

## NEW YORK STATE HOUSING FINANCE AGENCY

### LIST OF MEASUREMENTS FOR CALENDAR YEAR 2020

HFA Mission Statement Report-Multifamily Unit 2020

#### **1. Number of low to moderate income units financed:**

5,201 affordable housing units created and preserved.

HFA financed a total of 32 projects, including 24 new construction projects that created 3,350 affordable units and 8 preservation projects that preserved 1,851 affordable units. These projects include the creation or preservation of 866 units of supportive housing and 1,583 units of senior housing across the state and units responsive to each of the State's housing goals. Attached is HFA's latest filing with the Municipal Securities Rulemaking Board's EMMA filing system summarizing the impact of the COVID-19 Pandemic on HFA's financing activities.

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

Of the 5,201 affordable units created or preserved across 16 counties.

- 1,410 (27.1%) were located in New York City
- 1,211 (23.3%) were located in Westchester and Long Island
- 2,580 (49.6%) 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.

HFA continued the following Housing Plan initiatives: 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 2020, HFA issued Sustainability Bonds with a CBI certification for 23 projects, totaling \$736.3 million in bonds for the creation of 3,153 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 \$2.4 billion 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 2020**

**The number of mortgages purchased and the incomes served;**

For the calendar year of 2020, 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 1,335 mortgages, serving the following incomes:

<b>Income Ranges</b>	<b>Distribution of Purchases</b>
>100% of AMI	28.24%
80.1% to 100% of AMI	24.72%
60.1% to 80% of AMI	27.72%
50.1% to 60% of AMI	9.51%
<=50% of AMI	9.81%

**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:

<b>Region</b>	<b>of Loans Purchased</b>
1 - Buffalo	14.83%
2 - Rochester	16.40%
3 - Syracuse	3.22%
4 - Binghamton	3.82%
5 - Mid-Hudson	7.49%
6 - Capital	3.97%
7 - Mohawk Valley	1.42%
8 - Downstate	6.74%
9 - Long Island	28.69%
10 - NY City	13.41%

## **The performance of the loan portfolio**

- 3) The loan portfolio performed with delinquencies as of October 31, 2020 at 5.92% of loans, which was significantly better than the state average of 7.48% and close to the national average of 5.63%. The COVID-19 Pandemic had an impact on the performance of the program. Although SONYMA was specifically exempted from the various Governor Executive Orders and the New York State laws passed in the summer of 2020 to require forbearance on the receipt of mortgage payments from borrowers impacted by COVID-19, SONYMA, first with the assistance of the Mortgage Insurance Fund, and currently on its own, has been offering forbearance, pursuant to various Servicer Bulletins, the first of which was sent on March 24, 2020, to its borrowers impacted by COVID-19, offering six month's forbearance. That policy is still ongoing and provides relief to eligible borrowers who request it, and is in effect currently until July 31, 2021, at which point SONYMA will revisit its options. Attached is the latest SONYMA filing with the Municipal Securities Rulemaking Board's EMMA filing systems for municipal bond issuers, which provides additional detail.

## **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 2020, 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 2020, 954 of the Agency's mortgages were originated under this program, down slightly from 1,068 in 2019 and 1,214 in 2018. Overall, 586 of the mortgages purchased were made to low-income homebuyers (80% of area median income or less), down slightly from 684 in 2019 and 886 in 2018, and 471 loans SONYMA purchased statewide were made to minority households, down from 509 in 2019 and 589 in 2018. 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, 227 mortgages of \$42.3 million in total principal and \$1.28 million in Down Payment Assistance were originated in 2020. In addition, the Agency had 164 mortgages of \$39.6 million in total principal and \$1,187,499 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, 36 mortgages of \$4.14 million in total principal and \$29,535 in Down Payment Assistance were originated in 2020. In addition, the Agency had 25 mortgages of \$2.6 million in total principal and \$26,562 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 2020, increasing the percentage of SONYMA volume coming through the system

from 88% in 2019 to 89% in 2020. 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:** During the pandemic, the SONYMA outreach efforts moved online, with over 50 web-based first-time homebuyer summits and realtor trainings. Additionally, SONYMA continued expanded the number of webinars offered 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 4,000 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. The course was offered online in 2020, and an additional class is being approved for 2021.

