NEW YORK STATE HOUSING FINANCE AGENCY

LIST OF MEASUREMENTS FOR CALENDAR YEAR 2019

HFA Mission Statement Report-Multifamily Unit 2019

1. Number of low to moderate income units financed:

7,381 affordable housing units created and preserved.

HFA financed a total of 49 projects, including 30 new construction programs, which created 4,056 total units (3,741 affordable units) and preserved 3,641 units (3,631 affordable units). These projects include the creation or preservation of over 1,400 units of supportive housing and over 700 units of senior housing across the state and units responsive to each of the State's housing goals.

2. Regional representation of projects financed—this would include the number of cities, counties and the distribution between upstate and downstate:

Of the 7,381 affordable units created or preserved across 19 counties.

- 3,622 (49%) were located in New York City
- 851 (11.5%) were located in Westchester and Long Island
- 2,908 (39.5%) were located in the remainder of New York State

3. Effectiveness in HFA's use of volume cap resources and other resources, with an emphasis on maximizing the use of volume cap for affordable housing units within HFA projects, and productive or creative use of financing mechanisms that provide the most efficient capital market executions:

HFA financed the creation and preservation of affordable and supportive housing by issuing bonds and administering State and Federal appropriations which complemented low-income housing tax credits and private and public investments.

Under the Housing Plan, HFA continued the following initiatives that were introduced in recent years including the Supportive Housing Opportunity Program, New Construction Program, Multifamily Preservation Program, Middle Income Housing Program, Public Housing Preservation Program, Mitchell-Lama Loan Program, and Senior Housing Program. HFA also continued its administration of the Federal Housing Trust Fund, which supports the creation of units for households up to 30% of area median income.

4. Green Building Requirements and utilization of the Sustainability Bonds Guidelines and the Climate Bond Initiative

HCR continues its efforts to ensure that the affordable housing it finances is sustainable. Multifamily projects supported by HCR financings mandate the use of green guidelines that promote the use of national standards for energy efficiency, including Energy Star and Enterprise Green Communities in new construction, as well as NYSERDA programs in new construction or preservation of affordable housing.

HFA New Construction:

HFA bonds for new construction projects were first certified by the Climate Bond Initiative (CBI) in December of 2016. CBI is an international not-for-profit organization supporting financing for projects around the world that help reduce the impact of climate change and their strict standards engenders the confidence of investors. In 2019, the Agency became the first United States municipal bond issuer to utilize the Sustainable Bond Guidelines ("SBGs) developed by the International Capital Markets Association. The Agency also became the first issuer to link its financings to the Sustainable Development Goals. Utilization of the SBGs allows the Agency to highlight the social benefits in addition to environmental elements, for its new construction financing program, incorporating the CBI certification as a capital market's equivalency of the Agency's Green Building Requirements and corresponding carbon reduction goals. HFA is a national and international leader in issuing a certified green and sustainability bonds for affordable housing.

In 2019, HFA issued Sustainability Bonds with a CBI certification for 25 projects, totaling $658 million in bonds for the creation of 1,918 units. All new construction projects must meet US Environmental Protection Agency Energy Star standards of energy efficiency that will greatly reduce carbon emissions as a proxy for CBI criteria. In addition, projects must participate in the benchmarking of utility usage during the years of their HFA regulatory period. Over $1.6 trillion dollars in CBI certified bonds have been issued since the inception of the NYS HFA program. HFA Preservation:

The target goal for moderate rehabilitation of existing buildings being preserved as affordable housing is a reduction of energy use by 20%. Currently, rehabilitation projects are not eligible for CBI certification. However, the Agency has utilized the Sustainable Bond

Guidelines for the financing of certain rehabilitation projects, again, highlighting the social benefits of the projects alongside the minimum Green Building Requirements of the Agency for rehabilitation projects. As part of the HFA application process, a combined physical needs assessment and an energy audit are required. This tool is the Integrated Physical Needs Assessment (IPNA) and is used to evaluate the proposed scope for projects along with the historical energy usage data. Even if energy efficiency measures identified by the IPNA cannot be included in the project scope due to cost, HCR has ‘Mandatory Green Building and Energy Efficiency Practices’ that are in place for all projects to adhere to.

STATE OF NEW YORK MORTGAGE AGENCY

LIST OF MEASUREMENTS FOR CALENDAR YEAR 2019

The number of mortgages purchased and the incomes served;

For the calendar year of 2019, the State of New York Mortgage Agency achieved the following, in accordance with the measurements outlined in the mission statement for that year.

