

TRANSCRIPT OF THE DECEMBER 9, 2021 BOARD MEETINGS OF THE NEW YORK STATE HOUSING FINANCE AGENCY, THE STATE OF NEW YORK MORTGAGE AGENCY, THE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MORTGAGE AGENCY MORTGAGE INSURANCE COMMITTEE, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION

Linda Manley, Senior Vice President and Counsel to the Agencies, stated that she will now open the December 9, 2021 meeting of the Boards of the New York State Housing Finance Agency, the State of New York Mortgage Agency, the Affordable Housing Corporation, the State of New York Mortgage Agency Mortgage Insurance Committee, the New York State Housing Finance Agency Finance and Program Committee, the State of New York Municipal Bond Bank Agency and the Tobacco Settlement Financing Corporation and noted that Legislation signed by the Governor into law on September 2nd in response to the continuing impact of COVID-19 extends until January 2022 the exemption to the Open Meetings law that provides that public bodies may meet to take actions without permitting in public in-person access to such meetings and authorizes meetings to be held remotely by conference call, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed. As a result, participation in today's Board meeting is being carried out both via public meeting and via conference call. A call-in number has been made public, so that any interested members of the public can listen to the proceedings. A public notice of the meeting has been posted.

Ms. Manley noted that because of these special features a change in voting procedures would be put in place for this meeting and she would be asking each Board member to record their votes individually.

Ms. Manley asked for a motion to call the meeting of the HFA and AHC Boards to order. Chairman Adams made the motion and Mr. Curtis seconded. Mr. Olczak voted aye; Ms. Visnauskas voted aye; Ms. Miller voted aye; Ms. McKeown voted aye. Ms. Manley noted the presence of a quorum for HFA and AHC.

Ms. Manley asked for a motion to call the meeting of the SONYMA Board to order. Chairman Adams made the motion and Mr. Kapell seconded. Mr. Ballan voted aye; Ms. Visnauskas voted aye, Mr. Olczak voted aye; Mr. Rodriguez voted aye; Ms. Gross voted aye; and Ms. Miller voted aye. Ms. Manley noted the presence of a quorum for SONYMA.

Ms. Manley asked for a motion to call the meeting of the SONYMA Mortgage Insurance Committee to order. Chairman Adams made the motion and Mr. Ballan seconded the motion. Mr. Kapell voted aye; Mr. Olczak voted aye; Ms. Visnauskas voted aye; Ms. Miller voted aye. Ms. Manley noted the presence of a quorum for the MIF.

Ms. Manley asked for a motion to call the meeting of the MBBA and TSFC Boards to order. Chairman Adams made the motion and Mr. Olczak seconded the motion. Ms. Baldwin voted aye; Mr. SanFilippo voted aye; Ms. Miller voted aye. Ms. Manley noted the presence of a quorum for the MBBA and TSFC.

Chairman Adams then stated that Ms. Visnauskas would make her monthly President's report.

Ms. Visnauskas thanked everyone for participating by telephone at this Board meeting. She started off her report by noting that the 641 Lexington agencies are in the throes of our December closing season which involves multiple divisions across the agencies. She paid particular notice to the multi-family team, the legal team and the debt issuance unit for all the great work. Ms. Visnauskas added that during this month, as part of today's agenda, we have a number of administrative items for the board and the committees to consider, including new financing and mortgage insurance for 235 units of affordable housing in Rockland, Onondaga and New York County.

She added that the combined bond issuances for SONYMA and HFA totaled approximately \$2 billion, which is consistent with prior years' issuances, and constitutes a sizable contribution to creating and preserving affordable housing in New York State.

Ms. Visnauskas followed up by summarizing developments on the Federal housing assistance fund, where the Agencies had the privilege of having Governor Hochul announce that New York state was the 1st state in the country to get approval from the Department of Treasury to launch our fund. The program is funded in an amount of \$539 Million, and it seeks to assist eligible homeowners to reverse mortgage delinquency, default, foreclosure and housing displacement. She added that the Agencies have launched the website for the program, as well as a marketing campaign in various languages to help educate homeowners about the program and ensure that all New Yorkers, especially those who are in non-English-speaking households will be ready to apply.

