Multi-Family Housing Revenue Debt Obligations – Draper Hall”). The proceeds in the amount of \$42,750,000 were committed to finance the acquisition and construction, and to pay certain other related costs of a multi-family rental housing development located in the borough of Manhattan, New York. The total obligation outstanding as of October 31, 2015 was \$18,230,000.

On December 31, 2014, the Corporation entered into a Funding Loan Agreement with Citibank (the “Multi-Family Housing Revenue Debt Obligations – Stanley Commons”). The proceeds in the amount of \$40,200,000 were committed to finance the acquisition and construction, and to pay certain other related costs of a multi-family rental housing development located in the borough of Brooklyn, New York. The total obligation outstanding as of October 31, 2015 was \$9,510,000.

On June 17, 2015, the Corporation entered into a Funding Loan Agreement with Citibank (the “Multi-Family Housing Revenue Debt Obligations – 38 Sixth Avenue”). The proceeds in the amount of \$83,240,000 were committed to finance the acquisition and construction, and to pay certain other related costs of a multi-family rental housing development located in the borough of Brooklyn, New York. The total obligation outstanding as of October 31, 2015 was \$50,000.

On June 30, 2015, the Corporation entered into a Funding Loan Agreement with Citibank (the “Multi-Family Housing Revenue Debt Obligations – La Casa del Mundo”). The proceeds in the amount of \$19,210,000 were committed to finance the acquisition and construction, and to pay certain other related



# New York City Housing Development Corporation

## Notes to the Financial Statements

### October 31, 2015

costs of a multi-family rental housing development located in the borough of Bronx, New York. The total obligation outstanding as of October 31, 2015 was \$1,465,000.

On October 27, 2015, the Corporation entered into a Funding Loan Agreement with Citibank (the “Multi-Family Housing Revenue Debt Obligations – MHANY Portfolio”). The proceeds in the amount of \$33,000,000 were committed to finance the acquisition and construction, and to pay certain other related costs of a multi-family rental housing development located in the borough of Brooklyn, New York. The total obligation outstanding as of October 31, 2015 was \$765,000.

In fiscal year 2014, the Corporation entered into a new financing agreement with the FFB for selling beneficial ownership interests in mortgage loans originated by housing finance agencies and insured with FHA/HFA Risk Sharing mortgage insurance. The Corporation was selected to be the first housing finance agency to participate in this new federal initiative to reduce costs of capital for affordable housing. On October 30, 2014, the Corporation sold a beneficial ownership interest in a mortgage for the Arverne View Apartments (“a.k.a. Ocean Village”) in the amount of \$72,020,000. The participation proceeds were recorded as payable to the FFB. The monthly mortgage payments from the borrower will be used to repay the interest to the FFB and principal payments will reflect the schedule mortgage principal payments. The FFB Loan Participation Certificate Payable balance as of October 31, 2015 was \$71,450,000. (See Note 4: “Mortgage Loans”.)

The Corporation regularly defeases or retires bonds through in-substance defeasances whereby assets are placed in an irrevocable trust that is used exclusively to service the future debt requirement. All the outstanding defeased bonds prior to fiscal year 2015 were called and fully redeemed by the escrow agent during the current year.

During fiscal year 2015, the Corporation retired the 2007 Series B Multi-Family Rental Housing Revenue Bonds (West 61<sup>st</sup> Street Apartments) through in-substance defeasance. The table below lists the series as well as the amount outstanding as of October 31, 2015. These bonds are held with an escrow agent.

Detail of Defeased Bonds outstanding as of October 31, 2015:

Bond Issue	Date Defeased	Amount Defeased	Bonds Outstanding 10/31/15
2007 Series B (West 61 <sup>st</sup> Street Apartments) (Federally Taxable)	February 17, 2015	6,785,000	6,135,000
<b>Total</b>		<b>\$6,785,000</b>	<b>\$6,135,000</b>



**New York City Housing Development Corporation**  
**Notes to the Financial Statements**  
**October 31, 2015**

Future Debt Service:

Required debt payments by the Corporation for the next five years and thereafter are as follows:

Year Ending October 31, (in thousands)	Principal	Interest	Total
2016.....	\$429,706	218,128	647,834
2017.....	297,517	212,779	510,296
2018.....	493,218	207,213	700,431
2019.....	670,631	198,908	869,539
2020.....	251,009	189,574	440,583
2021 – 2025.....	986,162	857,885	1,844,047
2026 – 2030.....	1,161,485	690,933	1,852,418
2031 – 2035.....	1,423,774	525,870	1,949,644
2036 – 2040.....	2,089,459	375,738	2,465,197
2041 – 2045.....	1,117,110	226,123	1,343,233
2046 – 2050.....	1,144,069	62,737	1,206,806
2051 – 2055.....	620	28	648
<b>Total</b>	<b>\$ 10,064,760</b>	<b>3,765,916</b>	<b>13,830,676</b>

Changes in Long Term Liabilities:

Long term liability activities for the year ended October 31, 2015, are as follows:

