

NEW YORK STATE HOUSING FINANCE AGENCY

LIST OF MEASUREMENTS FOR CALENDAR YEAR 2018

HFA's performance can be measured by the following criteria, subject to market conditions and demand for our products in any calendar year:

1. Number of low to moderate income units financed:

HFA financed a total of 37 projects that created and preserved 6,789 total units and 6,508 affordable units. This included 24 new construction projects that created 3,387 affordable units and 13 preservation projects that preserved 3,121 affordable units.

2. Regional representation of projects financed:

Of the 6,508 HFA affordable units created or preserved,

- 2,608 (40%) were in New York City
- 1,580 (24%) were in Westchester and Long Island
- 2,320 (36%) were in the remainder of New York State.

The 37 HFA projects were in 17 different counties and 18 different cities.

3. Productive or creative use of financing mechanisms that provide the most efficient capital market executions:

HFA continued its programmatic reach with the continued expansion of its existing programs the launch of one new program. Under the Housing Plan, we continued the following initiatives that were introduced in the past several years:

- Supportive Housing Opportunity Program, New Construction Program, Multifamily Preservation Program, Middle Income Housing Program, Public Housing Preservation Program, Mitchell-Lama Program, Senior Housing Program, and Federal Housing Trust Fund Program.

In the past year, HFA launched the Small Building Participation Loan Program, which provides gap project financing assistance for qualified housing developers for acquisition, capital costs and related soft costs associated with the preservation and improvement of rental properties in buildings of 5 to 40 units located outside of New York City.

4. Use of Green initiatives and issuance of Green Bonds

In support of the Governor's initiatives to reduce carbon emissions, HCR continues to strive to make affordable housing energy efficient. Multifamily projects supported by HCR financing have green guidelines that promote the use of national standards for energy efficiency or NYSERDA programs in the construction or preservation of affordable housing.

HFA New Construction:

New York State is the leader in the use of certified Green Bonds for affordable housing in the United States. Since December of 2016, New York State HFA bonds for new construction projects have been certified by the Climate Bond Initiative (CBI). CBI is an international not-for-profit organization supporting financing for projects around the world that help reduce the impact of climate change. CBI provides oversight of their strict standards that engenders the confidence of investors in these Green Bonds.

In 2018, HFA issued Green Bonds for 21 projects, totaling \$609 million in bonds for the creation of 2,885 units. All new construction projects must meet national standards of energy efficiency that will greatly reduce carbon emissions and participate in the benchmarking of utility usage during the years of their HFA regulatory period. Nearly a trillion dollars in CBI certified bonds have been issued since the inception of the NYS HFA green bond program.

HFA Preservation:

The target goal for moderate rehabilitation of existing buildings being preserved as affordable housing that cannot meet national standards for energy efficiency is to reduce their energy use by 20%. 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 provided by benchmarking.

Unified Funding Application:

Of the 45 new construction or rehabilitation projects awarded HCR financing under the 2017 Unified Funding Application Round, all but 3 projects proposed the utilization of a national energy efficiency standard or NYSERDA-recognized program. All projects produced through this funding round will reduce energy usage compared to typical housing development and have an impact in addressing climate change in New York State.

STATE OF NEW YORK MORTGAGE AGENCY

LIST OF MEASUREMENTS FOR CALENDAR YEAR 2018

The number of mortgages purchased and the incomes served;

For the calendar year of 2018, 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 1,813 mortgages, serving the following incomes:

Income Ranges	Distribution of Purchases
>100% of AMI	26.64%
80.1% to 100% of AMI	24.49%
60.1% to 80% of AMI	29.07%
50.1% to 60% of AMI	10.81%
<=50% of AMI	8.99%

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	11.80%
2 - Rochester	11.47%
3 - Syracuse	1.16%
4 - Binghamton	4.08%
5 - Mid-Hudson	8.11%
6 - Capital	7.17%
7 - Mohawk Valley	.99%
8 - Downstate	8.38%
9 - Long Island	33.20%
10 - NY City	13.62%

The performance of the loan portfolio

- 3) The loan portfolio performed with delinquencies as of November 30, 2018 at 2.69% of loans, which was significantly better than the state average of 5.21% and close to the national average of 2.93%

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 2018, 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 2018, 1,214 of the Agency's mortgages were originated under this program, up slightly from 1,149 in 2017 and 1,296 in 2016. Overall, 886 of the mortgages purchased were made to low-income homebuyers (80% of area median income or less), up slightly from 835 in 2017 and 1,022 in 2016, and 589 loans SONYMA purchased statewide were made to minority households, up from 578 in 2017 and 517 in 2016.

