



**Homes and
Community Renewal**

**Housing
Trust Fund
Corporation**

KATHY HOCHUL
Governor

RUTHANNE VISNAUSKAS
Commissioner/CEO

MEMORANDUM

To: Members of the Corporation
From: Stacey C. Mickle, Treasurer
Date: June 16, 2022
Subject: ANNUAL REPORT ON INVESTMENTS

Pursuant to Section 2925 of the Public Authorities Law and Section 602 of the Corporation's Investment Policy, the Corporation must prepare and approve an Annual Report on Investments. After approval, the report will be submitted to the Governor's Office, the Division of the Budget, the Office of the State Comptroller, the Senate Finance Committee and the Assembly Ways and Means Committee and uploaded to the PARIS reporting system maintained by the Authorities Budget Office.

In addition, the Corporation must review and approve the Corporation's Investment Policy on an annual basis.

A copy of the Report, together with a resolution approving it and the Investment Policy, is attached. No changes to the Policy have been made since the last report. Approval of the resolution is hereby recommended.



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INVESTMENT REPORT

For the Fiscal Year Ending March 31, 2022

HOUSING TRUST FUND CORPORATION

Investments and Cash Report

As of March 31, 2022

Investments		
Account	Investments (at cost) as of March 31, 2022	Amount
460	US Treasury Bills due May 19, 2022 (Developer Escrow Account)	\$9,495,678
460	US Treasury Bills due July 14, 2022 (Developer Escrow Account)	\$999,282
460	US Treasury Bills due Septmber 8, 2022 (Developer Escrow Account)	\$2,440,333
460	US Treasury Bills due November 3, 2022 (Developer Escrow Account)	\$10,979,930
462	US Treasury Bills due May 19, 2022 (Custodial Account)	\$5,442,523
462	US Treasury Bills due May 19, 2022 (Custodial Account)	\$1,702,225
462	US Treasury Bills due June 14, 2022 (Custodial Account)	\$7,599,840
462	US Treasury Bills due June 14, 2022 (Custodial Account)	\$7,999,253
462	US Treasury Bills due July 14, 2022 (Custodial Account)	\$79,943
462	US Treasury Bills due August 11, 2022 (Custodial Account)	\$1,316,981
462	US Treasury Bills due September 8, 2022 (Custodial Account)	\$4,873,671
462	US Treasury Bills due September 8, 2022 (Custodial Account)	\$20,499,000
462	US Treasury Bills due September 8, 2022 (Custodial Account)	\$1,778,785
462	US Treasury Bills due October 6, 2022 (Custodial Account)	\$1,808,388
462	US Treasury Bills due November 3, 2022 (Custodial Account)	\$284,532
462	US Treasury Bills due November 3, 2022 (Custodial Account)	\$50,916
462	US Treasury Bills due December 1, 2022 (Custodial Account)	\$1,799,595
462	US Treasury Bills due January 26, 2023 (Custodial Account)	\$2,149,386
466	US Treasury Bills due September 8, 2022 (Homes for Working Families Account)	\$12,942,161
467	US Treasury Bills due September 8, 2022 (Section 8 Administrative Account)	\$3,119,869
467	US Treasury Bills due September 8, 2022 (Section 8 Administrative Account)	\$1,565,931
467	US Treasury Bills due November 3, 2022 (Section 8 Administrative Account)	\$46,153,043
467	US Treasury Bills due January 27, 2023 (Section 8 Administrative Account)	\$20,744,603
467	US Treasury Bills due January 27, 2023 (Section 8 Administrative Account)	\$9,347,791
469	US Treasury Bills due June 14, 2022 (OCR Miscellaneous Programs Account)	\$1,103,380
469	US Treasury Bills due September 8, 2022 (OCR Miscellaneous Programs Account)	\$998,318
471	US Treasury Bills due September 8, 2022 (Empire State Relife Fund Account)	\$998,318
475	US Treasury Bills due July 14, 2022 (Reserve Account)	\$26,960,631
475	US Treasury Bills due July 14, 2022 (Reserve Account)	\$395,716
475	US Treasury Bills due November 3, 2022 (Reserve Account)	\$22,471,018
475	US Treasury Bills due January 26, 2023 (Reserve Account)	\$48,487,876
475	US Treasury Bills due January 26, 2023 (Reserve Account)	\$10,196,539
475	US Treasury Bills due January 26, 2023 (Reserve Account)	\$2,491,097
480	US Treasury Bills due May 5, 2022 (OHP Miscellaneous Programs Account)	\$6,996,665
	Total Investments as of March 31, 2022	\$296,273,214
Interest		
Interest Earned and Received:		To Date
	Investments	\$379,575
	All Checking Accounts	\$40,210
	Total Interest Earned and Received	\$419,785
Accrued Interest:		
	Interest Earned and Accrued but not received by March 31, 2022	\$211,417
	Total Accrued Interest at March 31, 2022	\$211,417