Descriptions (in thousands)	Balance at Oct. 31, 2014	Additions	Deductions	Balance at Oct. 31, 2015	Due Within 1 Year
Bonds Payable, (net)	\$9,240,273	2,146,562	(1,285,491)	10,101,344	429,706
Debt Obligations	1,198	33,461	—	34,659	—
Payable to FFB – Loan Participation	72,020	—	(570)	71,450	—
Payable to The City of New York	868,967	224,891	(101,494)	992,364	—
Payable to Mortgagors & Restricted Earnings on Investments	562,388	409,260	(356,873)	614,775	154,761
Others	253,903	511,786	(358,018)	407,671	304,636
<b>Total Long Term Liabilities</b>	<b>\$10,998,749</b>	<b>3,325,960</b>	<b>(2,102,446)</b>	<b>12,222,263</b>	<b>889,103</b>

**Note 11: Consultant's Fees**

The fees paid by the Corporation for legal, accounting and consulting services in fiscal year 2015 for HDC include \$249,415 to Bay Area Economics; \$27,102 to Hawkins, Delafield & Wood; \$3,537 to Epstein, Becker & Green, PC; \$865 to Seyfarth Shaw LLP. Auditing fees of \$255,000 were paid to Ernst & Young LLP.

The Corporation paid consulting fees in the amount of \$395,515 to R Square Inc.; \$33,000 to Cristo Rey New York High School; \$30,000 to DCAS Division of Citywide Personnel Services; \$22,500 to Bartley & Dick Advertising/Design; \$13,860 to Quest America, Inc.; \$12,663 to Kevin Joseph Laccone; \$7,500 to Peter Carbonara; and \$2,400 to Insurance Advisors, LLC.

# New York City Housing Development Corporation

## Notes to the Financial Statements

October 31, 2015

In addition, the Corporation paid legal, accounting and consulting fees for services provided in connection with bond financings which have been reimbursed either from bond proceeds or from project developers. Fees of \$1,889,000 to Hawkins, Delafield & Wood; \$75,000 to Caine Mitter & Associates, Inc.; \$26,000 to Hinckley Allen; \$17,500 to Miller Mayer, LLP; \$7,000 to Buchanan Ingersoll, & Rooney P.C.; and \$2,900 to Causey Demgen & Moore.

### Note 12: Payable to The City of New York

#### *(A) New York City Housing Development Corporation*

Since fiscal year 2002, the Corporation has entered into various agreements with the City whereby HDC sold bonds and used the bond proceeds to purchase from the City interests in various mortgage loans and pools of mortgage loans. Additionally, starting from fiscal year 2005 and 2006 and onward, HDC originated second mortgage loans in which it sold a residual interest to the City. Cash flow derived from these loan interests is pledged to the repayment of the related HDC bonds. At such time as these HDC bonds are retired, ownership of the associated loan interests transfers to the City. The excess of such interest over the amount of the related bonds, which totaled \$626,645,000 as of October 31, 2015 is reported in the Corporation's statement of net position as "Loan participation receivable - The City of NY" in the Noncurrent Assets section and "Payable to The City of New York: Loan participation agreement" in the Noncurrent Liabilities section. The related details are described in the next three paragraphs.

In May, 2014, 2006 Series A bonds were fully redeemed. Simultaneously, the Corporation issued the Multi-Family Housing Revenue Bonds, 2014 Series B-1 and 2014 Series B-2 collectively, the ("2014 Series B Bonds") to re-securitize the remaining underlining loan portfolio in 2006 Series A (See Note 6: "Loan Participation Receivable for The City of New York"). As of October 31, 2015, the Corporation's payable to the City relating to the 2014 Series B Bonds was \$97,574,000.

The Corporation has completed numerous transactions as part of its Mitchell-Lama Restructuring Program, an affordable housing preservation program. The following Multi-Family Housing Revenue Bonds were issued through the end of the current fiscal year as part of the Mitchell Lama Restructuring Program: 2004 Series D, 2004 Series E-1, 2004 Series E-2, 2005 Series A-1, 2005 Series A-2, 2005 Series F-1, 2005 Series F-2, 2005 Series J-1, 2005 Series J-2, 2006 Series D-1, 2006 Series D-2, 2008 Series C-1, 2008 Series C-2, 2008 Series G-1, 2008 Series G-2, 2008 Series J, 2008 Series L, 2010 Series G, a portion of 2010 Series H, 2011 Series F-1, 2011 Series F-2, 2012 Series G, 2012 Series H, 2012 Series I, 2012 Series J, 2013 Series A, 2014 Series E, 2015 Series E-1 and 2015 Series E-2. Under this program the Corporation has funded various new first and second mortgage loans as well as the acquisition of participation interests in City-owned second mortgages and associated cash flows. As long as any Mitchell-Lama Restructuring Bonds are outstanding, all cash flows from the purchased interests must be applied to debt service on such bonds. Once all such bonds are retired, HDC's participation interests revert to the City. HDC also has sold to the City a residual interest in the second mortgage loans the Corporation originated. These loans also transfer to the City when the Mitchell-Lama Restructuring Bonds are retired. During fiscal year 2015, the Corporation issued the 2015 Series A-2 and 2015 Series B-2 bonds to refund the 2004 Series E-1, 2004 Series E-2, 2005 Series A-1 and 2005 Series A-2 bonds. Subsequently, the mortgages in these series were transferred to the refunded bond

# New York City Housing Development Corporation

## Notes to the Financial Statements

### October 31, 2015

programs. As of October 31, 2015, the Corporation's payable to the City under the Mitchell-Lama Restructuring Bonds program was \$529,071,000.