The program targets low- and- moderate income homeowners who are behind on their mortgage payments, behind on their property taxes, water bills, sewer bills, and will serve owners of co-op and condo units who are behind on their maintenance fees as well as manufacture home homeowners who are behind on shadow loans or retail installment contracts. Ms. Visnauskas added that, for homeowners who are currently still unemployed, they can also receive assistance for up to 6 months of future housing payments. The program will serve persons who are delinquent on their housing payments for their primary residence and is capped at \$50,000 per household. She added that the Agencies have been working with a nonprofit entity, Sustainable Neighborhoods, selected through an RFP. They did a lot of work in the 2008 foreclosure prevention and loss mitigation programs that operated in the State at that time.

Ms. Visnauskas closed by summarizing the status of the federal legislation and noted that the Agencies were busy working with Chamber on the State of the State.

Chairman Adams thanked Ms. Visnauskas for her report and noted that the Boards would proceed on the agenda with a change: the first item on the agenda taken up at the meeting would be item 9, due to Mr. Friedman needing to attend to a doctor's appointment this morning. Chairman Adams noted how good it was to have Mr. Friedman able to present before SONYMA again, after his recent accident and recovery.

Chairman Adams noted that Item 9 was a **Resolution of the SONYMA Mortgage Insurance Committee approving 100% mortgage insurance on an increase of \$438,260 in insurance to \$3,640,532 for the LISC project known as 527 West 134th Street in New York City, New York County.**

Mr. Friedman presented the item.

Ms. Manley moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the SONYMA Mortgage Insurance Committee, the motions are carried, and the resolution adopted.

Chairman Adams noted that the next item was Item 10, a **Resolution of the SONYMA Mortgage Insurance Committee approving 100% mortgage insurance on a \$2,640,000 CPC permanent first mortgage loan for 28-40 Columbus Avenue, Spring Valley, Rockland County.**

Mr. Friedman presented the item.

Mr. Kapell asked Mr. Friedman to provide a little more color on the project, since things did not work out well in its original iteration. Mr. Friedman noted that a new manager had been brought in to replace the prior management company which had been incompetent at best and unethical at worst. Mr. Kapell asked if the co-op board was being reconstituted and Mr. Friedman answered in the affirmative.

Ms. Manley moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the SONYMA Mortgage Insurance Committee, the motions are carried, and the resolution adopted.

Chairman Adams noted that Item 11 was being deferred.

Chairman Adams proceeded to Item 12: **Resolutions of the SONYMA Mortgage Insurance Committee and of the SONYMA Board approving 100% mortgage insurance on an \$11,300,000 CPC permanent first mortgage loan for Camillus Mills II project in Camillus, Onondaga County.**

Mr. Friedman presented the item.

Mr. Kapell noted that usually the loan to value of ratios on MIF projects are very favorable but that this transaction starts to approach the 80% limitation. He also noted that under the risk analysis the loan represents 70% of the project cost, which is high compared to other projects coming to the Committee and Board. Mr. Friedman confirmed those facts and stated that his level of comfort was nevertheless high given the experienced management team and the limited subordinate financing, just the \$400,000 loan. Mr. Kapell also mentioned that, applying Board member's Gross Fair Housing metrics, the project scored high. Mr. Friedman noted that it was a High Opportunity area, with a very small non-White population.

Ms. Miller asked whether the project had any green features. Mr. Friedman agreed to check and noted that the information would be provided separately to Ms. Miller and any other Board members who wished to review it.

Ms. Manley moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second motions previously entered for the SONYMA Mortgage Insurance Committee and the SONYMA Board, the motions are carried, and the resolutions adopted.

Chairman Adams noted that the next item was Item 13, comprised of (a) and (b):

(a) Resolution of the SONYMA Mortgage Insurance Committee approving 100% mortgage insurance on a \$2,025,000 HFA permanent first mortgage loan for the Colonial II Apartments project in Rome, Oneida County.

(b) Resolutions of the HFA Finance and Program Committee and the HFA Members recommending and authorizing the financing approval of \$23,000,000 of maximum fixed-rate and/or variable-rate, tax-exempt and/or taxable bonds, and an amount not to exceed \$14,315,000 in HFA subsidy funds for the Colonial II Apartments project in Rome, Oneida County.

Mr. Friedman presented for the MIF and Russell Hubley presented for HFA.

Ms. Miller noted that there would need to be tenant relocation during construction and asked Mr. Hubley to provide details. Mr. Hubley noted that the relocation will be performed in 4 separate phases as the building is rehabilitated. During each phase, approximately 20 residents will be relocated for a period of 17 to 19 weeks. No residents are going to be displaced. They will all be allowed to return. And the relocation process is going to be coordinated by the housing authority. The housing authority has other properties in the city, which they can temporarily relocate tenants to as needed.