Cash in Checking Account		
Account	Cash as of March 31, 2022	Amount
458	Cash in Checking Account - Section 8 Program Account	\$1,712,826
460	Cash in Checking Account - Developer Escrow Account	\$10,934,102.11
461	Cash in Checking Account - Public Housing Mod. Account	\$891,774.89
462	Cash in Checking Account - Custodial Account	\$144,211,307.99
465	Cash in Checking Account - HOME Program Account	\$13,126,704.72
466	Cash in Checking Account - Homes For Working Families Account	\$11,861,919.08
467	Cash in Checking Account - Section 8 Administrative Account	\$13,612,910.98
469	Cash in Checking Account - Office of Community Renewal Miscellaneous Account	\$8,816,366.51
470	Cash in Checking Account - HCV Main Account	\$33,881,049.74
471	Cash in Checking Account - Empire State Relief Fund	\$419,116
472	Cash in Checking Account - Master Escrow Account	\$0
473	Cash in Checking Account - Family Self Sufficiency Account	\$4,240,146
475	Cash in Checking Account - Reserve Account	\$1,557,492
480	Cash in Checking Account - OHP Miscellaneous Programs Account	\$20,022,527.94
891	Cash in Checking Account - Small Cities Account	\$565,025.18
892	Cash in Checking Account - Disaster Relief Account	\$53,613.99
893	Cash in Checking Account - Small Cities Payroll Account	\$158.69
895	Cash in Checking Account - Office of Storm Recovery Initiative Program	\$7,050,257.56
896	Cash in Checking Account - GOSR - DR Repayments	\$1,564,117.41
897	Cash in Checking Account - GOSR - NOAA	\$0.00
898	Cash in Checking Account - Office of Storm Recovery Escrow Account	\$94,016.35
899	Cash in Checking Account - Office of Storm Recovery Lockbox	\$93,617.32
	Total Cash in Checking Accounts at March 31, 2022	\$274,709,050



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INVESTMENT POLICY

For the Fiscal Year Ending March 31, 2022

THE POLICY OF THE HOUSING TRUST FUND CORPORATION REGARDING INVESTMENT OF ALL CORPORATION MONEY, PROVIDING FOR THE SECURITY OF THOSE INVESTMENTS AND PROVIDING FOR PERIODIC REPORTS ON THE INVESTMENTS

**Dated as of June 24, 2021
Last Reviewed June 23, 2022**

ARTICLE I
STATEMENT OF PURPOSE AND TITLE

101. This Policy is adopted pursuant to the provisions of Section 2925 of the Public Authorities Law and shall be reviewed and approved by the Members of the Corporation at least annually.

102. This document may be referred to as the Corporation's "Investment Policy".

ARTICLE II
DEFINITION OF TERMS

201. Definitions. The following terms shall, for all purposes of this Investment Policy, have the following meanings unless the context shall clearly indicate some other meaning:

"Act" shall mean Article XVIII of the New York Private Housing Finance Law.

"Board" shall mean the Board of Directors of the Corporation.

"Commissioner of Taxation and Finance" shall mean the New York State Commissioner of Taxation and Finance or that Commissioner's designee.

"Corporation" shall mean the Housing Trust Fund Corporation.

"Corporation Staff Accountant" shall mean that person assigned to maintain the Corporation's daily books of account and perform other related Corporate accounting functions including accounting for Corporate investments.