Since Fiscal Year 2013, the Corporation entered into several loan participation agreements with the City through its Department of Housing Preservation and Development ("HPD"). In each case the Corporation made available to the mortgagors new mortgage loans, the proceeds of which were used for the acquisition or rehabilitation of existing properties, with the HDC mortgage holding the first position lien on the properties. The existing HPD loans were assigned to the Corporation, via a Purchase and Sale agreement, where the Corporation purchased the existing loans from the City and the City purchased a residual interest in the HDC Loans. As of October 31, 2015, the participation mortgage loans underlying the Participation Interest had an aggregate outstanding principal balance of \$186,952,000.

In 2009, HPD and HDC entered into a Memorandum of Understanding ("MOU"), which provides for the granting of funds by HPD to HDC pursuant to Section 661 of the Act, to make subordinate loans for affordable housing. At October 31, 2015, the total related payable to the City relating to this MOU was \$116,285,000.

The Corporation also administers construction loans on behalf of HPD, using funds provided by HPD. All such funds are the property of HPD and thus are reported as due to the City in the Corporation's financial statements. At October 31, 2015, the total related payable to the City was \$62,482,000.

#### *(B) Housing Assistance Corporation*

Funding for HAC was received through the City in 1985. All of HAC's assets, after repayment of HDC advances to HAC and if unused for HAC purposes, will revert back to the City. At October 31, 2015, total resources payable to the City amounted to \$29,826,000. The resources held for the City are primarily the mortgage loans described in Note 4, "Mortgage Loans," and the investments held to fund tenant assistance payments.

Since fiscal year 2009, the Corporation has transferred funds to HAC in monthly increments in an original amount not to exceed \$5,000,000 in the aggregate to provide funds for the tenant assistance ("TAC") payments for the Ruppert/Yorkville project pursuant to an agreement made by the City for the benefit of such residents. On March 10, 2011 the Corporation's Members approved an additional \$5,000,000 for Ruppert/Yorkville tenant assistance. The total debt to HDC is not to exceed \$10,000,000. On February 15, 2013, the last portion of approved TAC funds were transferred to HAC and advanced to its projects. Since then, HAC has repaid \$3,500,000 to HDC. As of October 31, 2015, the remaining HAC obligations to HDC were \$6,500,000. HAC is obligated to repay the Corporation for all funds advanced by HDC, without interest, at such time as funds become available to HAC.

# New York City Housing Development Corporation

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### Note 13: Retirement Programs

#### (A) NYCERS

The Corporation is a participating employer in NYCERS, a cost sharing multi-employer plan, of which 111 current employees of the Corporation are members. NYCERS provides defined benefit pension benefits to 186,000 active municipal employees and 138,000 pensioners through \$55.1 billion in assets. City employees who receive permanent appointment to a competitive position and have completed six months of service are required to participate in NYCERS, and all other employees such as HDC employees are eligible, but not required, to participate in NYCERS. NYCERS provides three main types of retirement benefits: service retirements, ordinary disability retirements (non-job related disabilities) and accident disability retirements (job-related disabilities) to members who are in different “tiers.” The members’ tier is determined by the date of membership. Subject to certain conditions, members generally become fully vested as to benefits upon completion of five years of service. Employees may be required to contribute a percentage of their salary to the pension plan based on their tier. Annual pension benefit is calculated as a percentage of final average salary times number of years of membership service.

Contribution requirements of the active employees and the participating New York City agencies are established and may be amended by the NYCERS Board. Employees’ contributions are determined by their tier and number of years of service. They may range between 0.00% and 7.46% of their annual pay. Statutorily-required contributions to NYCERS, determined by the New York City Office of the Actuary in accordance with State statutes and City laws, are funded by the employer within the appropriate fiscal year.

Copies of NYCERS’ financial statements can be obtained by writing to 335 Adams Street, Suite 2300, Brooklyn, NY 11201-3751.

Upon the adoption of GASB 68 during fiscal year 2013, the Corporation was required to recognize a Net Pension Liability for the difference between the present value of projected benefits for past service known as the Total Pension Liability (“TPL”) and the restricted resources held in trust for the payment of pension benefits, known as the Plan Fiduciary Net Position (“PFNP”). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of NYCERS and additions to/deductions from NYCERS’ fiduciary net position have been determined on the same basis as they are reported by NYCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term. Investments are recorded at fair value.

As of October 31, 2015 and 2014, the Corporation reported a liability of \$10,908,000 and \$9,730,000, respectively, for its proportionate share of NYCERS’ net pension liability. The net pension liability was measured as of June 30, 2015 and June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Corporation’s proportion of the net pension liability was based on a projection of the Corporation’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employees,

**New York City Housing Development Corporation**  
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actuarially determined. At June 30, 2015 and 2014, the Corporation's proportion was 0.053% and 0.054%, respectively.

At October 31, 2015, the Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$1,113,000	\$2,004,000
Differences between expected and actual experience	-	107,000
Changes in proportion and differences between Corporation contributions and proportionate share of contributions	-	(36,000)
Corporation contributions subsequent to the measurement date	950,000	-
	<u>\$2,063,000</u>	<u>\$2,075,000</u>

Of the deferred outflows of resources related to pensions, \$950,000 was contribution that the Corporation made subsequent to the measurement date and it will be recognized as a reduction of the net pension liability in the year ended October 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2016	\$ (406,000)
2017	(406,000)
2018	(150,000)

At October 31, 2014, the Corporation reported \$2,794,000 as deferred inflow of resources from the accumulated net difference between projected and actual earnings on NYCERS investments.