1) The Agency purchased 1,512 mortgages, serving the following incomes:

Income Ranges	**Distribution of Purchases**
>100% of AMI	27.91%
80.1% to 100% of AMI	26.85%
60.1% to 80% of AMI	26.79%
50.1% to 60% of AMI	10.65%
<=50% of AMI	7.80%

The geographic diversity of mortgages purchased as well as number and geographic diversity of participating originators

2) SONYMA participating lenders cover the entire state, and loans were purchased in accordance with the following geographic:

Region	**of Loans Purchased**
1 - Buffalo	16.01%
2 - Rochester	14.15%
3 - Syracuse	1.98%
4 - Binghamton	2.98%
5 - Mid-Hudson	6.28%
6 - Capital	5.22%
7 - Mohawk Valley	.86%
8 - Downstate	5.75%
9 - Long Island	35.32%
10 - NY City	11.44%

The performance of the loan portfolio

3) The loan portfolio performed with delinquencies as of November 30, 2019 at 2.42% of loans, which was significantly better than the state average of 4.42% and close to the national average of 2.59%

Fiscal Health

4) The state of the State of New York Mortgage Agency's fiscal health is set forth in attachment A.

Introduction of innovative programs and products that accomplish the foregoing

a. **Focus on Low-Income Homebuyers:** During 2019, the Agency continued to direct its energies towards providing mortgage loans to those individuals and families for whom SONYMA mortgages make the difference in achieving sustainable homeownership. This was accomplished by continuing to focus mortgage financing activities on the Achieving the Dream Program, which assists lower-income homebuyers. In 2019, 1,068 of the Agency's mortgages were originated under this program, down slightly from 1,214 in 2018 and 1,149 in 2017. Overall, 684 of the mortgages purchased were made to low-income homebuyers (80% of area median income or less), down slightly from 886 in 2018 and 835 in 2017, and 509 loans SONYMA purchased statewide were made to minority households, down from 589 in 2018 and 578 in 2017. Annual volume can vary as a result of a number of factors, including, among other factors, market interest rates, municipal bond market rates, state volume cap availability, and the Agency's ability to internally subsidize rates. The decrease in lower-income and minority households served was proportionate with the decline in SONYMA volume overall.

b. **Promote and Extend the Reach of the SONYMA Mortgage Backed Securities Programs:** In order to fully participate in the MBS market, SONYMA is looking at options to purchase Conventional, FHA, VA and USDA products. This will enable the direct purchase of loans from lenders, improving loan pricing and execution. In 2017, SONYMA continued developing and began staffing to implement the requisite Quality Control plan, and revised that plan to incorporate new TILA-RESPA Integrated Disclosure (TRID) guidelines mandated by the CFPB. The Quality Control plan was fully implemented effective January 1, 2018. SONYMA also continued to promote and expand our MBS program offerings through our current delivery channel with M&T Bank.

- FHA Plus, initially offered in December 2013, takes advantage of a special exemption from HUD that enables state housing finance agencies to offer down payment assistance on FHA-insured mortgages, where the down payment assistance may be used towards the borrower's minimum cash investment. Further, FHA mortgages offer other underwriting advantages and have slightly more lenient credit standards than conventional loans. Under this program, 95 mortgages of $24.3 million in total principal and $0.73 million in Down Payment Assistance were originated in 2019. In addition, the Agency had 44 mortgages of $8.6 million in total principal and $265,859 in Down Payment Assistance in its pipeline.

- Conventional Plus, initially offered in November 2012, complements SONYMA's existing tax-exempt bond financed programs and the FHA Plus Program described above. The product is designed to take advantage of certain pricing and underwriting benefits afforded to SONYMA by Fannie Mae. Among other benefits, Conventional Plus is available for home purchases and for limited cash-out refinances. Under Conventional Plus, 41 mortgages of $4.77 million in total principal and $13,605 in Down Payment Assistance were originated in 2019. In addition, the Agency had 9 mortgages of $1.0 million in total principal and $0 in Down Payment Assistance in its pipeline.

c. **Launch- SONYMA *Express*® Automated System to More Participating Lenders:** The Agency has continued to enhance the SONYMA Express® automated system that was developed to assist participating lenders by providing expedited decisions on SONYMA loan eligibility. The system has: (a) streamlined the Agency's loan origination process and dramatically reduced the time it takes participating lenders to originate SONYMA loans; (b) eliminated uncertainty of a borrower's eligibility early in the mortgage application process; (c) lowered overall lender costs; and (d) provided lenders with the capacity to submit electronic loan files to the Agency, thus eliminating the need to submit paper files. Continued efforts to improve user experience through SONYMA Express®, led to active use among most lenders in 2019, increasing the percentage of SONYMA volume coming through the system from 79% in 2018 to 88% in 2019. All lenders except for one migrated in 2018 to either SONYMA Express® or SONYMA's new BlitzDocs File Delivery Portal for electronic loan delivery, virtually eliminating all paper loan file submissions.

d. **Continuing efforts to educate and train major stakeholders on key SONYMA program details:** SONYMA has continued to offer bi-monthly webinars through SONYMA University, developing content on topics which reflect the feedback and educational needs of attendees and the SONYMA Advisory Council. Since launching the effort in 2014, more than 3,700 attendees from our lender, nonprofit and realtor partners have participated in web-based training on SONYMA programs. Additionally, SONYMA had a continuing education course accredited through the New York State Association of Realtors in 2017, and offered the course to approximately 200 realtors state-wide in 2018 and an additional 150 realtors in 2019. SONYMA also offered three Regional Learning Days, in Rochester, Saratoga and Plainview, to train lenders, nonprofits and realtors. These events were attended by approximately 285 partners.

