

NEW YORK STATE HOUSING FINANCE AGENCY

LIST OF MEASUREMENTS FOR CALENDAR YEAR 2023

HFA Mission Statement Report-Multifamily Unit 2023

1. Number of low to moderate income units financed:

HFA created and preserved 4,970 affordable housing units in 2023 compared to 5,073 in 2022 and 4,577 units in 2021.

HFA financed a total of 26 projects, including 17 new construction projects that created 2,728 affordable units and 9 preservation projects that preserved 2,242 affordable units. These projects include the creation or preservation of 1,165 units of supportive housing and 667 units of senior housing across the state and units responsive to each of the State's housing goals.

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

In 2023, 4,970 affordable units created or preserved across 13 counties.

- 1,550 (31%) were located in New York City
- 831 (17%) were located in Westchester and Long Island
- 2,589 (52%) 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 utilized \$1,057,235,000 of volume cap to finance 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. In addition, to maximize the use of volume cap resources, HFA implemented the use of recycled bonds and preserved \$12,680,000 of volume cap.

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 and aligned with the States Climate Leadership and Community Protection Act goals of decarbonization. Multifamily projects supported by HCR financings mandate the use of Sustainability guidelines that promote the use of national standards for energy efficiency, including, but not limited to, Energy Star, Enterprise Green Communities and 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 Energy and Green Building Requirements and corresponding carbon reduction goals. HFA is a national and international leader in issuing certified green and sustainability bonds for affordable housing. As of 2023, projects under our new construction programs must design their projects to meet the State’s all-electric design requirements and participate in the benchmarking of utility usage during the years of their HFA regulatory period.

In 2023, HFA issued \$997.5 million of Sustainability Bonds to fund 22 projects for the creation of 4,238 units. Six projects were funded with \$342.4 million of Sustainability Bonds with a CBI certification totaling for the creation of 1,104 units. Over \$3.9 billion in CBI certified bonds have been issued since the inception of the NYS HFA program.

HFA Preservation:

All HFA preservation projects must comply with the Existing Building Sustainability Guidelines, released by the State in June 2022, which list three construction categories for Preservation; Adaptive Reuse, Substantial Rehabilitation, and Moderate Rehabilitation. The target goal for Adaptive Reuse is aligned with the new construction standards listed above, Substantial rehabilitation targets a 20% energy reduction while also achieving a national efficiency standard. 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, with the exception of Adaptive Reuse projects. 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 Energy and 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 for substantial rehabilitation and moderate rehabilitation. 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, the projects must comply with the Sustainability Guidelines baseline requirements for their construction type that are in place for all projects to adhere to.

In 2023, HFA issued \$250.6 million of bonds to fund 7 projects for the creation of 1,617 units that were required to provide 20% reduction in energy use.

5.Construction

HFA increased its efforts to promote and support creative solutions for housing including modular construction, structural timber construction, emerging green building technologies and emerging electrification technologies. This was achieved by educating HCR staff on these emerging techniques/technologies through training webinars, connecting with industry professional to understand the challenges with these emerging techniques/technologies and working to create guidelines for their implementation in HFA projects. While some of these technologies have been slow to infiltrate the market due to the learning curve for developers, designers, and contractors, HFA continues to prepare by developing a thorough understanding of these emerging trends and developing the tools to properly assess them in proposed projects.

Emerging green building and electrification technologies have been at the forefront of these efforts, and as part of the Agency's Clean Energy Initiative (CEI) funding, we have implemented dedicated support for development teams. Every CEI awarded project is assigned a Technical Assistance Provider (TAP) who are industry specialists in energy efficiency and electrification, at no additional cost. TAPs guide the development teams through the program and provide additional support as teams navigate high-performance building design and construction. This model helps to ensure that the market continues to knowledge share and train up to implement emerging technologies and techniques.

6. Hotel and Commercial Conversion

New York State Homes and Community Renewal established a term sheet consistent with the HONDA legislation that directs the \$200 million in funds can be spent to repurpose hotels and commercial office buildings that are underutilized as a result of the pandemic to provide much needed safe, quality, affordable and supportive housing. In December 2023, in partnership with the NYC Department of Housing Preservation and Development and the NYC Housing Development Corporation, HCR closed on financing of the first hotel conversion to use HONDA funds – the conversion of the JFK Hilton Hotel into 323 units of affordable housing with on-site support services. HCR contributed \$47.7M funding to the project. The proposed development is in the South Jamaica neighborhood of Queens, close to JFK Airport. The ground floor has ample space for administrative, social service and community facility space. Building amenities will include a community room, recreation room, outdoor pool, fitness room and laundry facilities. Residents of the new building will benefit from full-time security and maintenance staff, on-site social services. The project is a partnership between Slate Property Group and Riseboro.