Deferred outflows of resources amounted to \$350,000 at October 31, 2014 related to pensions resulting from the Corporation's contributions subsequent to the measurement date and was recognized as a reduction of the net pension liability in the year end October 31, 2015.

The Corporation recorded pension expense for fiscal years ending October 31, 2015 and 2014 in the amounts of \$1,147,000 and \$886,000 respectively.

# New York City Housing Development Corporation

## Notes to the Financial Statements

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### *Actuarial assumptions*

The total pension liability in the June 30, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	7% per annum, net of investment expenses
Salary Increases	In general, merit and promotion increases plus assumed general wage increases of 3.0% per annum.
Cost-of-Living Adjustments	1.5% and 2.5% for certain tiers

Mortality tables for service and disability pensioners were developed from an experience study of NYCERS. The mortality tables for beneficiaries were developed from an experience review. For more detail see the reports entitled “Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on or After July 1, 2011,” also known as “Silver Books.” Electronic versions of the Silver Books are available on the New York City Office of the Actuary website ([www.nyc.gov/actuary](http://www.nyc.gov/actuary)) under Pension Information.

Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded New York City Retirement Systems (“NYCRS”) are conducted every two years.

### *Expected Rate of Return on Investments*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Real Return Arithmetic Basis
U.S. Public Market Equity	32.60%	6.60%
International Public Market Equities	10.00%	7.00%
Emerging Public Market Equities	6.90%	7.90%
Private Market Equities	7.00%	9.90%
U.S. Fixed Income	33.50%	2.70%
Alternatives	10.00%	4.00%

Management has determined its expected rate of return on investments to be 7%. This is based upon actual returns for variable funds and a long-term Consumer Price Inflation assumption of 2.5% per year, which is offset by investment related expenses.



# New York City Housing Development Corporation

## Notes to the Financial Statements

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### *Discount Rate*

The discount rate used to measure the total pension liability as of June 30, 2014 and June 30, 2013, respectively, was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable to the current tier for each member and that employer contributions will be made based on rates determined by the Actuary. Based on those assumptions, the NYCERS fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active NYCERS members. Therefore, the long-term expected rate of return on NYCERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Corporation's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the Corporation's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6%) or one percentage-point higher (8%) than the current rate.

	1% decrease (6%)	Discount rate (7%)	1% increase (8%)
HDC's proportionate share of the net pension liability	\$15,085	\$10,908	\$7,026

### *Pension Plan Fiduciary Net Position*

Detail information about the pension plan's fiduciary net position is available in the separately issued NYCER's report.

### *(B) Tax Sheltered Annuity Plan*

The Corporation also offers its employees the option of participating in a Tax Sheltered Annuity Plan managed by Wells Fargo Bank, N.A. as an alternate or supplemental retirement plan under Section 403(b) of the Internal Revenue Code. The Internal Revenue Service has approved the Corporation as an entity which can provide this type of plan to its employees. The majority of the Corporation's employees participate in this plan.

### **Note 14: Postemployment Benefits Other Than Pensions**

The Corporation sponsors a single employer defined benefit health care plan that provides postemployment medical benefits for eligible retirees and their spouses. The Corporation does not issue a publicly available financial report for the plan.

Benefit provisions for the plan are established and amended by actions taken by the Corporation's Members and there is no statutory requirement for HDC to continue this plan for future HDC employees. The plan is currently a non-contributory plan with all payments for plan benefits being funded by HDC on a pay-as-you-go-basis.



# New York City Housing Development Corporation

## Notes to the Financial Statements

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HDC follows the provisions of GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.” This statement establishes guidelines for reporting costs associated with “other postemployment benefits” (“OPEB”). HDC’s annual OPEB cost for the plan is calculated based on the annual required contribution (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC includes interest of \$67,000 on the net OPEB obligation.

HDC’s annual OPEB cost for the current year and the related information for the plan are as follows (dollar amounts in thousands):

Annual required contribution	\$1,723
Contributions made	—
<hr/>	
Increase in net OPEB obligation	1,723
Net OPEB obligation—beginning of year	7,196
<hr/>	
Net OPEB obligation—end of year	\$8,919

HDC’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the previous three years were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
10/31/15	\$1,723	0%	\$8,919
10/31/14	\$1,657	0%	\$7,196
10/31/13	\$1,747	228.96%	\$5,539

As of October 31, 2015, the actuarial accrued liability for benefits was \$25,567,000. The covered payroll (annual payroll of active employees covered by the plan) was \$14,967,000 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 171%. Actual benefit payments made during Fiscal Year 2015 amounted to \$67,229.

The actuarial valuation date was October 31, 2012. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between HDC and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

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For the October 31, 2008 actuarial valuation, the frozen entry age actuarial cost method was used. For the October 31, 2010 and October 31, 2012 actuarial valuations, the Corporation used the entry age normal cost method. The actuarial assumptions included a 4% discount rate, 3% wage inflation rate and an annual healthcare cost trend rate of 9% grading down to an ultimate rate of 5%. The unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of projected payroll on an open basis. The remaining amortization period is 20 years.

Since establishing an irrevocable OPEB trust in fiscal year 2012, the Corporation has funded a total of \$8,000,000 to date. At October 31, 2015, the book value and fair market value of the investment trust fund were \$8,465,000 and \$8,364,000, respectively.

The unfunded actuarial liability was \$8,919,000 as of October 31, 2015.