e. **Work with the SONYMA Advisory Council in Gathering Insights and Recommendations on Future Direction:** Created in 2010, the Council helps SONYMA maximize its effectiveness while simultaneously providing a forum for knowledge-sharing and relationship building among different members of SONYMA's distribution and supply-networks. The Agency held two meetings with the Advisory Council in 2019, with council-member guests and SONYMA staff members, as well as monthly subcommittee meetings.

f. **Continued Outreach Efforts to Industry Partners:** In 2018, SONYMA participated in 85 events across New York State with homeownership counseling organizations, realtors, lenders, not-for profits, veterans groups, community groups and others. The outreach efforts and collaboration in planning events have deepened the Agency's relationships with its partners in the housing community and provided additional opportunities to promote SONYMA products and services.

g. **Growing out the enhanced Remodel New York Program ("Remodel NY"):** As the existing housing stock continues to age, many homebuyers are faced with the need to complete renovations to properties they are purchasing. This can be burdensome to first-time homebuyers adjusting to homeownership, and can keep homebuyers from being able to purchase properties in need of significant repair. In order to address this increasing need, SONYMA made a number of enhancements to its Remodel NY program in 2015 and 2016. In 2016, the Agency hired a dedicated Renovation Loan Analyst to enable the quick and efficient review of Remodel NY loans submitted pre- and post-purchase. During 2019 SONYMA purchased approximately $1.7 mm in Remodel NY loans, with another $1.5 mm in the pipeline for purchase in early 2020 down from $4.3 mm purchased and $2.6 mm in pipeline at the end of 2018. The program continues to gain momentum and assist first time homebuyers purchasing homes in need of repair.

h. **Launching the Neighborhood Revitalization Program (NRP):**

The SONYMA Neighborhood Revitalization Pilot Program was launched in 2016 using $22.6 million in JP Morgan settlement funds to finance the purchase and renovation of foreclosed and abandoned properties for low-and-middle income New Yorkers and assist in eliminating vacant and zombie properties in communities hard-hit by the foreclosure crisis. The program features a SONYMA mortgage with a subsidized interest rate and additional subsidy funds to purchase and renovate properties in several communities throughout the state.

- The program was originally launched in Kingston, Middletown, Troy, Rochester, certain parts of New York City and all of Long Island due to their high level of impact from the foreclosure crisis; subsequently, the program was expanded into all of Orange County, Rensselaer County, Schenectady County, Staten Island, the Bronx and Buffalo. In 2019, in response to local municipal and non-profit demand, SONYMA added Broome, Clinton, Dutchess, Essex, Montgomery, Niagara, Oneida, Onondaga, Sullivan, Ulster, Warren and Washington Counties. Strong partnerships with local governments, lenders, realtors and experienced nonprofit housing agencies provide the network to locate properties and borrowers who fit the program criteria, provide homeownership counseling and assist borrowers in accessing additional sources of gap funding when needed.

Having taken some time to build the infrastructure to support the program and expand its footprint, NRP is gaining momentum. Since inception SONYMA has purchased 420 loans (37 in 2017, 60 in 2018 and 323 in 2019) totaling $106.1 million, and currently has another 136 in its pipeline for an additional $31.8 million likely to close in early 2020. NRP home purchases allow qualified low- and middle-income buyers to receive up to $20,000 in additional funds for home improvements with zero interest and no increase mortgage payments through SONYMA.

i. **Organizing the SONYMA Spruce Up Initiative:** SONYMA Spruce Up is an event in which SONYMA, local nonprofit partners, lenders, sponsors, contractors and neighborhood associations partner to do a one-day exterior clean-up of a targeted area. After a successful pilot event in the Sheridan Hollow neighborhood in Albany with the assistance of the Affordable Housing Partnership and the Sheridan Hollow Neighborhood Association in Fall 2016, this pilot was continued with four events in 2017 throughout New York State (Buffalo, Newburgh, Troy and Brentwood), four events in 2018 (Rochester, Queens, Walden, and Central Islip), and four more events in 2019 (Queens, Bay Shore, Monticello and Niagara Falls). Volunteers completed exterior repairs, such as repair/painting of stoops, planting trees, and cleaning up sidewalks on over 250 homes, completed a total renovation of seven local parks, eleven vacant homes, five vacant lots as well as the clean-up and painting of a playground, and an outdoor classroom. Local lenders, community volunteers, school civics clubs, several local nonprofits, realtors and SONYMA's MI partners both sponsored and contributed volunteers to complete the work. There was radio and media coverage across all the local networks.