Ms. Gross noted that the Fair Housing score on the project was low, 19.36. Her concern was to address, on the all-rehab project, the issue of whether HFA as an agency were rehabbing low-income housing in a segregated community at the same rate as the agency was rehabbing low-income housing in non-segregated communities. But she added that, given the area and the current situation, this project features a major improvement in the lives of the people already living in this area.

Mr. Kapell asked about the number of units being lost as a result of the rehabilitation. Mr. Hubley noted that the units are decreasing from 99 to 74 and noted that they are not being recaptured. He stated that the units lost were very small studios, measuring 390 square feet. In response to a question about relocation given the shrinking unit count, Mr. Hubley noted that this would not impact the relocation since a number of units have been kept empty in anticipation of the rehabilitation.

Ms. Manley moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second motions previously entered for the SONYMA Mortgage Insurance Committee, the motions are carried, and the resolution adopted.

Ms. Manley moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the HFA Finance and Program and for HFA, the motions were carried, and the resolutions adopted.

Chairman Adams noted that the next item is a Consent Item for SONYMA with no discussion unless Board members so request.

ITEM 14: Resolution authorizing a one-year extension to the Mortgage Insurance Fund Pool Insurance Policy for SONYMA Single Family Program.

Ms. Manley moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second motions previously entered for SONYMA, the motions are carried, and the resolution adopted.

Chairman Adams noted that the next two items on the agenda are Information items:

ITEM 15: Swap Reports for SONYMA and HFA Swaps, detailing performance during 2020-2021.

ITEM 16: MIF Activity Reports for period from November 1, 2021 through November 30, 2021.

Chairman Adams then stated that we would be going back to Item 1 on the agenda,

ITEM 1. The transcripts of the held via telephone on November 10, 2021, and of the MBBA and TSFC Board meetings held on September 9, 2021 were deemed approved, after noting a comment from Ms. Gross who asked that a statement in the transcript on fair housing be corrected.

Chairman Adams moved to Items 2 and 3 on the agenda and asked staff if these two items, each of which involves major Agency panels for bond counsel and underwriters, could be deferred until the next meeting to provide Board members some additional time to review the materials. Staff responded that the items could be deferred.

Chairman Adams moved to **ITEMS 4 AND 5:**

Resolutions approving the Minority and Women-Owned Business Enterprise Annual Goal Plan and the Service-Disabled Veteran-Owned Business Program Goal Plan for Fiscal Year 2022-2023. He noted that these items were presented before the Governance Committees earlier today and would be addressed jointly as they were at the Committee level, with no discussion needed at the Board.

Ms. Manley moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second motions previously entered for each of the Agencies on both items, the motions are carried, and the resolutions adopted.

Chairman Adams noted that the next item was an HFA and SONYMA Consent Item.

ITEM 6: a resolution approving Annual and 3d and 4th Quarter Bond Sale Reports.

Chairman Adams noted, particularly for the benefit of the newer members of the SONYMA and HFA Board that it is an important report for the Board as it lists and provides great detail on the results of the SONYMA and HFA bond sales during this period.

Ms. Manley moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second motions previously entered for HFA and SONYMA, the motions are carried, and the resolutions adopted.

Chairman Adams noted that the next two items were information items:

ITEM 7: Board Self Evaluation.

ITEM 8: Lobbying law memo

Chairman Adams noted that the final item at the meeting would be a presentation on Fair Housing, prompted by the comments at the last few board meetings from the Board on the importance of Fair Housing analysis of agency projects. In particular, he noted the impact of the analytical software which SONYMA Board member Ms. Gross has been using to analyze fair housing impacts and which has been shared with Board members for their use.

Ms. Hiwot and Ms. Salcedo presented for the Agencies, focusing their presentations on the various goals which HFA seeks to meet as it reviews individual projects.