**Note 15: Due to the United States Government – Non Current Liabilities**

In order to maintain the exemption from federal income tax of interest on bonds issued subsequent to January 1, 1986, the Corporation established a separate fund, the Rebate Fund, into which amounts required to be rebated to the Federal Government pursuant to Section 148 of the Code are deposited. In general, the Code requires the payment to the Treasury of the excess of the amount earned on all non-purpose obligations over the amount that would have been earned if the gross proceeds of the issue were invested at a rate equal to the yield on the issue. Project or construction funds, debt service funds or any other funds or accounts funded with proceeds of such bonds, including earnings, or pledged to or expected to be used to pay interest on such bonds are subject to this requirement. Issues with respect to which all gross proceeds are expended for the governmental purpose of the issue within the required time period after the date of issue and debt service funds with annual gross earnings of less than \$100,000 are exempt from this requirement. Payment is to be made after the end of the fifth bond year and after every fifth bond year thereafter, and within 60 days after retirement of the bonds. As of October 31, 2015, HDC had set aside funds in the amount of \$1,106,000 to make future rebate payments when due.

**Note 16: Commitments**

*(A) New York City Housing Development Corporation*

(i.) The Corporation is committed under one operating lease for office space for minimum annual rentals for the next five years and thereafter as follows:

Year Ending October 31, 2015	
2016.....	\$1,801,000
2017.....	1,801,000
2018.....	2,047,000
2019.....	2,047,000
2020.....	2,047,000
2021 - 2022.....	4,264,000
<b>Total</b>	<b>\$14,007,000</b>

# New York City Housing Development Corporation

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For fiscal year 2015, the Corporation’s rental expense including escalation, taxes and operating costs amounted to \$2,090,000 and utility expense amounted to \$98,000.

(ii.) The Corporation’s practice is to close loans only when all the funds committed to be advanced have been made available through bond proceeds or a reservation of corporate funds. Funds are invested prior to being advanced, as described in Note 3: “Investments and Deposits”, and are reported as restricted assets.

(iii.) The portion of closed construction loans that had not yet been advanced as of October 31, 2015 is as follows:

<u>Programs:</u>	
Multi-Family Bond Programs	
Housing Revenue	\$859,847,000
New Housing Opportunity Program (New HOP)	65,723,000
NYCHA	244,369,000
501(c)(3)	195,000
Corporate Services Fund Loans	279,035,000
421-A Housing Trust Fund	3,892,000
HPD Grant Funds	74,753,000
<hr/>	
Unadvanced Construction Loans (closed loans)	<hr/> \$1,527,814,000

The Corporation occasionally will have executed commitment letters for loans that have not yet closed at year end. At October 31, 2015, there were none.

(iv.) The Corporation has made a programmatic funding commitment in support of the City’s housing initiatives. HDC has reserved funds to fulfill these commitments, but the timing and amount of remaining loan closings cannot be determined. The programmatic commitment is as follows:

- The Corporation entered into a MOU with HPD dated as of May 5, 2004 that outlines the Corporation’s obligations to purchase participations totaling up to \$55,632,000 in affordable housing loans for various HPD programs during fiscal years 2004 to 2006, and HPD’s commitment to purchase these loans extend back to that period with accrued interest in 2007 and 2008. As of October 31, 2015, loans totaling \$27,208,000 had been closed and \$27,208,000 had been advanced. The Corporation’s commitment to purchase loans under the MOU has expired. Out of the total loans advanced through fiscal year 2015, \$9,992,000 in loans were assigned back to HPD after repayment to HDC of the same amount.

*(B) New York City Residential Mortgage Insurance Corporation*

As of October 31, 2015, REMIC insured loans with coverage amounts totaling \$223,238,000 and had outstanding commitments to insure loans with a maximum insurance coverage amount of \$98,132,000.

# New York City Housing Development Corporation

## Notes to the Financial Statements

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### Note 17: Financial Guaranties

#### *(A) NYCHA Tax Credit Guaranty*

On April 2, 2012, the Corporation entered into a Guaranty Agreement with Citibank to guaranty the yield on Citibank's investment in the Low Income Housing Tax Credit ("LIHTC") created pursuant to the New York City Housing Authority Tax Credit Transaction ("NYCHA Tax Credit Transaction"). In return, the Corporation received \$16.0 million as a guaranty fee from Citibank, less fees and expenses of \$929,000 incurred under this agreement.

On July 15, 2013, Citibank transferred 100% of its rights under the guaranty agreement to Wells Fargo Holdings ("Wells Fargo"). As of that date the Guaranty agreement between Citibank and HDC was terminated and a new agreement was signed between HDC and Wells Fargo. As a condition of Citibank selling its rights under the guaranty agreement, the Corporation received an additional \$8 million of Guaranty fee from Wells Fargo, less fees and expenses of \$320,000 incurred under this agreement.

Under the Guaranty Agreement between HDC and Wells Fargo the Corporation agreed to guaranty a minimum rate of return on Wells Fargo's tax credit investment in the NYCHA I Housing Development Fund Corporation through a 15 year compliance period. The minimum rate of return is equal to an annual effective rate of 4.50% on an after tax basis return on its tax credit investment over the 15 year compliance period. During the compliance period, from time to time NYCHA LLC-I will determine if the total benefits allocated or paid to Wells Fargo through such date, together with the tax benefits projected to be received by Wells Fargo thereafter through the coverage period termination date, are sufficient to keep Wells Fargo on track to achieve the minimum return. If it is determined that Wells Fargo is not on track to achieve the minimum return through the coverage period termination date, the Corporation shall have the option, but not the obligation, subject to a cap amount of \$96,000,000, to make a payment to Wells Fargo under the guaranty agreement in an amount equal to the optional minimum return deficiency amount.