j. **Buying an additional 172 delinquent mortgage notes through the Community Restoration Fund:** An additional purchase of 172 delinquent notes in 2018 increased the number of delinquent notes purchased through Community Restoration Fund to 570. Legislation was passed in the summer of 2016 to create the SONYMA Community Restoration Fund (CRF). This fund was intended to be a vehicle through which SONYMA can purchase delinquent notes from various sources in order to help borrowers modify their loans and remain in their homes. Since inception, the SONYMA CRF, in partnership with

New Jersey Community Capital, a nonprofit organization specializing in this work, leveraged $10.5 million in settlement dollars against $112 million in private financing to purchase the mortgages for 570 homes in a strategic effort to bring owners out of foreclosure and keep the homes from abandonment. The 570 homes in the CRF program are in 37 of the State's 62 counties, with the majority of the homes located on Long Island and in the Mid-Hudson Valley.

5) **SONYMA's accomplishments as they relate to MWBE goals**:

As stated above, 509 (approximately 33.66%) of the 1,512 loans SONYMA purchased in 2019 were made to minority households. SONYMA has continued to contract with MWBE vendors whenever possible for advertising and promotional materials..

STATE OF NEW YORK MORTGAGE AGENCY
MORTGAGE INSURANCE FUND MEASUREMENTS

For the year ending December 31, 2019, the Mortgage Insurance Fund achieved the following, in accordance with the measurements outlined in the mission statement for that year.

Number of loans, units and dollar amount of new commitments to insure both Single Family and Multifamily

1) The MIF insured 80 SF loans with 95 units for a total of $12,363,018 in loan amount. The MIF also issued new commitments to insure 87 Project loans with 9,066 affordable units for a total of $778,702,562 in loan amount. This was a 37.7% increase over the $565,512,858 in loan amount in 2018. The Insurance Fund provided pool insurance for 1,512 loans purchased by SONYMA Single Family with a loan amount of $317,836,837 and provided primary insurance for loans that were rejected by Genworth and other PMI companies generally due to low FICO scores.

The MIF's ratings and risk to capital ratios

Moody's rating of the MIF's Project Pool Insurance Account remained unchanged at Aa1. The rating for the Single Family Insurance Account remained unchanged at Aa1with the outlook changed from negative to stable. Fitch's rating of the Project Pool Insurance Account and Single Family Insurance Account remained unchanged at AA- and AA+, respectively.

	As of 12/31/17	As of 12/31/18	As of 12/31/19
PIF			
No. of loans	1,010	1,027	1,028
$ Amount	$3,459,219,390	$3,699,845,834	$3,921,686,628
Units	96,931	100,573	103,202
Commitments			
No. of loans	254	258	272
$ Amount	$1,649,560,579	$1,738,459,466	$2,162,441,910
Units	24,653	27,510	31,167

	For the 12 months ended 12/31/17	For the 12 months ended 12/31/18	For the 12 months ended 12/31/19
New PIF			
No. of loans	74	58	72
$ Amount	$352,785,905	$334,356,516	$326,837,745
Units	6,918	5,004	5,107
New Commitments			
No. of loans	83	87	89
$ Amount	$469,642,172	$565,512,858	$778,702,562
Units	6,099	9,812	9,066

Evidence of advancement of Fair Housing goals:

Expanding Access to High Opportunity Areas

HCR is dedicated to eliminating the barriers that prevent housing choice for all New Yorkers. Based on expanding social science and economic studies showing that housing mobility for children in poor families is critical for them to be able to access better long-term financial, health and educational outcomes, HCR has worked on the following initiatives:

A. LIHTC Set-Aside for High Opportunity Area Projects

In the 2019 Multifamily Programs Unified Funding RFP, the Fair and Equitable housing Office (FEHO) continued its collaboration with Policy and Strategic Planning and F&D on a LIHTC set-aside for "Housing Opportunity Projects." Up to $5 million in 9% tax credits are available for family projects located in a "FEHO Opportunity Area," which are census tracts with less than 10% poverty and served by a "high- or moderate-proficiency school," based upon New York State Department of Education data.

B. Development in FEHO Opportunity Areas

In 2019, 8.9% of HFA projects that closed were in FEHO Opportunity Areas, which represents an increase over the prior 2 years.

	Overall		**In FEHO Opp. Tracts**		
	# Projects	**# Units**	**# Projects**	**# Units**	**%**
2017*	47	7,735	6	429	5.5%
2018	39	6,658	2	205	3.1%
2019	44	7,265	6	650	8.9%
** Only one of the eight buildings in the Grayston Portfolio is located in an Opportunity Tract. The unit count has been adjusted accordingly.*					

	Overall DHCR Project Closed		**In FEHO Opp. Tracts**		
	# Projects	**# Units**	**# Projects**	**# Units**	**%**
2017	39	2,073	3	162	7.81%

2018	46	2,857	6	431	15.09%
2019	37	1,933	4	173	8.95%
Total	**122**	**6863**	**13**	**766**	**11.16%**