"Corporation Treasurer" shall mean that person so appointed by the Board.

"Counsel" shall mean an attorney designated by the Board, or if so designated by the Board, the Counsel of the New York State Division of Housing and Community Renewal.

"Custodial Account" shall mean the bank account of the Corporation, pursuant to Section 59-A of the Private Housing Finance Law, maintained by the Custodian.

"Custodian" shall mean the Commissioner of Taxation and Finance.

"Deliver" or Delivered" shall mean either (1) the voluntary transfer of possession to the Custodian or a custodial bank designated by the Custodian, or (2) the registration of transfer by the appropriate book entry procedure by a member of the Federal Reserve System.

"Depository Bank" shall mean a bank designated by the Commissioner of Taxation and Finance to hold deposits of the Corporation's funds. The obligation on the part of the Depository Bank is that it keeps the deposit and, upon request, restores it to the depositor or otherwise delivers it according to the original trust.

"Investment Agent" shall be the Custodian or the Custodian's designee authorized to invest the funds of the Corporation at the direction of the Investment Officer pursuant to the New York State Department of Taxation and Finance's Investment Policy, as amended from time to time.

"Investment Obligations" shall mean Permitted Investments, as defined by the New York State Investment Policy.

"Investment Officer" shall mean the Corporation Treasurer.

"Members" shall mean the Board of Directors of the Corporation.

"New York State Investment Policy" shall mean the New York State Department of Taxation and Finance's Investment Policy, as amended from time to time, pursuant to which the Commissioner of Taxation and Finance invests certain funds of state agencies and public authorities.

"Officer" shall mean any person holding an office of the Corporation as defined in the Corporation By-Laws.

"Repurchase Agreement" shall mean two simultaneous transactions, one the purchase of securities by the Investment Agent from a seller, the other the commitment on the part of the seller of the securities to repurchase the securities at an agreed upon price at some mutually agreed upon future date.

ARTICLE III

INVESTMENT AUTHORIZATION, PERMITTED INVESTMENTS AND SECURITY THEREFOR

301. Investment Authorization.

(1) The Investment Agent shall invest the funds of the Corporation in accordance with the terms of the New York State Investment Policy at the direction of and in concert with the

Investment Officer.

(2) Solely for the purpose of expediency, the Investment Officer or the Corporation Staff Accountant, if permitted by the Investment Officer, may orally communicate the investment decision to the Investment Agent. However, only a written or e-mail confirmation to the Investment Agent can be considered as the authorization for any investment of the Corporation's funds.

302. Permitted Investments and Required Security Provisions.

(1) All funds of the Corporation must be invested in accordance with the New York State Investment Policy and applicable law.

303. Collateral

(1) All deposits and investments must be fully secured in accordance with Section 98 of the New York State Finance Law and other applicable law.

304. Corporation Review of Investments. All investments shall be reviewed by the Corporation at least annually.

ARTICLE IV
RESPONSIBILITIES OF INVESTMENT AGENT

401. Responsibilities of Investment Agent.

(1) The Investment Agent shall invest Custodial Account funds in accordance with the New York State Investment Policy, applicable law and the Investment Policy at the direction of the Investment Officer.

ARTICLE V
OTHER REQUIREMENTS OF INVESTMENTS

501. Written Contracts.

In accordance with Section 2925, Subdivision 3(c) of the Public Authorities Law, all investments of the Corporation's funds must be made pursuant to a written contract between the Corporation and its Investment Agent. However, because it is not practical or a regular business practice to impose this requirement on the Commissioner of Taxation and Finance, the Corporation hereby waives this provision solely with respect to the Commissioner of Taxation and Finance when that Commissioner acts as the Corporation's Investment Agent.

502. Security Provisions.

Each investment shall provide for sufficient security of the Corporation's financial interest as stated in Article III of this Investment Policy. The Investment Agent shall maintain a description of the use, type and amount of collateral or insurance for each investment, the method for valuation of that collateral and of control, and of control, deposit and retention of investments and any required collateral, including, where appropriate, physical delivery or other action necessary to obtain title or a perfected security interest.