The NYCHA Tax Credit transaction required the establishment and funding of several project reserves and guaranties in order to ensure timely completion of rehabilitation, which has in fact proceeded on time and within budget. As of October 31, 2015, the Corporation has designated of \$22,751,000 as a financial guaranty reserve. (See Note 18: "Contingencies".) The likelihood that HDC has to pay out under this guaranty decreases with the passage of time. HDC will recognize the guaranty fee on a straight-line basis over the covered period which is 15 years.

#### *(B) Co-op City Guaranty*

On November 28, 2012, the Corporation entered into a Credit Support Agreement with Wells Fargo Bank National Association ("Wells Fargo Bank"), HUD and SONYMA. Wells Fargo Bank agreed to make a mortgage in the amount of \$621,500,000 to a Mitchell Lama cooperative housing development named Co-op City in the Bronx, New York. As a precondition of endorsing the loan for insurance, HUD acting through FHA required SONYMA and HDC each to provide a portion of top-loss guaranty on the loan. Pursuant to the agreement between HDC and HUD, HDC agreed to provide \$15,000,000 as a guaranteed amount to Wells Fargo Bank in the event of a default by the cooperative. The Corporation

# New York City Housing Development Corporation

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agreed to fund the full amount of the top-loss guaranty in a segregated designated account for the duration of the HDC top-loss guaranty. As of October 31, 2015, the Corporation has designated \$15,000,000 as a financial guaranty reserve. (See Note 18: “Contingencies”.)

#### *(C) Community Preservation Corporation Guaranty*

On November 18, 2013, the Corporation’s Members authorized the purchase of a subordinate participation in the two or more of Citibank Revolving Credit Facilities (each a “Revolving Credit Facility” and collectively “the Revolver”) to Special Purpose Entities (each an “SPE”) to be created by the Community Preservation Corporation (“CPC”) in an amount not to exceed \$20 million. HDC’s exposure will be limited to 10% of each mortgage loan, and \$20 million overall. The purpose of this agreement is to provide financing for the CPC SPEs to facilitate the origination, or acquisition of, or participation in mortgage loans for the construction, rehabilitation, and refinancing of multi-family rental properties located in the City’s low and moderate income communities. In addition, this subordinate participation replaced the Limited Guaranty to CPC Funding SPE 1, LLC and the Corporation will not participate in a separate Citibank arranged working capital facility for CPC which was approved by the Corporation’s Members on April 9, 2012. As of October 31, 2015, the Corporation had funded \$10,745,673 of the \$20 million participation. (See Note 18: “Contingencies”.) The Corporation has designated \$2,000,000 as a loan participation reserve.

#### *(D) Preserving City Neighborhoods Guaranty*

On September 18, 2013, the Corporation’s Members authorized to provide a limited guaranty to the New York City Acquisition Fund LLC (“NYAF”) on behalf of qualified nonprofit organizations partnering with Preserving City Neighborhoods (“PCN”). The HDC guaranty will be equal to a 25% loss on acquisition loans up to maximum exposure of \$5 million. HPD will work together with PCN to develop a pipeline with a particular focus on smaller buildings of fewer than 30 residential units that have historically not generated interest in the open market. (See Note 18: “Contingencies”.) As of October 31, 2015, the Corporation has designated \$2,250,000 as a financial guaranty reserve.

#### *(E) Federal Housing Administration Risk Sharing Program*

In November 2011, the Corporation entered into an amended risk sharing agreement with HUD. HDC participates in the Risk Sharing Program to obtain 100% insurance on certain loans made by HDC for affordable multifamily housing. The risk sharing allocation between HDC and HUD will be on a project by project basis and take effect when the loan converts to permanent financing.

In fiscal year 2014, the Corporation entered into a second risk-sharing agreement with HUD, which largely mirrors the terms of the existing amended Risk-Sharing Agreement.

Projects participating under these two risk sharing agreements are listed below and HDC has established a guaranty reserve equal to 20% of its pro rata risk sharing obligation to FHA if there is a loss on a mortgage loan.

# New York City Housing Development Corporation

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As of October 31, 2015, HDC has designated a total of \$8,135,000 as financial guaranty reserve under the FHA risk-sharing mortgage insurance program as follows:

Project	Conversion to Permanent Date	Permanent Mortgage Loan Amount Insured	FHA Risk-Sharing Ratio: HUD/HDC %	Established Reserves
Kent Village	May 1, 2014	\$46,660,000	90/10	\$ 933,000
Arverne View	October 31, 2014	72,020,000	50/50	7,202,000
Total		\$118,680,000		\$ 8,135,000

#### Note 18: Contingencies

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

As discussed in Note 17 above, the Corporation entered into several guaranty agreements with various entities in order to finance certain projects. These guaranties required the establishment and funding of reserves which put the Corporation in a better financial position to meet its' obligations in the event that payments are required.