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, 126 mortgages of \$29.7 million in total principal and \$0.9 million in Down Payment Assistance were originated in 2018. In addition, the Agency had 40 mortgages of

\$10.8 million in total principal and \$320,000 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, 57 mortgages of \$6.9 million in total principal and \$41,000 in Down Payment Assistance were originated in 2018. In addition, the Agency had 17 mortgages of \$2.1 million in total principal and \$9,800 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 2018, increasing the percentage of SONYMA volume coming through the system from 63% in 2017 to 79% in 2018. 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. SONYMA also offered three Regional Learning Days, with a half day training for lenders and nonprofits and afternoon with realtors. These events were attended by approximately 350 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 2018, including a roundtable session 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 81 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 2018 SONYMA purchased approximately \$4.3 mm in Remodel NY loans, with another \$2.6 mm in the pipeline for purchase in early 2019 up from \$3.7 mm purchased and \$2.4 mm in pipeline at the end of 2017. 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.

At the request of communities demonstrating NRP's strategic fit with existing local efforts to address vacant/abandoned homes, SONYMA further expanded the NRP eligible counties in 2018 to include Albany, Broome, Dutchess, Erie, Onondaga, Orange, and Schenectady Counties as well as all of Monroe and Rensselaer Counties, New York City and Long Island. 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 97 loans (37 in 2017 and 60 in 2018) totaling \$27.4 million, and currently has another 18 in its pipeline for an additional \$3.5 million likely to close in early 2019. 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 another four events in 2017 throughout New York State (Buffalo, Newburgh, Troy and Brentwood) and four more events in 2018 (Rochester, Queens, Walden, and Central Islip). 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, 589 (approximately 33%) of the 1,813 loans SONYMA purchased in 2018 were made to minority households. SONYMA has continued to contract with MWBE vendors whenever possible for advertising, promotional materials and with our consultant, Doug Dylla.

STATE OF NEW YORK MORTGAGE AGENCY MORTGAGE INSURANCE FUND MEASUREMENTS

For the year ending December 31, 2018, 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 202 SF loans with 229 units for a total of \$47,648,889 in loan amount. The MIF also issued new commitments to insure 87 Project loans with 9,812 affordable units for a total of \$565,512,858 in loan amount. This was a 20.4% increase over the \$469,642,172 in loan amount in 2017. The Insurance Fund provided pool insurance for 1,813 loans purchased by SONYMA Single Family with a loan amount of \$370,726,451 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 and Single Family Insurance Account remained unchanged at Aa1 and Aa1 with a negative outlook, respectively. Fitch's rating of the Project Pool Insurance Account and Single Family Insurance Account remained unchanged at AA- and AA+, respectively.

	<u>As of 12/31/16</u>	<u>As of 12/31/17</u>	<u>As of 12/31/18</u>
<u>PIF</u>			
No. of loans	990	1,010	1,027
\$ Amount	\$3,230,421,240	\$3,459,219,390	\$3,699,845,834
Units	91,926	96,931	100,573

Commitments

No. of loans	252	254	258
\$ Amount	\$1,554,583,352	\$1,649,560,579	\$1,738,459,466
Units	25,573	24,653	27,510

	<u>For the 12 months ended 12/31/16</u>	<u>For the 12 months ended 12/31/17</u>	<u>For the 12 months ended 12/31/18</u>
<u>New PIF</u>			
No. of loans	73	74	58
\$ Amount	\$360,100,716	\$352,785,905	\$334,356,516
Units	6,965	6,918	5,004

**New
Commitments**

No. of loans	76	83	87
\$ Amount	\$507,250,536	\$469,642,172	\$565,512,858
Units	7,241	6,099	9,812

Evidence of advancement of Fair Housing goals:

Expanding Access to High Opportunity Areas

In 2018, FEHO worked across HCR to expand two key initiatives that promote access to opportunity for families in New York. Moving low-income families to opportunity areas is an effective way to end the intergenerational cycle of poverty. Specifically, social science studies show that children under the age of 13 who moved from high poverty to low poverty neighborhoods were more likely to attend college, had better health outcomes and earned more money as adults.