503. Investment Operating Procedures Manual.

The Investment Officer is hereby required to establish and maintain procedures for investments. Such procedures shall be sufficiently detailed to comply with Guidelines for Investments by Public Authorities issued by the Office of the State Comptroller. Such manual may be incorporated in any other manual of Corporation financial operating procedures.

ARTICLE VI
REPORTS

601. Quarterly Reports.

Within thirty (30) days after the conclusion of each quarter of the Corporation's fiscal year. (i.e. April 30, July 31, October 31, and January 31), the Corporation shall prepare and deliver to the Members of the Corporation a report on the Corporation's Investments. Such reports shall include a description of new investments, the inventory of existing investments.

602. Annual Report.

Within ninety (90) days after the close of each fiscal year, the Members of the Corporation shall approve an annual investment report. Such report shall include the Policy and any supplemental resolutions, the results of an annual independent audit of the investments, the annual investment income record of the Corporation and a list of the total fees, commissions or other compensations by payee for all investment advisors, and an annual consolidation of other material contained in the quarterly reports. This annual investment report, after being approved by the Members, shall be submitted to the Governor's Office, Division of the Budget, Office of the State Comptroller, the Senate Finance Committee and the Assembly Ways and Means Committee. Copies of the annual investment report shall also be available to the public upon reasonable request at the Corporation's main office.

ARTICLE VII
MISCELLANEOUS PROVISIONS

701. Powers of Amendment.

Any modification or amendment of this Investment Policy may be made by a supplemental resolution adopted at any duly constituted meeting of the Members;

provided, however, that no such modification or amendment to this Investment Policy shall abrogate the rights and duties of then existing Corporation contracts with third parties. The Chairman or President of the Corporation may make non-material changes to this Investment Policy.

702. No Recourse Under this Investment Policy

(1) No provision in this Investment Policy shall be the basis of any claim against any Member, officer or employee of the Corporation in their individual or official capacity or against the Corporation itself.

(2) Members, officers, or employees of the Corporation shall be deemed to be acting within the Public Officers Law in the discharge of their duties pursuant to this Investment Policy.

703. Effect of Failure to Comply.

Failure to comply with this Investment Policy shall not invalidate any investment or affect the validity of the authorization of the Members or their designees to make such investments.

EXHIBIT 1

New York State Investment Policy

INVESTMENT POLICY

January 2021

INTRODUCTION

Section 170 of the Tax Law establishes the Division of the Treasury (Treasury) within the Department of Taxation and Finance (DTF). By statute, the head of Treasury is the Deputy Commissioner and State Treasurer appointed by the Commissioner of Taxation and Finance. The Commissioner as the statutory sole custodian or fiscal agent for certain funds of state agencies and public authorities empowers the Treasurer to act on their behalf with all powers and duties vested in the Commissioner. The Treasurer manages funds with prudent due diligence to ensure safety and necessary liquidity while earning the highest possible yield consistent with current market conditions. The Treasurer is authorized and empowered to purchase, sell, assign, and transfer any stocks, bonds, or other securities of which the Commissioner is the statutory sole custodian or fiscal agent.

STANDARD OF CARE

The “prudent person” standard shall be used by Treasury investment staff in the management of the overall investment portfolio. The “prudent person” standard is understood to mean: investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

INVESTMENT OBJECTIVES

The criteria in this policy are intended to guide investment decisions so they are consistent with all applicable federal, state, and other legal requirements. The State Treasurer shall have the discretion to waive in writing any of the provisions of this policy provided that the waiver shall not result in an investment prohibited by statute.

The investment objectives in order of priority are as follows:

- Abide by statutory requirements (legal)
- Safeguard principal from imprudent risks (safety)
- Provide sufficient liquidity to meet the purposes for which the funds are being held (liquidity)
- Obtain a reasonable rate of return (yield)
- Maintain procedures that allow for diversification of investment firms and to ensure opportunity for participation by minority and women owned (MWBE) investment firms.

INVESTMENT TRANSACTIONS

All investment transactions shall be executed to the extent practicable on a competitive basis from primary government securities dealers as defined by the Federal Reserve Bank of New York or MWBE broker-dealers (See Appendix B). If quotes received are tied with no broker-dealer or bank willing to break the tie, and, if the firms cannot be distinguished by their service provided or by the competitiveness of their historical quotes, then the trade will be allocated based on a balanced allocation amongst dealers.