**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. All 2020 meetings were held virtually.

**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. Throughout 2020, SONYMA expanded participation in online events, and hosted a series of seminars to promote our new Give Us Credit program rollout.

**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 2020 SONYMA purchased approximately \$2.8 mm in Remodel NY loans, with another \$3.9 mm in the pipeline for purchase in early 2021 up from \$1.7 mm purchased and \$1.5 mm in pipeline at the end of 2019. 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 883 loans (41 in 2017, 176 in 2018, 325 in 2019 and 341 in 2020) totaling \$213.5 million, and currently has another 115 in its pipeline for an additional \$32.6 million likely to close in early 2021. 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. All events in 2020 were postponed into 2021 due to the pandemic.

**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, 471 (approximately 35.28%) of the 1,335 loans SONYMA purchased in 2020 were made to minority households. SONYMA has continued to contract with MWBE vendors whenever possible for advertising and promotional materials.

**6) Social Bond Designation**

In 2020, SONYMA issued its first Social Bonds which utilized the Social Bond Principles developed by the International Capital Markets Association. The Social Bonds were based on its affordable housing activities. Utilization of the Social Bond Principles allows the Agency to highlight the social benefits, promote transparency in the social bond market, as well as increasing marketability to investors.



## **STATE OF NEW YORK MORTGAGE AGENCY MORTGAGE INSURANCE FUND MEASUREMENTS**

For the year ending December 31, 2020, 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 99 SF loans with 115 units for a total of \$16,445,163 in loan amount. The MIF also issued new commitments to insure 62 Project loans with 6,098 affordable units for a total of \$497,509,416 in loan amount. This was a 36.1% decrease over the \$778,702,561 in loan amount in 2019. The Insurance Fund provided pool insurance for 1,335 loans purchased by SONYMA Single Family with a loan amount of \$288,046,812 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 Aa1. Fitch's rating of the Project Pool Insurance Account and Single Family

Insurance Account remained unchanged at AA- and AA+, respectively, with the outlook changed from stable to negative.

	<u>As of 12/31/18</u>	<u>As of 12/31/19</u>	<u>As of 12/31/20</u>
<b><u>PIF</u></b>			
No. of loans	1,027	1,028	1,028
\$ Amount	\$3,699,845,834	\$3,921,686,628	\$4,126,421,240
Units	100,573	103,202	106,429
<b><u>Commitments</u></b>			
No. of loans	258	272	281
\$ Amount	\$1,738,459,466	\$2,162,441,910	\$2,289,868,240
Units	27,510	31,167	31,472
	<u>For the 12 months ended 12/31/18</u>	<u>For the 12 months ended 12/31/19</u>	<u>For the 12 months ended 12/31/20</u>
<b><u>New PIF</u></b>			
No. of loans	58	72	47
\$ Amount	\$334,356,516	\$326,837,745	\$323,966,040
Units	5,004	5,107	4,979
<b><u>New Commitments</u></b>			
No. of loans	87	87	62
\$ Amount	\$565,512,858	\$778,702,562	\$497,509,467
Units	9,812	9,066	6,098

**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 2020 Multifamily Programs Unified Funding RFPs, 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 \$4 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 202, 4.91%% of HFA projects that closed were in FEHO Opportunity Areas. While this is a decrease from 2019, it is higher or in line with the two years prior to that. Covid impacts are partially to account for this lower number.