A. LIHTC Set-Aside for High Opportunity Area Projects

In the 2018 Multifamily Programs Unified Funding RFP, 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 census tract with less than 10% poverty and served by a “high- or moderate-proficiency school,” based upon New York State Department of Education data. As in 2017, in order to reduce a potential barrier to developer participation in this new initiative, HCR included within the Unified Funding RFP a list of 1,449 census tracts eligible for “High Opportunity Area Projects.”

B. Mobility Counseling

HCR’s mobility counseling program assists low-income families with Section 8 Housing Choice Vouchers secure affordable housing in low-poverty areas of Westchester County that are served by high performing schools. Throughout 2018, FEHO worked with its mobility counseling program administrator to refine and expand mobility counseling in Westchester County.

Educating Tenants, Housing Providers, and HCR Staff About Fair Housing Rights

In 2018, FEHO conducted a number of internal and external trainings and educational events on fair housing rights. In January 2018, FEHO and the Division of Human Rights conducted a comprehensive four-hour fair housing Continuing Legal Education session for HCR and DHR attorneys and staff. In August 2018, FEHO conducted an additional Continuing Legal Education session for HCR attorneys. Over the course of the year, FEHO staff also coordinated a training on the housing rights of individuals with disabilities, conducted by an attorney at the Division of Human Rights, and open to HCR attorneys and

staff. FEHO also conducted two internal training sessions to HCR staff members on the Violence Against Women Act (VAWA) Reauthorization Act of 2013 and HCR policies pursuant to it. This was followed by two external training sessions targeted to HCR awardees, managing agents and housing providers.

In addition to the above training sessions, FEHO staff members also conducted three fair housing trainings to Section 8 Local Administrators statewide.

Finally, on April 26, 2018, FEHO and DHR held a conference in celebration of the 50th Anniversary of the passage of the Fair Housing Act. Held at the National Museum of the American Indian, and attended by approximately 275 fair housing advocates, stakeholders and attorneys, the conference featured panels on topics ranging from the history, impact and continued importance of the Fair Housing Act, to housing rights of individuals with disabilities, to providing access to housing for vulnerable and at-risk individuals and creating inclusive communities in the 21st Century.

In 2019, FEHO intends to offer several fair housing training sessions to developers across New York State, in addition to periodic fair housing training to HCR staff members and attorneys to ensure compliance with fair housing laws, and agency policies and procedures.

Protecting Foreign-Born Tenants and the Rights of Families with Immigrant Members

At Governor Cuomo's direction, FEHO, in conjunction with the Division of Human Rights (DHR) and the Office for New Americans (ONA), continued its work to educate and protect the rights of foreign-born tenants. In 2018, FEHO conducted and attended outreach and education events in collaboration with the Arab-American Association of New York and P.A.L.A.N.T.E. to educate foreign-born New Yorkers on their housing rights under the New York State law.

In December 2018, in response to the proposed federal rule regarding "Inadmissibility on Public Charge Grounds," FEHO drafted and submitted a comment decrying the proposed rule change and expressing HCR's concerns with the proposal. Under existing federal law, an individual may only be considered a public charge if he or she receives certain cash benefits; the proposed rule would extend this analysis to a broad array of federal programs, including Section 8 Housing Choice Vouchers, Section 8 Project-Based Rental Assistance, and public housing. In its comment, HCR expresses concern that such a change would negatively impact New York State families with foreign-born members, causing a chilling-effect that would prevent some families from utilizing these housing programs. As a result, the comment indicates, HCR fears that this will result in increased homelessness and instability across New York. In 2019, FEHO will seek to continue its work in protecting the rights of foreign-born tenants, and New York families with foreign-born members.

Working With Housing Advocates to Affirmatively Further Fair Housing

In 2018, FEHO attended two roundtables in Albany and New York City on the topic of HCR's Qualified Allocation Plan. These sessions were designed to engage developers, stakeholders, fair housing advocates and HCR staff in a conversation around potential amendments to the QAP. Additionally, in 2018, FEHO met twice with members of the Regional Affordable and Fair Housing Roundtable to identify problematic fair housing trends and address concerns. FEHO also participated in a roundtable on housing for individuals with justice-involvement. Taken together, these conversations have informed some of the policy, outreach and education conducted by HCR, including the urgency with which HCR has advocated for legislation prohibiting source of income discrimination.