Ms. Hiwot began by summarizing for the Boards the various interrelated players in the 4% and 9% tax credit transactions. The emphasis was on the level of coordination required among the many different players in the transactions. She noted that a huge component of this process involves financial feasibility and readiness of projects. She noted that developing housing, particularly family housing in low resource areas is an agency priority that, while challenging at times the, the agency remains committed to. She summarized the various scoring boosts and other extra benefits provided by the Agency to projects that meet the goals of increasing affordable housing in Agency-identified high resource areas

Ms. Hiwot summarized the various HFA objectives, focusing on (1) Supportive Housing, which seeks to provide Integrated Supportive Housing with service and rent subsidy (ESSHI or other); (2) Community Renewal and Revitalization, which funds mixed use and/or mixed-income projects that are part of a coordinated local community redevelopment/rezoning plan; includes rehabilitation of existing affordable units, adaptive re-use of underutilized buildings and new infill construction; (3) Workforce Opportunity, where the Agency looks for projects in proximity to MTA or regional multi-modal transit centers that contribute to development of mixed-use, higher density

neighborhoods, and (4) Economic Development Projects endorsed by Regional Economic Council Strategic Plans, or those that advance other state initiatives (Downtown Revitalization Initiative, ESPRI, Brownfield Cleanup).

She then continued to the HFA priorities, listing them as follows: (1) Public Housing: Substantial or Moderate rehabilitation and/or demolition and replacement of new Public Housing Authority units, (2) Preservation: Properties with existing regulatory agreements with HCR or another City, State, Federal or local housing agency that are at risk of de-regulation, (3) Senior Housing: Projects that allow low-income seniors to live independently in the community, and (4) Well-Resourced Areas (formerly Housing Opportunity): Multifamily developments in census tracts that are served by well-performing schools.

Ms. Salcedo noted that HCR under the Commissioner's leadership takes affirmatively furthering fair housing very seriously. She then summarized the history of the Affirmative Furthering Fair Housing legal developments. She followed by noting that aside from the incentives in the development of affordable housing described by Ms. Hiwot, we have taken a broader approach, reaching areas beyond the development of housing. She summarized Mobility programs in Westchester and Long Island, Services to help voucher families navigate moves to well-resourced areas, and the expansion of these programs to other upstate cities. She then summarized the approach taken to remove discriminatory barriers to access to HCR-funded housing. These include: individualized screening assessments with simple step-by-step worksheets for housing providers. On the topic of Credit it includes 12-months rent payment or full subsidy. No credit can be pulled; no rejections based simply on credit score; no student or medical debt can be counted; financial abuse related to intimate partner violence cannot be counted. On the topic of justice involvement, the approach is as follows: we limit the offenses that may be considered (danger to persons or property); we demand examination of time elapsed, nature of crime, age of conviction, evidence of rehabilitation, etc., and for both policies, applicants must be given 14 days to provide additional mitigating or explanatory information.

Ms. Salcedo then summarized the HCR fair housing testing processes as well as its assessment of fair housing testing.

Chairman Adams thanked staff for the presentation and asked Ms. Manley to ensure that the Power Point be shared with all Board members, even those who were not able to attend the meeting. He then asked Ms. Gross if she had any questions.

Ms. Gross stated that she had no questions at this time, as she was still waiting for staff to provide her with some information she has previously requested that hopefully identifies how HCR has developed its analysis around determining high resource areas. She noted that her organization has shared its tools with the Board and with staff so folks can see how the tool works. She added that earlier she had provided some comments to Ms. Manley on the topic and noted that she has had two follow-up meetings with staff.

She noted that on the HCR website there is a color-coded map and it has almost all of Long Island identified as a high resource area, and she would like to understand how that came to be determined in such a way. Her analysis is different: looking at a couple of the census tracts it does not appear

as if they can be identified as high resource areas if you are looking at things like income and segregation information.

She added one more comment: going back to the presentation, she noted that extra points or credit is given for meeting certain goals, but that when it comes to fair housing the actual requirement is that you deal with racial segregation, with the placement of units that are not furthering racial segregation. The approach to provide credits for other goals, valid as it may be, means that you can have projects that further segregation and still get done because they meet other HCR goals. Ms. Gross noted that she considers that problematic.

Ms. Manley noted that staff has been busy working on materials for the Housing Plan and the State of the State, but that they would be getting back to Ms. Gross on her request promptly.

Ms. Gross added that one piece of bad news she had to report concerns the tool. It uses Enterprise 360 as a key component, and she has been informed that the tool will sunset this week. So, an alternative will have to be developed. Ms. Gross provided more detail on how the Enterprise 360 tool works.