7. Transit Oriented Development

The NYS Housing Finance Agency prioritizes the development of projects that adhere to the principles of transit-oriented development (TOD). This approach integrates land use and transportation planning to create vibrant, sustainable communities centered around accessible and efficient transit options. The Agency's projects exemplify this commitment, as all 2023 projects were transit-oriented developments with access to public transportation. Each project access to public transportation is included in the "Location" section of the Board memos, which cites information about the transit-oriented nature of the Agency's projects. By emphasizing TOD, the state aims to enhance connectivity, reduce reliance on private vehicles, and promote a more environmentally friendly urban landscape across New York State.

STATE OF NEW YORK MORTGAGE AGENCY

LIST OF MEASUREMENTS FOR CALENDAR YEAR 2023

The number of mortgages purchased, and the incomes served.

For the calendar year of 2023, 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 1,701 mortgages in 2023, compared to 1,953 in 2022, and 1,686 in 2021, serving the following income ranges:**

Distribution of Purchases

Income Ranges	<u>2021</u>	<u>2022</u>	<u>2023</u>
>100% of AMI	26.27%	24.47%	27.45%
80% to 100% of AMI	24.02%	25.42%	27.60%
60% to 80% of AMI	27.40%	27.21%	26.15%
50% to 60% of AMI	12.10%	12.25%	10.08%
<=50% of AMI	10.20%	10.65%	8.72%

- 2. The geographic diversity of mortgages purchased as well as number and geographic diversity of participating originators.**

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

	% of Loans Purchased		
<u>Region</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1 - Buffalo	16.73%	17.61%	17.99%
2 - Rochester	16.55%	14.44%	10.93%
3 - Syracuse	2.97%	3.84%	3.82%
4 - Binghamton	3.68%	3.02%	2.47%
5 - Mid-Hudson	6.29%	5.22%	3.88%
6 - Capital	8.19%	7.93%	5.11%
7 - Mohawk Valley	0.59%	1.74%	1.06%
8 - Downstate	5.10%	8.60%	11.17%
9 - Long Island	24.20%	20.63%	25.16%
10 - NY City	15.72%	16.94%	18.40%

3. The performance of the loan portfolio

The loan portfolio performed with delinquencies as of October 31, 2023, at 2.21% of loans, which was significantly better than the state average of 3.48% and close to the national average of 2.16%.

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 subsequently on its own, offered 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. Subsequent bulletins offered additional 6-and12-month extensions of forbearance until January 31, 2022. No further extensions were granted to borrowers after that date. As of January 2023, all borrowers had exited forbearance, delinquencies returned to pre-pandemic levels.

4. Fiscal Health

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

5. Introduction of innovative programs and products that accomplish the program goals:

- a. Focus on Low-Income Homebuyers:** During 2023, 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.

The Agency focused mortgage financing activities on the Achieving the Dream Program, which assists lower-income. In 2023, 1,274 of the Agency's mortgages were originated under this program, a decrease from 1,769 in 2022 but an increase from 1,137 in 2021. Overall, 1,017 of the mortgages purchased were made to low-income homebuyers (80% of area median income or less), an increase from 1,090 in 2022 and 838 in 2021; and 655 loans SONYMA purchased statewide were made to minority households, an increase from 451 in 2022 and 392 in 2021. 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 subsidize interest rates without external funding.

In September 2023, the Agency launched DPAL Plus ATD offering up \$30k in down payment assistance to households under 80% AMI utilizing the Achieve the Dream program. The program, funded through Governor Hochul's Housing Plan, provides \$10M available to low-income households for down payment assistance and closing costs. As of December 31, 2023, the Agency funded 17 mortgages totaling \$2.39 million in total principal and \$476 thousand in Down Payment Assistance under the program.

Also in August 2022, the Agency launched a limited DPAL Plus program targeted to residents of the East Buffalo region which leveraged \$4 million in funds made available under Governor Hochul's Housing Plan. Under this program, 76 mortgages totaling \$10.5 million in total principal and \$2.1 million in Down Payment Assistance were originated in 2023.

- b. Focus on Increasing Homeownership in Communities of Color:** In 2023, SONYMA continued the Give Us Credit Pilot program aimed at increasing homeownership in targeted communities using reimagined metrics and standards to evaluate credit worthiness. The program, based on SONYMA's data analysis of rejection rates for mortgage applicants of color, utilized nuanced underwriting criteria to avoid practices which tend to disadvantage communities of color due to historic economic and lending practices. These alternative underwriting protocols extend beyond credit history or credit score in determining who is credit worthy, including things like paying rent on time, non-traditional savings practices and non-traditional sources of income.