In July 2018, in response to a notice published in the Federal Register announcing the withdrawal of the Assessment Tool for Local Governments (the "Assessment Tool", used by local jurisdictions in submitting their Assessment of Fair Housing, FEHO drafted and submitted a comment letter opposing the change. The comment letter stated that the withdrawal of the Assessment Tool was effectively a suspension of the Affirmatively Furthering Fair Housing Rule, as, in its absence, local jurisdictions would only need to certify that they had complied with their fair housing obligations by conducting an Analysis of Impediments to Fair Housing Choice – a process that HUD and the United States Government Accountability Office had previously found ineffective. In addition to the comment letter, earlier in the year, New York State joined the *National Fair Housing Alliance et al v. Carson* case, which attempted to block HUD from unnecessarily delaying implementation of the Affirmatively Furthering Fair Housing Rule's requirement for an Assessment of Fair Housing. FEHO worked closely with the Attorney General's office to provide context for the lawsuit and to prepare an affidavit to the court on behalf of HCR and Commissioner Visnaukas.

In addition, in November 2018, in response to an advanced notice of proposed federal rulemaking that would reform the Community Reinvestment Act, FEHO drafted and submitted a comment expressing concern with the proposed changes. As a landmark civil rights law passed in response to a long national history of redlining, disinvestment and discriminatory policies that served to systemically bar people of color and low-and moderate-income communities from accessing housing, banking and credit opportunities, the CRA must be strengthened and preserved rather than weakened. In 2019, FEHO will stay apprised of any further proposed changes to the Community Reinvestment Act, and will continue to comment on any proposed changes to federal rules that will frustrate efforts to affirmatively further fair housing in New York State.

Expanding Oversight of Affirmative Fair Housing Marketing

In May 2018, FEHO unveiled new marketing plan review procedures which were designed to simplify and expedite the marketing plan review and approval process for both HCR staff and the development community. The amended process implements (1) a Fair Housing Project Summary & Certification ("Short Form"), which is submitted and approved as a condition of closing; (2) an Affirmative Fair Housing Marketing Plan

(“AFHMP Long Form”), which is submitted by the developer approximately 180 days ahead of occupancy, or at 70% completion; and (3) an HCR Rider for projects that are jointly funded with HPD/HDC, which streamlines the marketing process for projects that are already being reviewed and approved by HPD. As part of this new policy implementation, FEHO held a number of internal and external training sessions and provides ongoing technical assistance to projects that require it.

Prior to the new marketing procedures in May 2018, FEHO reviewed and approved (56) Affirmative Fair Housing Marketing Plans for DHCR/HTFC and HFA multifamily projects. Under the new system, FEHO has approved sixty-two (62) Summary and Certification Short Forms and three (3) AFHMP Long Forms. FEHO has also approved five (5) HPD Riders for projects that are jointly funded with HPD.

Affirmative Fair Housing Marketing Plans memorialize the marketing strategies to be undertaken by developers/sponsors in order to attract prospective renters regardless of their protected status under fair housing laws and ensure compliance with fair housing requirements and best practices. As such, the fair housing marketing plan policy and procedures are revised as necessary to reflect changes in the law. For example, FEHO most recently update the marketing plan guidelines as to the requirements under the federal VAWA and HCR’s policy for assessing applicants from individuals with criminal records. In the coming months, FEHO anticipates a further revision in the marketing plan policy and procedures to reflect the new tenant selection policy for applicants to state funded housing with poor credit or negative housing court histories (discussed in greater detail below).

Through its review of marketing plans, FEHO is also able to collaborate with the Finance & Development (F&D) unit to ensure projects’ compliance with fair housing laws and best practices.

Increasing Access to Affordable Housing Developments

A. Fair Housing Compliance Monitoring

In 2018, FEHO continued to collaborate with AMU 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.

B. Tenant Selection Policy for Individuals with Poor Credit or Negative Housing Court History

In 2018, FEHO drafted a policy to be utilized by all HCR-projects to assess applicants with poor credit or negative housing court history. The policy is designed to ensure that individuals have meaningful access to housing opportunity, and will require housing providers to individually assess applicants' credit and housing court histories rather than automatically deny applicants on the basis of a credit score. In 2019, FEHO will be working with program staff to refine and finalize the policy ahead of implementation. Once the policy is rolled out, to facilitate compliance, FEHO will schedule internal and external trainings to educate HCR staff and supervised projects on the requirements of the policy.

Section 3 Match-up Sessions and 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 2018, FEHO hosted Section 3 training for new/ current awardees followed by Match-Up sessions. We hosted two successful Training/Match-Up sessions in the Mohawk Valley and the Capital Region as well as a webinar. The training was designed to provide Section 3 compliance guidelines and clarification for awardees and the Match-Up sessions were designed to provide opportunities for HCR CDBG and HOME awardees and low-income Section 3 residents and Business Concerns to meet and discuss employment and training opportunities.