	Overall		In FEHO Opp. Tracts		
	# Projects	# Units	# Projects	# Units	%
2017*	47	7,735	6	429	5.50%
2018	39	6,658	2	205	3.10%
2019	44	7,265	6	650	8.90%
2020	37	5,250	2	258	4.91%
<i>* Only one of the eight buildings in the Grayston Portfolio is located in an Opportunity Tract. The unit count has been adjusted accordingly.</i>					
	<b>Overall DHCR Project Closed</b>		<b>In FEHO Opp. Tracts</b>		

	# 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%
2020	27	1,294	3	118	9.12%
<b>Total</b>	<b>316</b>	<b>35,065</b>	<b>32</b>	<b>2,426</b>	<b>6.92%</b>

C. Additionally, HCR finalized its revised 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 spring of 2021.

#### 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. In 2020, mobility counseling services for HCR’s vouchers expanded to Long Island and joined the Westchester program.

### **Increasing Access to Fair and Affordable Housing**

#### **A. Fair Housing Matters NY Kickoff and Community Participation**

In Summer of 2020, HCR launched Fair Housing Matters NY, a statewide assessment of fair housing aimed at addressing segregated living patterns and housing disparities in New York. New York moved forward with the Fair Housing Matters NY initiative despite the Trump administration’s efforts to gut the implementation of the Fair Housing Act’s requirement that states and municipalities affirmatively further fair housing.

Despite the restrictions of the pandemic, and with the assistance of partners in the housing community, HCR was able to reach more than 700 individuals to discuss fair housing challenges. Feedback was provided in response to a survey translated into six languages,

key stakeholder interviews with individuals from varying housing-related organizations, and a series of virtual focus groups in areas including: racial justice, domestic violence, local governments, people with disabilities, LGBTQI, faith-based leaders, immigrants and rural preservation companies.

FEHO is in the process of analyzing input from the surveys, focus groups, community members and other data to develop recommendations for removing barriers to housing. A draft of the initial report will be available for public comment in the spring of 2021.

### **B. Give Us Credit Program**

Give Us Credit is a new SONYMA pilot program aimed to address racial disparities in mortgage lending and increase homeownership amongst households of color. The pilot program will initially be offered exclusively in New York City and Long Island. Give Us Credit will:

- Reimagine the metrics and standards used to evaluate who is creditworthy.
- Consider non-traditional forms of income in evaluating “ability to pay”.
- Factor historical patterns of economic discrimination into the evaluation of credit history.
- Apply weighted importance for responsible financial management practices that maybe overlooked in traditional credit reporting.
- Leverage other HCR programs, where possible, to increase down payment assistance.

### **C. 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. FEHO reviews approximately 200 affirmative fair housing marketing submissions a year 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.

### **D. Progressive Tenant Screening Policies for HCR-Financed Housing Stock**

HCR is on the forefront of ensuring that its housing stock does not apply barriers to housing that often disproportionately impact communities of color and other vulnerable New Yorkers like survivors of domestic violence and veterans. Our screening policies with regards to credit and histories of justice involvement ensure that credit and criminal background checks are not automatic bars to housing. Instead, housing providers must make an individualized assessment of the applicant, taking into account mitigating/explanatory information that applicants must be invited to supply. Important aspects of these screening policies include the following:

- If an applicant can show that they have paid rent in full and on time for the past 12 months, a credit check cannot be required.
- Credit checks should not be a barrier where rent is paid in full with subsidies.
- Medical and student debt cannot a basis for rejection based on credit.
- Negative credit history related to being the survivor of domestic violence cannot be a basis for rejection.
- For justice involvement background checks, only those instances of incarceration or arrest for crimes that involve physical violence to persons or property, or adversely affect the health, safety, and welfare of other people.
- Even then, an individualized assessment must be done looking at the time elapsed since conviction, evidence of rehabilitation, community support, among other factors.

### **E. Paired Testing Program**

Following up on the 2016 Fair Housing Testing Program, HCR is partnering with non-profit fair housing organizations to fund additional paired testing. HCR will provide \$250,000 (using existing resources, approved by DOB) for a statewide fair housing paired testing program.

### **F. 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 2020, 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 620 Section 3-registered New York businesses on the HUD Business Registry website, an increase of nearly 20% since this time in 2019.