C. Additionally, in 2019, sought public comment on revisions to its Qualified Allocation Plan for Scoring Low-Income Housing Tax Credits, the scoring mechanism by which low-income housing tax credits are allocated. Among other revisions to the 9% QAP, HCR increased the number of points available to projects that serve individuals with children, based on the ratio of bedrooms to units, and whether the project is a Housing Opportunity Project (as defined above) or advances a neighborhood specific revitalization plan, and allocated up to 4 points for projects that are Housing Opportunity Projects. Among other revisions to the 4% QAP, HCR expanded the definition of a "State Designated Building," or a building that may receive an increase in credits, to include Housing Opportunity Projects. Taken together, these revisions are expected to further incentivize the development of multi-family housing in well-resourced areas, increase access to housing for families with children, and help to integrate these areas of the state. HCR expects to adopt the modified QAP in 2020.

D. Mobility Counseling

HCR's mobility counseling program assists low-income families with Section 8 Housing Choice Vouchers secure affordable housing in low-poverty areas that are served by high performing schools. Throughout 2019, FEHO worked with its mobility counseling program administrator to refine and expand mobility counseling in Westchester County and is working with other non-profits and public housing authorities to expand similar mobility programs to other areas including Long Island.

E. Prohibition of Source of Income Discrimination

HCR also played a critical role in ensuring the passage of the amendment to the New York State Human Rights Law that now prohibits the discrimination in housing based on lawful source of income (such as Section 8 vouchers). This source of income discrimination is one of the root cause of housing instability and a barrier to housing mobility among poor New Yorkers, survivors of domestic violence and veterans. FEHO worked with a coalition of non-profit advocacy organizations to ensure the success of this legislation and is collaborating with the Division of Human Rights on state-wide implementation and training.

Standing up to Proposed Federal Regulations that Limit Immigrants' Access to Housing and Weaken Important Fair Housing Protections

HCR has also taken a lead in standing up to the federal government's recent attacks on the ability for immigrant families to access housing. In a major victory, in September a federal judge issued an injunction, temporarily blocking the Department of Homeland Security's Public Charge Rule. HCR worked with the Attorney General's office and submitted a declaration in support of their successful motion. The Public Charge Rule, if implemented, would expand the types of benefits to include Section 8 and federal subsidized housing, that would count negatively in a public charge determination when one is applying for a visa or adjusting one's immigration status. A public charge determination considers whether an individual is, or is likely to become, dependent on the government for support. Included in the expanded list of benefits would be federal public housing and Section 8 programs.

Like with the Public Charge Rule, HCR submitted public comments against, and stands poised to assist the Attorney General in combatting various other proposed policies including HUD's policy to terminate mixed immigration/citizen status families from Section 8 and other federally subsidized housing (which would displace, by HUD's own description, 55,000 children) and further dismantle disparate impact discrimination protections under the Fair Housing Act. The mixed status rule would force mixed-status families from Section 8 and other federally subsidized homes – HUD itself said this would displace 55,000 children. HCR is working with the Office of New Americans on education and outreach regarding these proposed rules.

In addition, HCR submitted a comment in opposition to HUD's proposed changes to the disparate impact standard under the Fair Housing Act, which would significantly restrict access to federal court for victims of housing discrimination. Disparate impact liability targets actions that may be facially neutral but have a discriminatory effect in excluding people from housing.

Increasing Access to Affordable Housing

A. Oversight of Affirmative Fair Housing Marketing and Tenant Selection Policies

Attorneys in FEHO also review and approve affirmative fair housing marketing plans and materials, as well as tenant selection and accessibility projects for all HFA and HTFC/DHCR-financed projects prior to conducting lotteries and tenant selection. In 2019, FEHO conducted such reviews for 33 projects. In addition, FEHO also conducted preliminary pre-closing fair housing reviews of 78 projects to ensure financing is not committed to projects with potentially discriminatory housing preferences and that marketing is conducted in a manner to provide notice to populations that are least likely to apply.

B. Fair Housing Compliance Monitoring

In 2019, FEHO continued to collaborate with the Asset Management Unit to meaningfully monitor fair housing compliance among HCR-funded projects post lease-up. Utilizing a fair housing checklist, AMU reviews fair housing policies related to, among other things, reasonable accommodation policies, accessible and set-aside units, HCR's policy for assessing applicants with criminal convictions, and compliance with the Violence Against

Women Act. Through this checklist, AMU works with FEHO to resolve any potential fair housing issues. FEHO continues to offer technical assistance to projects that need it, in order to ensure that they are meeting their fair housing requirements.

C. **Implementing New Individualized Credit Review Policy**

In 2019, the Fair and Equitable Housing Office (FEHO) implemented a policy for the assessment of applicants to state-funded housing with negative credit history. The new credit policy will counteract the exclusionary impact of credit scores in rental housing, which disproportionately harms communities of color, domestic violence survivors and people with disabilities. Housing providers with HCR financing must now assess applicant credit history on an individual basis, and cannot reject applicants simply on the basis of a low credit score.