The reserves are summarized in the chart below:

Financial Guaranties	At October 31, 2015 Reserve Amounts
NYCHA Tax Credit Guaranty	\$22,751,000
Co-op City Guaranty	15,000,000
Community Preservation Corporation Guaranty	2,000,000
Preserving City Neighborhoods Guaranty	2,250,000
FHA Risk Sharing	8,135,000
Total	\$50,136,000

#### Note 19: Net Position

The Corporation's Net Position represents the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources and consists largely of mortgage loans and investments. HDC's net position is categorized as follows:

- Restricted Net Position are net assets that have been restricted in use in accordance with the terms of an award, agreement or by State law. This includes net assets restricted by bond resolutions, contractual obligations with HPD and HUD, and REMIC reserves that are required by statute, among other items (see chart below).
- Unrestricted Net Position are the remaining net position, which can be further categorized as Designated or Undesignated. Designated Net Position is not governed by statute or contract but is committed for specific purposes pursuant to HDC policy and/or Member directives. Designated Net



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Position includes funds and assets committed to various housing initiatives, reserves to maintain HDC's credit ratings, and working capital.

Changes in Net Position

The changes in Net Position are as follows:

	Restricted	Unrestricted	Total
Net position at October 31, 2013 (as restated)	\$1,015,914,000	635,904,000	1,651,818,000
Income	131,980,000	40,580,000	172,560,000
Loan participation agreement proceeds from re-securitization	—	160,162,000	160,162,000
Transfers	(30,625,000)	30,625,000	—
Net position at October 31, 2014	\$1,117,269,000	867,271,000	1,984,540,000
Income	108,368,000	36,089,000	144,457,000
Transfers	(18,304,000)	18,304,000	—
Net position at October 31, 2015	\$1,207,333,000	921,664,000	2,128,997,000

Summary of Restricted Position	2015	2014
Multi-Family Bond Programs	\$973,764,000	921,907,000
421-A Housing Trust Fund	226,094,000	187,031,000
Corporate Debt Service Reserve 2014 Series B1 and B2 Bonds	6,819,000	7,353,000
Claim Payment Fund for 223(f) Program	656,000	978,000
Total Restricted Net Position	\$1,207,333,000	1,117,269,000

Of the total Unrestricted Net Position listed below, \$395,221,000 is for existing mortgages and other loans. An additional \$364,830,000 has been designated by senior management of the Corporation for future mortgage advances pursuant to housing programs established by the Corporation. The Corporation also has \$1,796,000 in capital assets.

Summary of Unrestricted Net Position	2015	2014
Designated Position:		
Existing Mortgages	\$395,221,000	\$457,910,000
Housing Programs and Commitments	364,830,000	255,361,000
Working Capital	21,681,000	21,020,000
Rating Agency Reserve Requirement	88,000,000	81,500,000
Financial Guaranty Reserves (Note 17)	50,136,000	50,136,000
Total Designated Net Position	919,868,000	865,927,000
Undesignated Position:		
Capital Assets	1,796,000	1,344,000
Total Undesignated Net Position	1,796,000	1,344,000
Total Unrestricted Net Position	\$921,664,000	\$867,271,000



# **New York City Housing Development Corporation**

## **Notes to the Financial Statements**

**October 31, 2015**

In fiscal year 2015, net position transferred from restricted to unrestricted was a net amount of \$18,304,000. The amount represents excess in the Open Resolution as well as the transfer of mortgage loans originated with corporate reserves into the Open Resolution as a result of securitizations. In fiscal year 2014, \$30,625,000 was transferred from restricted to unrestricted as noted above.

### **Note 20: Subsequent Events**

Subsequent to October 31, 2015, bonds issued and debts financed under the Federal Financing Bank in the course of the Corporation's normal business activities were \$392,305,000 and \$2,920,000, respectively.

# New York City Housing Development Corporation

## Required Supplementary Information

October 31, 2015

### Schedule 1:

The following schedule is being presented to provide information on the funding progress of the OPEB Plan.

#### Schedule of Funding Progress For the Retiree Healthcare Plan (\$ in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
10-31-2012	\$4,001	\$16,146	\$12,145	24.8%	\$13,371	90.8%
10-31-2010	0	\$16,374	\$16,374	0%	\$12,484	131.2%
10-31-2008	0	\$17,050	\$17,050	0%	\$11,260	151.0%

For the October 31, 2008 actuarial valuation, the frozen entry age actuarial cost method was used. For the October 31, 2010 and October 31, 2012 actuarial valuations, the Corporation used the entry age normal cost method. The actuarial assumptions included a 4% discount rate, 3% wage inflation rate and an annual healthcare cost trend rate of 9% grading down to an ultimate rate of 5%. The unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of projected payroll on an open basis. The remaining amortization period was 20 years.

# New York City Housing Development Corporation

## Required Supplementary Information

October 31, 2015

### Schedule 2:

The following schedules 2a & 2b are being presented to provide information on the Corporation's proportionate share of the Net Pension Liability and the Corporation's contributions.