Payment of funds shall only be made against the delivery of (i) collateral or other acceptable form of security (ii) obligations when such obligations are purchased outright or (iii) evidence of ownership in the Permitted Investment; in each case either to Treasury or its duly authorized trustee or custodian. All Permitted Investments shall be held by Treasury's custodian. Records of investments shall be maintained and identify the security, the fund for which held, the place where kept, trade and settlement date, cost, sale price, and market value.

PERMITTED INVESTMENTS

Subject to the provisions of the law relating to the sole custody funds overseen by Treasury monies not required for immediate expenditure may be invested in the following:

- Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America or New York State which have a maturity of twelve years or less.
- Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by any agency or instrumentality of the United States of America that are rated in the highest rating category by at least two nationally recognized independent credit rating organizations.
- Shares or interest in government money market mutual funds that invests at least 99.5% of total assets in cash, U.S. Treasury bills, notes, repurchase agreements relating to direct treasury obligations, and other obligations issued or guaranteed as to principal and interest by the United States of America, whose objective is to maintain a constant share value of \$1.00 per share and is rated in the highest short term rating category by at least one nationally recognized independent credit rating organization. The total investment within an individual fund shall not comprise more than 1% of the fund's total net asset value.
- Commercial paper issued by a domestic corporation or municipality rated in the highest short-term rating category by at least two nationally recognized independent credit rating organizations and having maturities not exceeding 270 days from the date they are purchased.
- Certificates of Deposit purchased from banks or trust companies located within New York State that are collateralized consistent with state finance law.
- Municipal securities as authorized by statute including general obligation bonds and notes of states other than New York currently assigned the highest rating of at least two independent credit rating organizations with a maturity of 12 years or fewer



Appendix A: ALLOWABLE INVESTMENTS

DEPARTMENT OF TAXATION AND FINANCE
DIVISION OF THE TREASURY
ALLOWABLE INVESTMENTS

Agency	U.S. Oblig.		NYS Oblig.		CDs		Federal Agencies		Public Benefit Corp.		Mortg.	Equities	Types of Investments Allowed Under				Bas	Commercial Paper
									Bank Law 235	State Fin. 98			State Fin. 98-a	Ret. & S.S. Art. 4-a	G.O. Banks & Notes Other States			
Community College	X		X															
Convention Center	X		X															
Dormitory Auth. (1)	X		X															
Job Develop. Auth.	X		X		X		X	X*								X*		X*
Insurance Dept.	X		X		X			X										
Housing Finance	X		X				X	X*										X*
Energy Research	X		X		X		X	X										X
Project Finance	X		X		X		X											
State Univ CF	X		X		X													
Workers' Comp	X		X		X		X	X										X
Affordable Housing	X		X				X											X*
Housing Trust Fund	X		X				X											X*
Homeless Housing	X		X				X											X*
Performing Arts	X		X															X
Teachers' Retirement																		
State Insurance Fund																		

FOOTNOTES:
*See Section 98 of State Finance Law for Additional Limitations



Appendix B: Authorized Broker-Dealers

- | | |
|-------------------------------|-----------------------------|
| 1. Bank of America Securities | 8. Great Pacific Securities |
| 2. Citigroup Global Markets | 9. KeyBank Capital Markets |
| 4. HSBC Securities | 10. Royal Bank of Canada |
| 5. Mizuho Securities | 11. Samuel A. Ramirez |
| 6. Morgan Stanley | 12. Wells Fargo |
| 7. Cantor Fitzgerald | 13. JPMorgan Chase |

Appendix C: Commercial Paper Limitations

	Sec. 235 of the Banking Law	Sec. 98 of the State Finance Law	Sec. 98-a of the State Finance Law
	WCB & NYSERDA¹	HFA, MCFFA, AHC, HFTC	JDA
Maturity Limit	270 days	90 days	90 days
Dollar Limit	No statutory limit	No more than \$250 million may be invested in any one corporation	No more than \$250 million may be invested in any one corporation
Purchase date limitation	No statutory limit	No statutory limit	No statutory limit
Rating limitation	Highest rating of an independent rating service designated by the banking board.	Highest rating of two independent rating services designated by the Comptroller and issuer has maintained such ratings or similar obligations during preceding year	Highest rating independent rating services designated by the Comptroller and issuer has maintained such ratings or similar obligations during preceding year