If an applicant can show up front either that they have paid the last 12 months of rent at their current residence on time and in full, or that some form of subsidy will pay the rent amount, a credit report may not be used at all in determining whether to accept or reject the applicant. If a credit report is run, applicants may not be rejected on the basis of outstanding student loan or medical debt, bankruptcies that are older than 12 months, debt to income ratios, housing court history, delinquencies that are below $5,000 or negative credit findings that are a direct result of a crime covered by the Violence Against Women Act (which is gender-neutral). In addition, applicants must be offered the opportunity to present evidence to mitigate negative credit findings. A worksheet to guide the implementation of the policy is available here. This policy was implemented for projects closing after April 15, 2019, with full roll-out to HCR's portfolio of multifamily rental housing in December of 2019.

D. **Implementing Individualized Review for Applicants' Justice-Involvement Background**

Additionally, FEHO continued to work closely to provide technical assistance and oversight of its anti-discrimination policy for assessing applicants to state-funded housing who have recent pending arrests or past criminal convictions. Like with credit, HCR prohibits automatic rejection of applicants with criminal justice involvement and instead requires its housing providers to individually assess these applicants.

E. **Section 3 Compliance**

The Section 3 program requires that recipients of certain HUD funding provide job training, employment, and contract opportunities to low- and very low-income residents in connection with projects and activities in their neighborhoods. In 2019, FEHO worked with recipients of HUD funds to ensure that they are maximizing impact in their Section 3 programs by providing technical assistance through one-on-one calls, webinars on best practices with respect to outreach, recruitment and reporting, and providing resources such materials that can easily be included in applications and Human Resource files to implement the Section 3 hiring preference for low-income individuals. This year's success is also evidenced by approximately 530 Section 3-registered New York businesses on the HUD Business Registry website, an increase of over 400 since 2015.

NEW YORK STATE AFFORDABLE HOUSING CORPORATION

LIST OF MEASUREMENTS FOR CALENDAR YEAR 2019

1. **Number of Low to Moderate Income Units Financed**: 1,022

2. **Regional Representation of Projects Financed**:

    a. In 2019, AHC awarded projects in 9 of the 10 geographic regions of New York State, covering 29 of the State's 62 counties.

    b. Upstate/downstate distribution: approximately 30% of AHC's 2019 grants were awarded in projects located within New York City. 70% of AHC's grants were awarded throughout the rest of the state.

AHC 2019 AWARD SUMMARY*

Region	*# Projects Awarded*	*Units Awarded*	*Counties Awarded*	*Amount Awarded*	*% of Total Allocation*
Western NY (Region 1)	*1*	*25*	*1*	*$300,000*	*1.10%*
Finger Lakes (Region 2)	*4*	*98*	*5*	*$2,055,000*	*7.52%*
Central NY (Region 3)	*9*	*274*	*5*	*$5,133,334*	*18.78%*
Southern Tier (Region 4)	*1*	*15*	*1*	*$400,000*	*1.46%*
Capital (Region 6)	*6*	*130*	*6*	*$2,775,000*	*10.15%*
North Country (Region 7)	*2*	*27*	*3*	*$861,666*	*3.15%*
Mid-Hudson (Region 8)	*4*	*80*	*4*	*$2,000,000*	*7.32%*
Long Island (Region 9)	*4*	*157*	*2*	*$5,720,000*	*20.93%*
New York City (Region 10)	*4*	*216*	*2*	*$8,082,500*	*29.58%*
Totals:	***35***	***1,022***	***29***	***$ 27,327,500***	***100%***

***The chart represents awards made in 2019. Please note: Depending on when the applications were received, the awards were made from current and previous fiscal year allocations and/or repayment funds.**

3. AHC's Fiscal Health:

a. AHC received a total allocation of $26,000,000 in State funds for its Affordable Home Ownership Development Program for FY 2019-2020. As in previous years, no more than 50% of that amount will be awarded in one municipality.

b. AHC released its Notice of Funding Availability in June of 2019. Applications are being accepted on a rolling basis. To date, AHC has received 49 applications requesting more than $31 million in AHC grant funds.

4. Introduction of Innovative Programs and Products:

a. AHC continues to operate in conjunction and cooperation with the Office of Community Renewal's (OCR) other programs that are geared toward community and economic development, job creation and downtown revitalization, including the NYS Community Development Block Grant Program (CDBG), NY Main Street Program (NYMS), Neighborhood Stabilization Program (NSP), and the Neighborhood and Rural Preservation programs (collectively, the "OCR programs").

b. AHC is managing the Lake Ontario-St. Lawrence Seaway Flood Relief and Recovery Grant Program.