#### (2a) Schedule of the Corporation's Proportionate Share of the Net Pension Liability

	2015		2014		2013
HDC's proportion of the net pension liability	0.053%		0.054%		0.054%
HDC's proportionate share of the net pension liability	\$ 10,907,802	\$	9,730,403	\$	12,459,533
HDC's covered-employee payroll	10,158,437		9,938,413		10,919,865
HDC's proportionate share of the net pension liability as a percentage of its covered-employee payroll	107%		98%		114%
Plan fiduciary net position as a percentage of the total pension liability	73.16%		75.32%		67.22%

#### (2b) Schedule of the Corporation's Contributions (\$ in thousands)

	2015		2014		2013
Contractually required contribution	\$ 1,675	\$	1,682	\$	1,645
Contributions in relation to the contractually required contribution	\$ 1,675	\$	1,682	\$	1,645
Contribution deficiency (excess)	\$ -	\$	-	\$	-
HDC covered-employee payroll	\$ 10,158	\$	9,938	\$	10,920
Contributions as a percentage of covered-employee payroll	16%		17%		15%

#### Notes to Schedule

*Changes in benefit terms: None*

*Changes in assumptions: None*

# New York City Housing Development Corporation

## Supplementary Information

October 31, 2015

### Schedule 3:

The following schedule is being presented to provide detail information on a program basis for the owners of the Housing Revenue Bond program's obligations

### Housing Revenue Bond Program Schedule of Net Position October 31, 2015 and 2014 (in thousands)

	2015	2014
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 435,181	\$ 292,768
Investments	10,158	8,746
Receivables:		
Mortgage loans	93,327	71,233
Accrued interest	16,906	18,216
Other	-	174
<b>Total Receivables</b>	<b>110,233</b>	<b>89,623</b>
Other assets	-	-
<b>Total Current Assets</b>	<b>555,572</b>	<b>391,137</b>
<b>Noncurrent Assets:</b>		
Restricted cash and cash equivalents	610,691	681,739
Restricted investments	538,314	339,691
Purpose investments (note 2C)	31,066	31,697
Restricted receivables:		
Mortgage loans	4,651,097	4,149,292
Loan participation receivable - The City of NY (note 6)	626,645	617,303
Accrued interest	1,590	424
Other	194	258
<b>Total restricted receivables</b>	<b>5,279,526</b>	<b>4,767,277</b>
Primary government/component unit receivable (payable)	4,965	4,268
Other assets	9,119	9,475
<b>Total Noncurrent Assets</b>	<b>6,473,681</b>	<b>5,834,147</b>
<b>Total Assets</b>	<b>\$ 7,029,253</b>	<b>\$ 6,225,284</b>
<b>Deferred Outflows of Resources</b>		
Interest rate caps	2,602	3,673
<b>Total Deferred Outflows of Resources</b>	<b>\$ 2,602</b>	<b>\$ 3,673</b>

# New York City Housing Development Corporation

## Supplementary Information

October 31, 2015

**Schedule 3 (cont'd):**

**Housing Revenue Bond Program  
Schedule of Net Position  
October 31, 2015 and 2014 (in thousands)**

	2015	2014
<b>Liabilities and Net Position</b>		
<b>Current Liabilities:</b>		
Bonds payable (net)	\$ 364,705	\$ 250,685
Accrued interest payable	68,206	62,114
Payable to mortgagors	1,531	1,615
Restricted earnings on investments	46	(32)
Accounts and other payables	13,207	10,166
<b>Total Current Liabilities</b>	<b>447,695</b>	<b>324,548</b>
<b>Noncurrent Liabilities:</b>		
Bonds payable (net) (note 10)	4,956,829	4,356,779
Payable to The City of New York:		
Loan participation due to The City of New York (note 12)	626,645	631,047
Others due to The City of New York	439	983
Payable to mortgagors	41,019	8,565
Unearned revenues, amounts received in advance and other liabilities	49,874	42,617
Due to the United States Government	10	9
<b>Total Noncurrent Liabilities</b>	<b>5,674,816</b>	<b>5,040,000</b>
<b>Total Liabilities</b>	<b>6,122,511</b>	<b>5,364,548</b>
<b>Net Position:</b>		
Restricted for bond obligations	909,344	864,409
<b>Total Net Position</b>	<b>909,344</b>	<b>864,409</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 7,031,855</b>	<b>\$ 6,228,957</b>

# New York City Housing Development Corporation

## Supplementary Information

October 31, 2015

### Schedule 3 (cont'd):

**Housing Revenue Bond Program**  
**Schedule of Revenues, Expenses and Changes in Net Position**  
**Fiscal Years ended October 31, 2015 and 2014 (in thousands)**

	2015	2014
<b>Operating Revenues</b>		
Interest on loans	\$ 194,806	\$ 185,993
Fees and charges	30,071	24,749
Income on loan participation interests	2,436	23,020
Other	1,200	4,070
<b>Total Operating Revenues</b>	<b>228,513</b>	<b>237,832</b>
<b>Operating Expenses</b>		
Interest and amortization of bond premium and discount	138,052	134,785
Trustees' and other fees	10,544	8,346
Bond issuance costs	8,911	5,992
<b>Total Operating Expenses</b>	<b>157,507</b>	<b>149,123</b>
<b>Operating Income</b>	<b>71,006</b>	<b>88,709</b>
<b>Non-operating Revenues (Expenses)</b>		
Earnings on investments	12,417	15,599
Unrealized gains (losses) on investments	1,652	5,136
Other non-operating (expenses), net	1,951	(332)
<b>Total Non-operating Revenues</b>	<b>16,020</b>	<b>20,403</b>
<b>Income</b>	<b>87,026</b>	<b>109,112</b>
Operating transfers to Corporate Services Fund	(24,011)	(24,093)
Capital transfers	(18,080)	(12,529)
<b>Change in Net Position</b>	<b>44,935</b>	<b>72,490</b>
Total net position - beginning of year	864,409	791,919
<b>Total Net Position - End of Year</b>	<b>\$ 909,344</b>	<b>\$ 864,409</b>