She then closed by noting that in her view what the Board has not been getting in the presentations on projects is a clear discussion of whether the siting of the projects is furthering fair housing, and on what kind of scale. How does the ultimate result depend on the placement of the project, and if the placement is not in fact furthering fair housing, what are the mitigating factors that should be considered? If a project is going to bring in people of color to an area, what is that going to do to the dissimilarity index in that area? The federal government was responsible for segregating this housing and their lack of enforcement of fair housing is responsible for the continuation of segregation, and the goal of the state and its agencies should be to aggressively address the impediments to fair housing which of course includes decreasing segregation and not just continuing to build housing that can exacerbate the problem. The goal should also be full disclosure on the topic and transparency.

Ms. Manley noted that as the presentations by staff showed, staff has a clear goal to ensure furthering fair housing, and the board memos have perhaps not done a good enough job of laying out the information for the Board, which is something that is being addressed.

Chairman Adams thanked Ms. Gross for all her work in this very important area and for keeping this as a front burner issue for both the Board and staff.

Ms. McKeown thanked Ms. Gross for her advocacy and the State since the ways these agencies analyze projects is very impactful, but race is very important and elevating this analysis through the fair housing tool is crucial. She mentioned how at CPC this was being done also as it encourages its partners to do more in this area. She welcomed the opportunity to discuss the issue offline with Ms. Gross.

Mr. Kapell thanked Ms. Gross and noted that he would continue to use the tool as he assesses projects coming before SONYMA. He wanted to ask what's admittedly, perhaps a provocative question. People often want to congregate or live around people that are like them, whether it's with people of the same race or by religion or by cultural background or ethnicity. And so how,

how does a strictly numerical objective metric like the one the tool focuses apply in those situations?

Ms. Gross answered by noting that there has been substantial research done around the country to address this particular question, since it comes up often in discussions of segregation. The research is focused on asking people of color whether they preferred living in communities that were 100% black or communities that had different percentages. The results from these surveys are consistent across the board: around 1% percent of black respondents reply that they want to live in communities that are 100% black. The remainder respond that they prefer to live in racially mixed communities. She noted how Erase Racism paid to have a university conduct the same research and the results mirrored the prior national surveys.

She noted that clearly people should have a choice in the communities they wanted to live in. But she noted that if we were going to drive a diesel engine down the track perpetuating segregation we have to be intentional on the other end and say that we are not going to have our new housing developments end up doing what the federal government did initially. In that case it was intentional; in our case it may be by omission, by failing to provide alternative housing opportunities in non-segregated areas.

Ms. Manley noted that as set forth in the presentation the Agencies were investing in mobility counseling to work with Section 8 voucher holders encouraging them and offering them opportunities to move to high opportunity areas.

Mr. Kapell noted that in the context of his experience in Greenport, Long Island, which is a very diverse community, and is under a lot of economic pressure over the last few years, which has forced people out of the community, gentrification is a big issue. One of the reasons people end up leaving Greenport is because there simply isn't an adequate supply of decent, affordable housing and that this goes beyond race. He added that one of the things the Agencies can be proud of is that we have expanded the supply of affordable housing in areas where people are looking for ways to stay.

Ms. McKeown noted that what this discussion does is broaden the analysis: the inclination is for the state and its agencies to go into the worst neighborhoods and want to repair and restore the worst housing. But oftentimes those worse neighborhoods are concentrations of poverty and race. Now just because those are the facts does not mean we should not act. But it means we can't stop there and we have to consider other solutions, in addition to using the argument that it's a form of affordable housing. We're providing homeownership, but people want choice. The unfortunate truth is that the most stress is in racially concentrated black and brown neighborhoods, and that's where we tend to take our resources but that's not always the solution. So, with the Legacy Cities program, it's really caused us to consider this issue, because they're concentrations of brown and black poverty in these cities. It has caused us to think more broadly about providing housing in more integrated communities.

Chairman Adams thanked the Board members and staff for the terrific presentation, and particularly thanked Ms. Gross for her contributions to making further fair housing an issue that the Boards as well as staff address in a thorough and transparent manner.

Chairman Adams asked Ms. Manley to adjourn the meeting.

Ms. Manley asked for motions and seconds to adjourn the meeting.

Ms. Manley noted that assuming the first and second previously entered for SONYMA, MBBA, TSFC, HFA and AHC, all in favor of adjourning please signify by saying Aye. The motions were carried and the meetings adjourned.

Ms. Manley informed about next board meetings are scheduled for Thursday, January 27, 2022 at 9:00 a.m.