**LIST OF MEASUREMENTS FOR CALENDAR YEAR 2020  
NEW YORK STATE AFFORDABLE HOUSING CORPORATION**

1. **Number of Low to Moderate Income Units Financed:** 930
2. **Regional Representation of Projects Financed:**
  - a. In 2020, AHC awarded projects in all geographic regions of New York State, covering 39 of the State's 62 counties.
  - b. Upstate/downstate distribution: approximately 5% of AHC's 2020 grants were awarded in projects located within New York City. 95% of AHC's grants were awarded throughout the rest of the state.

<i>Region</i>	<i># Projects Awarded</i>	<i>Units Awarded</i>	<i>Amount Awarded</i>
<i>Western NY (Region 1)</i>	2	50	<i>\$1,082,500</i>
<i>Finger Lakes (Region 2)</i>	5	99	<i>\$2,833,320</i>
<i>Central NY (Region 3)</i>	4	173	<i>\$3,250,000</i>
<i>Southern Tier (Region 4)</i>	2	65	<i>\$1,350,000</i>
<i>Mohawk Valley (Region 5)</i>	1	30	<i>\$375,000</i>
<i>Capital (Region 6)</i>	1	9	<i>\$300,000</i>
<i>North Country (Region 7)</i>	2	27	<i>\$823,500</i>
<i>Mid-Hudson (Region 8)</i>	3	66	<i>\$1,325,000</i>
<i>Long Island (Region 9)</i>	5	211	<i>\$6,160,000</i>
<i>New York City (Region 10)</i>	1	32	<i>\$1,242,500</i>
<i>Statewide (Region 11)</i>	5	168	<i>\$3,560,000</i>

**Totals:            31            930            \$22,301,820**

**\*The chart represents awards made in 2020. 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 2020-2021. As in previous years, no more than 50% of that amount will be awarded in one municipality.

### **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 2020, 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.



## **MWBE Performance Measurements**

### **Office of Economic Opportunity and Partnership Development (OEOPD)**

#### **Accomplishments:**

OEOPD has faced challenges this year due to the COVID-19 pandemic. However, the office continues to further the mission of ensuring Minority and Woman-Owned Business Enterprise (MWBE) and Service-Disabled Veteran-Owned Business (SDVOB) firms are engaged to the greatest extent feasible, especially in the current economic climate. Therefore, OEOPD continues to (1) analyze the agencies expenditures to identify areas for MWBE and SDVOB opportunities, (2) work with the various departments to create procurement strategies, (3) participate as a member on all RFP/RFQ selection committees to advocate for MWBE and SDVOB inclusion in prime contract and subcontracting opportunities, and (4) identify obstacles the agencies may face in achieving the overall goal. OEOPD is also responsible for monitoring compliance and reporting quarterly to the Empire State Development Corporation and the Office of General Services as well as the Executive Chamber.

The office's Economic Opportunity Corner on the Agency's website provides information for and about MWBE and SDVOB firms. In particular, there are links for MWBE and SDVOB firms to become certified with ESD and OGS, the Agencies which certify the aforementioned firms respectively. The Corner also links to the Agencies' procurement opportunities page as well contracting opportunities created by the Agencies' project financing activities. Additionally, the Corner also has a listing of certified MWBEs previously engaged on Agency projects to help project sponsors identify firms which may be able to fulfill their needs on projects. OEOPD continues to outreach to uncertified MWBE and SDVOB firms as identified during the review of utilization plans and quarterly reports to encourage them to become certified.

Additionally, OEOPD is pursuing 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. OEOPD will also develop an EEO program responsive to the robust language of the legislation reauthorization. Finally, OEOPD will partner with the Agency's Finance and Development office to create an internship program in which firms the Agencies currently utilize would hire minority interns. The intended outcome 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 2020, the Agencies' MWBE utilization was as follows:

Overall - 28.59%

Procurement – 93.33%

Construction – 25.38%

Bond Related Activities – 20.81%

In the same period, the Agencies' SDVOB utilization was 9.05%.