In September 2023, upon completion of the Give Us Credit pilot, SONYMA launched the Credit is Due initiative to support Participating Lenders who developed a Special Purpose Credit Program to address racial disparities in mortgage lending. The program, building on prior initiatives, provides enhanced Down Payment Assistance up to \$30,000; an interest rate reduction up to 2% off prevailing rates, as needed to qualify; and Give Us Credit alternative underwriting for applicants who need it to qualify. As of December 31, 2023, six lenders were actively participating in the program with additional lenders undergoing the onboarding process.

- c. Continuing efforts to educate and train major stakeholders on key SONYMA program details:** In 2023, SONYMA continued outreach efforts online, with over 150 web-based first-time homebuyer summits and realtor trainings. Additionally, SONYMA expanded the number of webinars offered through SONYMA University, developing content on topics that reflect the feedback and educational needs of attendees and other SONYMA partners. Since launching the effort in 2014, more than 6,500 attendees from our lender, nonprofit and realtor partners have participated in web-based training on SONYMA programs. Additionally, SONYMA offered a continuing education course accredited through the New York State Association of Realtors to approximately 250 realtors state-wide in virtual and in-person events during 2023.
- 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. Throughout 2023, SONYMA continued to engage with Council members through regular virtual meetings. Due to the COVID19 pandemic, on-site Advisory Council meetings were canceled, but are scheduled to return in 2024.

- f. **Continued Outreach Efforts to Industry Partners:** SONYMA's engagement with homeownership counseling organizations, realtors, lenders, not-for profits, veterans groups, community groups, and others across the State of New York continued through collaborative virtual events. These 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 2023, SONYMA expanded participation in online events, and hosted a series of seminars to promote program rollouts and engage external partners. Agency outreach efforts have gained 17 new Participating Lenders in 2023.

Also in the 2021 legislative session, a bill was passed in NY State that makes it easier for SONYMA to on-board Community Development Financial Institutions, including Credit Unions, who may share the same goals as SONYMA and who operate at a local level. Since the passage of the legislation, SONYMA has sustained outreach and trainings to targeted community- based lenders and continued to on-board these lenders as SONYMA Participating Lenders in 2023.

- g. **Continuation of 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. NRP home purchases allow qualified low- and middle-income buyers to receive up to \$20,000 in additional subsidy funds for home improvements with zero interest and no increase mortgage payments through SONYMA.

In 2021, the program was refined to limit eligibility to low income households earning below 80% AMI. Also, subsidy funds were limited to (a) structural improvement or repairs necessary to bring properties up to code; (b) reconditioning or replacement of major systems; (c) eliminate health and safety hazards; (d) energy conservation improvements; and (e) accessibility improvements for disabled persons.

Since inception in 2017, SONYMA has purchased 1,140 loans totaling \$286.3 million, with 30 loans totaling \$8.15 million purchased in 2023.

- h. **Continuing to move forward the SONYMA Community Restoration Fund:** The Community Restoration Fund (CRF) is a vehicle through which SONYMA can purchase delinquent mortgages with the aim to help borrowers modify their loans and remain in their homes. The CRF is also legislatively able to acquire vacant and abandoned properties to help renovate them before they become neighborhood blight. Since inception, the CRF has received a total of \$22,849,324 in funds, mostly from NYS Office of Attorney General settlements. The CRF has used these funds in various programs to achieve its mission.

In May 2017, the CRF formed a partnership with New Jersey Community Capital, to acquire 640 distressed mortgages in four non-performing loan sales. To date, 419 of those assets (65.4%) have achieved neighborhood stabilization outcomes, defined as loan modifications that result in home retentions, short sales, deed-in-lieu of foreclosure, foreclosure followed by sale to a nonprofit or owner occupant.

In February 2019, the CRF formed a partnership with three CDFIs, awarding them each \$333,000 for down payment assistance, pre-development, acquisition/rehab and home improvement loans and grants in support of CLTs in their communities. To date, the CRF has disbursed \$722,343.63 of the awarded funds under this initiative.

In May 2019, the CRF formed a partnership with the Center for NYC Neighborhoods, Inc. through its wholly owned subsidiary and CDFI, Sustainable Neighborhoods LLC. The CRF contributed \$995,514.33 in subsidy to help refinance 7 non-performing loans, resulting in home retention for these homeowners.