5. Accomplishments as they relate to M/WBE goals:

a. In 2019, AHC continued to emphasize the importance of timely and accurate submission of the required forms that comprise the Equal Employment Opportunity Agreement (EEO) and the Minority and Women-Owned Business Plan (M/WBE), in conjunction with the Office of Fair Housing and Equal Opportunity.

b. AHC's overall M/WBE participation was 58.77% on total procurement of $31,285 in Certified Public Accountant Audit contracts entered during 2019.

MWBE Performance Measurements

Office of Economic Development

Accomplishments:

OEOPD continues to provide ongoing technical training to HCRs Finance and Development units on MWBE & SDVOB participation and compliance. OEOPD's mission is to: analyze the agencies expenditures; identify areas for MWBE opportunity; work with the various departments to create procurement strategies; identify the obstacles the agencies may face in achieving the overall goal. Lastly, OEOPD is responsible for monitoring and quarterly reporting to the Empire State Development Corporation and the Office of General Services as well as the Executive Chamber. To further assist in these efforts, enforcement mechanisms for non-compliance are outlined in each contract in the Minority and Women-Owned Business Enterprise Utilization Agreement, Appendix II, Section VII.

The OEOPD Director continues to participate as a member of all RFP/RFQ review committees to advocate for direct contracting or subcontracting opportunities for MWBE & SDVOB firms. For multi-state agency funded projects, OEOPD continues its efforts to consolidate MWBE & SDVOB reporting.

The Economic Opportunity Corner on the agency website, links to HCR's home page to help MWBE & SDVOB firms find opportunities within the Agencies. The Economic Opportunity Corner provides useful information and links to the ESD & OGS websites for certification information. There are links to procurement opportunities; and information on approved projects so MWBE & SDVOB firms are able to market their services directly to developers and community groups. The site also has a listing of certified MWBEs who have been engaged on Agency projects. OEOPD continues to outreach to non-certified MWBE & SDVOB firms as identified during the review of utilization plans and quarterly reports, to encourage them to become certified.

Additionally, in the upcoming year, OEOPD is seeking to launch four new initiatives. The first is the technical assistance program for MWBE developers and contractors pursuant to the study commissioned by OEOPD which examined and supported the feasibility of a revolving loan fund. The second is to propose changes to the procurement guidelines to (a) better incorporate discretionary spend as a tool to make more opportunities available to MWBEs; and (b) incorporate the legislative change increasing the discretionary spend threshold to $500,000. The third is OEOPD will OEOPD will develop an EEO program responsive to the robust language of the legislation reauthorization. The final initiative is an internship program being coordinated between the Agency's Finance and Development office and OEOPD in which firms will hire minority interns. The intent of this program is to introduce more minorities to this industry thereby eventually increasing the number of MWBE businesses and developers participating in this industry.

To effectively monitor the MWBE utilization, expenditures are divided into three categories: procurement, development and bond-related costs.

In Calendar Year 2019, the Agencies achievements were:

Total MWBE utilization: 40.55% Procurement – 73.53% Construction – 38.62% Bond Related – 15.44%

In addition, this unit is responsible for the administration and monitoring of Labor Standards for all federally funded projects, specifically Davis Bacon and prevailing wage compliance.

New York State Housing Finance Agency
Fiscal Health Review

($ in thousands)

(unaudited)

Fiscal Year Ended October 31,	2019	2018	2017 (Restated)
Statement of Net Position			
Mortgage Loans Receivable	17,029,459	16,782,019	15,713,871
Bonds Payable	18,043,617	17,733,757	16,780,581
Matured / Called / Redeemed	1,790,479	1,757,780	1,181,056
Issued	2,100,294	2,710,956	2,513,437
Net Position			
Unrestricted	352,393	274,685	253,879
Restricted	670,003	798,311	631,661
Total	1,022,396	1,072,996	885,540
Increase (decrease) in Net Position	(50,600)	187,456	121,921
Subsidy Loans Receivable	769,700	524,100	395,800
Other Post Employment Benefits Obligation *	38,158	40,136	41,212
Income Statement			
Total Operating Revenues	655,702	553,380	400,618
Fees, Charges and Other	70,480	74,737	77,368
Total Operating Expenses	806,972	595,658	392,013
Administrative Expenses			
Net Operating Income (Loss)	(151,270)	(42,278)	8,605
Total Net Non-Operating Revenues	100,670	229,734	101,841
Net Income	(50,600)	187,456	110,446
Interest on Loans	537,917	448,296	301,970
Interest Expense on Bonds	509,382	414,616	270,711
Coverage	105.60%	108.12%	111.55%
Affordable Housing Resolution:			
Assets	4,573,862	3,853,158	3,120,362
Liabilities	4,183,720	3,508,729	2,822,097
Asset to Liability Ratio	1.09	1.10	1.11
Affordable Housing Resolution - Non NIBP Portfolio:			
Weighted Average Mortgage Yield	4.70%	4.73%	4.79%
Weighted Average Bond Yield	3.61%	3.78%	3.81%
Spread	1.09%	0.95%	0.98%

New York State Housing Finance Agency
Fiscal Health Review (continued)

($ in thousands)