Staff conducted numerous Section 3 technical assistance webinars to assist CDBG/HOME awardees with meeting their hiring goals by helping them to develop best practices and procedures. The webinars provided clarity of Section 3 requirements, resulting in uniformity of all submitted reports. The webinars also assisted awardees experiencing difficulties in their attempts to identify low-income Section 3 Residents/Business Concerns.

FEHO's Section 3 webpage was updated to include information and a link to GOSR's job portal. The linking between FEHO and GOSR was in response to several requests from awardees over the past few years to provide a mechanism for them to post employment and contracting opportunities and while allowing job and contract seekers opportunities to search for potential jobs and contracts.

This year's success is also evidenced by approximately 400 Section 3 registered businesses on the HUD Business Registry website, an increase of over 300 since 2015.

New York State Affordable Housing Corporation

LIST OF MEASUREMENTS FOR CALENDAR YEAR 2018

1. **Number of Low to Moderate Income Units Financed:** 1,797
2. **Regional Representation of Projects Financed:**
 - a. In 2018, AHC awarded projects in all 10 geographic regions of New York State, covering 46 of the State's 62 counties.
 - b. Upstate/downstate distribution: approximately 32% of AHC's 2018 grants were awarded in projects located within New York City. 68% of AHC's grants were awarded throughout the rest of the state.

AHC 2018 AWARD SUMMARY*

Region	# Projects Awarded	Units Awarded	Counties Awarded	Amount Awarded	% of Total Allocation
<i>Western NY (Region 1)</i>	13	319	5	\$5,953,000	15.10%
<i>Finger Lakes (Region 2)</i>	10	271	7	\$5,805,000	14.72%
<i>Central NY (Region 3)</i>	6	94	5	\$2,564,800	6.50%
<i>Southern Tier (Region 4)</i>	2	40	7	\$960,000	2.43%
<i>Mohawk Valley (Region 5)</i>	2	35	3	\$750,000	1.90%
<i>Capital (Region 6)</i>	3	46	6	\$1,170,000	2.97%
<i>North Country (Region 7)</i>	1	21	2	\$250,000	0.63%
<i>Mid-Hudson (Region 8)</i>	5	67	4	\$1,770,000	4.49%
<i>Long Island (Region 9)</i>	6	163	2	\$4,400,000	11.16%

<i>New York City (Region 10)</i>	11	587	5	\$12,645,000	32.07%
<i>Statewide</i>	5	154		\$3,165,000	8.03%

Totals: 64 1,797 46 \$ 39,432,800 100%

***The chart represents awards made in 2018. 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 2018-2019. As in previous years, that amount will be split evenly and set aside as follows; \$13,000,000 for New York City projects and \$13,000,000 for non-New York City projects.
- b. AHC released its Notice of Funding Availability in December of 2017. AHC received 112 applications requesting more than \$67 million in AHC grant funds.

4. Introduction of Innovative Programs and Products:

- a. As part of NYSHCR's Office of Community Renewal (OCR), AHC continues to operate in conjunction and cooperation with OCR's 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 continued to accept awards on a rolling basis and modified its grant agreement structure to accommodate SONYMA Community Reinvestment Fund ("CRF") awards.
- c. 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 2018, 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 78.26% on total procurement of \$11,500 in Certified Public Accountant Audit contracts entered during 2018.

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.

OEOPD created a Good Faith Efforts (GFE) Committee. This committee reviews the efforts made by developers or grantees to meet their MWBE requirements. Upon review of the GFE package, a choice of the following recommendations can be made to the Agency's Finance and Development unit: (a) request a waiver from the Executive Chamber; (b) collect liquidated damages; and/or (c) bar the developer from doing business for one year. To date, with the liquidated funds collected OEOPD has hired a consultant to assist in the creation of a technical assistance program and the feasibility of a revolving loan fund to assist minority developers and/or MWBE contractors.

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

In Calendar Year 2018, the Agencies achievements were:

Total MWBE utilization: 36.83% Procurement – 72.42% Construction – 36.05% Bond Related – 19.95%

In addition, this unit has assumed the responsibility of administering and monitoring the Labor Standards for all federally funded projects, specifically Davis Bacon and prevailing wage compliance.