¹ Section 1859 of the Public Authorities Law authorizes NYSERDA to invest in securities in which the trustees of any public retirement system or pension fund may invest pursuant to Article 4-a of the Retirement and Social Security Law

Appendix D: Selection of Financial Services Firms

The Division of the Treasury invests in fixed-income and money-market instruments using banks and securities dealers (broker/dealers). The type of financial services firm selected depends on the investment instrument.

Investment	Financial Services Firm(s)
U.S. Treasury Obligations & Municipal Securities	Primary Dealers and MWBE designated firms
Commercial Paper	Large money center bank or securities dealer reporting to the Federal Reserve's Primary Dealer List
Certificates of Deposit	New York domiciled banks

Appendix E: Criteria and Standards

Criteria	Investment of Type Firm	Standard
• Financial Trends	All	Stable or Increasing
• Total Assets	Securities Dealers	Not less than \$1 billion
	CD's (Banks)	Not less than \$100 million
• Shareholders' Equity	Securities Dealers	Not less than \$100 million
	Non-CD's (Banks)	Not less than \$100 million
	CD's (Banks)	Not less than \$10 million
• Location	All	NYS Office
• Age of Firm/Experience	All	At least 20 years in financial services business
• Securities Fraud/ Insider Trading	All	Must not be convicted of securities fraud, insider trading; or undergoing major security investigation
• Tax Fraud/ Delinquency	All	Must not be convicted of tax fraud or have unresolved tax delinquency



Appendix F: Waiver of Bank/Broker-Dealer (Letter Sample)

You are hereby authorized to transact an investment with (name of banker/broker) for the purchase/sale of (type and amount of investment) even though such banker/broker is currently not on the list of authorized banks and brokers.

This authorization is limited to (type and amount of investment) on (date), and any future investments with (name of banker/broker) will require a new authorization.

Appendix G: Waiver of Dealer Limitation (Letter Sample)

You are hereby authorized to exceed the general safety rule which limits (general safety rule) with (name of banker/broker) for the purchase of (amount and type of investment) for (Agency – MAC #) on (date).

This authorization is limited to (amount and type of investment), and any future investments with (name of banker/broker), which exceeds the general safety rules, will require a new authorization.

A RESOLUTION OF THE HOUSING TRUST FUND CORPORATION
APPROVING ANNUAL REPORT ON INVESTMENTS AND INVESTMENT POLICY

WHEREAS, the Housing Trust Fund Corporation (“HTFC”) was created pursuant to Section 45-a of the New York Private Housing Finance Law; and

WHEREAS, pursuant to Section 2925 of the Public Authorities Law, HTFC is required to adopt comprehensive investment guidelines which detail its operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of its funds (“Investment Policy”) and to annually review its Investment Policy; and

WHEREAS, pursuant to Section 2925 of the Public Authorities Law, HTFC is additionally required to issue an investment report which shall include the Investment Policy, any amendments to the Investment Policy, an explanation of the Investment Policy and any amendments thereto, the results of the annual independent audit, the investment income record of the corporation, and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and adviser rendering investment associated services to the corporation since the last investment report (“Annual Investment Report”); and

WHEREAS, HTFC staff has presented its current Investment Policy and Annual Investment Report to the Members and the Members have reviewed the same and find the same to be satisfactory; now, therefore, be it

RESOLVED, by the Members as follows:

Section 1. The Members hereby approve the Annual Report on Investments and the Investment Policy.

Section 2. The Members hereby authorize the Treasurer or another authorized officer to submit and publish the Investment Policy and Annual Investment Report in accordance with the Public Authorities Law, the Public Authorities Reform Act of 2009, and any other governing regulations.

Section 3. This resolution shall take effect immediately.

Dated: June 24, 2021