(unaudited)

Fiscal Year Ended October 31,	2019	2018	2017 (Restated)
Statistical Information			
Working Capital			
Current Assets	2,546,460	2,915,480	2,686,530
Current Liabilities	1,740,145	1,638,675	668,500
Working Capital	806,315	1,276,805	2,018,030
Current Ratios	1.46	1.78	4.02
Debt Ratio			
Total Assets	19,681,092	19,404,709	18,219,446
Total Liabilities	18,656,267	18,341,329	17,355,538
Asset to Liability Ratio	1.05	1.06	1.05
SWAPS - Current Notional Amount State Supported Debt	32,450	136,850	161,150

Liquidity Exposure (as of October 31, 2019) *State Supported Debt*

Letter of Credit Provider	Expiration Date	Amount	Fees
Bank of America, N.A.	1/11/2021	16,225	0.450%
Bank of America, N.A.	1/11/2021	16,225	0.450%
Total		32,450	

* Restated due to implementaion of GASB 75 effective in fiscal 2017

State of New York Mortgage Agency
Fiscal Health Review

($ in thousands)

(unaudited)

Fiscal Year Ended October 31,	2019	2018	2017 (Restated)
Statement of Net Position			
Loans Receivable	2,954,118	2,879,431	2,794,636
Bonds Payable	2,830,610	2,611,335	2,552,343
Matured / Called / Redeemed	335,685	381,485	307,889
Issued	551,327	437,355	336,135
Net Position			
Unrestricted	(22,957)	(19,287)	(14,166)
Restricted	3,002,178	2,605,608	2,452,525
Total	2,979,221	2,586,321	2,438,359
Net Increase in Net Position	392,900	147,962	45,022
Other Post Employment Benefits Obligation *	42,205	43,712	44,370
Income Statement			
Total Operating Revenues	221,909	210,971	193,076
Total Operating Expenses	11,458	196,752	182,261
Administrative Expenses	22,929	24,923	22,410
Net Operating Income	210,451	14,219	10,815
Total Non-Operating Revenues	182,449	133,743	21,723
Net Income	392,900	147,962	32,538
Interest on Loans	132,094	128,822	131,632
Interest Expense on Bonds	86,740	80,350	79,859
Coverage	152.29%	160.33%	164.83%
Gross Interest Earned on Mortgages	132,094	128,822	131,632
Average Monthly Mortgage Receivable	2,706,553	2,815,153	2,691,605
Approximate Yield on Loan Portfolio	4.88%	4.58%	4.89%
Gross Interest Expense of Bonds	86,740	80,350	79,859
Average Monthly Bond Payable Balance	2,787,822	2,622,289	2,541,134
Approximate Yield on Bond Portfolio	3.11%	3.06%	3.14%
Difference between Mortgage Yield and Bond Yield (Spre	1.77%	1.51%	1.75%
Mortgage Recording Surtax Receipts	168,159	152,119	160,510
MIF New Commitments	570,000	500,000	480,000

State of New York Mortgage Agency
Fiscal Health Review (continued)

($ in thousands)

(unaudited)

Fiscal Year Ended October 31,	2019	2018	2017 (Restated)
Statistical Information			
Working Capital			
Current Assets	1,308,690	898,858	1,076,539
Current Liabilities	178,060	381,206	452,778
Working Capital	1,130,630	517,652	623,761
Current Ratios	7.35	2.36	2.38
Debt Ratio			
Total Assets	5,899,657	5,313,330	5,218,964
Total Liabilities	2,949,002	2,727,447	2,792,822
Asset to Liability Ratio	2.00	1.95	1.87
Single Family Delinquencies by number loans outstanding *(60 days or more, including loans in foreclosure)*			
SONYMA	2.25%	2.61%	3.19%
New York State	4.65%	5.21%	6.33%
National	2.73%	2.93%	3.38%
SWAPS - Current Notional Amount	310,195	266,635	228,000

Liquidity Exposure (as of October 31, 2019)

Letter of Credit Provider	Expiration Date		Amount	Fees
Barclays	5/4/2021	**	9,500	0.450%
Barclays	5/4/2021		40,410	0.450%
Barclays	11/14/2022	**	5,755	0.330%
Barclays	11/14/2022		19,245	0.330%
Royal Bank of Canada	5/4/2023	**	1,310	0.38%
Royal Bank of Canada	5/4/2023		54,010	0.38%
Royal Bank of Canada	9/8/2022	**	2,240	0.46%
Royal Bank of Canada	9/8/2022		20,000	0.46%
Wells Fargo, NA	1/12/2024	**	9,180	0.38%
Wells Fargo, NA	1/12/2024		98,245	0.38%
Bank of America	5/4/2021	**	10,660	0.35%
Bank of America	5/4/2021		33,285	0.35%
Bank of America	11/15/2023		45,000	0.35%
Totals			348,840	

* Restated due to implementaion of GASB 75 effective in fiscal 2017

*** Unhedged*