In October 2022, the CRF formed a partnership with the Community Preservation Corporation (CPC) and Providence Portfolio Management (PPM) to acquire 99 distressed mortgages from Fannie Mae through a Community Impact Pool (CIP) sale that required a CRF contribution of \$6,000,000. Loan servicing was transferred and housing counseling outreach began in the first quarter of 2023.

In 2023, the CRF reached an unprecedented agreement with HUD for the direct purchase of distressed mortgage to further its mission.

6. SONYMA’s accomplishments as they relate to MWBE goals:

As stated above, 655 (approximately 38.14%) of the 1,705 loans SONYMA purchased in 2023 were made to minority households.

<u>Race</u>	<u>Hispanic</u>	<u>Non-Hispanic</u>	<u>Total</u>
Black or African American	23	268	291
Other/Mixed Race	213	-	213
Asian	-	-	
-Chinese	-	5	5
-Filipino	2	1	3
-Indian	1	21	22
-Japanese	-	2	2
-Korean	-	8	8
-Other	3	95	98
-Vietnamese	-	2	2
Native American	7	2	9
Pacific Islander	2	-	2
Total:	251	404	655

SONYMA has continued to contract with MWBE vendors whenever possible for advertising and promotional materials. Also, the Agency is initiating a program to provide greater exposure of MWBE certified renovation contractors to borrowers utilizing the RemodelNY program. This pilot program will launch in 2024.

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

For the year ending December 31, 2023, 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 35 SF loans with 37 units for a total of \$5,578,874 in loan amount. The MIF provided commitments to insure 42 SF loans with 49 units for a total loan amount of \$8,416,725 in loan amount. The MIF also issued new commitments to insure 59 Project loans with 6,769 affordable units for a total of \$612,090,481 in loan amount. This was a 30% increase from the \$470,898,834, in loan amount in 2022. The decrease in the number of affordable units was due principally to the refinancing of the Wells Fargo loan for Coop City in 2022 which substantially increased its 15,372 units' length of affordability. The Insurance Fund provided pool insurance for 1,701 loans purchased by SONYMA Single Family with a loan amount of \$413,303,625 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. The MIF chose not to pursue a Fitch rating as Fitch does not rate HFA, SONYMA or HDC bonds.

	<u>As of 12/31/21</u>	<u>As of 12/31/2022</u>	<u>As of 12/31/23</u>
<u>PIF</u>			
No. of loans	1,036	1,049	1,053
Loan Amount	\$4,363,879,978	\$4,677,935,513	\$5,080,596,278
Units	109,432	112,571	115,679

Commitments

No. of loans	266	274	246
Loan Amount	\$2,274,882,845	\$2,320,415,967	\$2,075,772,942
Units	31,131	46,867	29,472

	<u>For the 12 months ended 12/31/21</u>	<u>For the 12 months ended 12/31/22</u>	<u>For the 12 months ended 12/31/23</u>
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New PIF

No. of loans	50	92	65
Loan Amount	\$406,729,718	\$624,742,441	\$559,571,710
Units	5,323	22,494	6,420

**New
Commitments**

No. of loans	64	61	59
Loan Amount	\$516,730,288	\$470,898,834	\$612,090,481
Units	6,130	20,673	6,769

***The chart represents awards made in 2023. 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 \$40,500,000 in State funds for its Affordable Home Ownership Development Program for FY 2023-2024. 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 Buffalo Emergency Home Repair Program. \$16.6 Million in funding has been awarded to assist homeowners in targeted zip codes on the Eastside of Buffalo. These zip codes are the communities in Buffalo with the highest housing distress indicators and the highest concentrations of homeowners who have historically been subjected to housing discrimination.
- c. AHC launched the \$6 Million AHC Flood Assistance Program following significant housing damage caused by flooding in Orange, Clinton, Dutchess, Essex, Hamilton, Ontario, Putnam, Rockland, and Westchester Counties available to non-profit partners which to assist homeowners in the impacted Counties. The Program offers emergency home repair assistance to impacted homeowners for whom FEMA Individual Assistance or other disaster recovery assistance is unavailable.

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

- a. In 2023, 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. AHC's MWBE utilization was XX% during calendar year 2023

Evidence of Advancement of Fair Housing Goals:

In 2023, NYSHCR published its draft Assessment of Fair Housing called Fair Housing Matters NY. A final report will be published in early 2024 incorporating comments submitted in the public comment period. The report sets 8 fair housing goals, outlined below along with accomplishments undertaken in 2023 that meet these goals.

Goal 1: Build upon opportunities for wealth creation through affordable home ownership.

In 2023, the agency:

- Launched the Affordable Homeownership Program to subsidize the building and preservation of homeownership opportunities for low- and moderate-income New Yorkers.

In addition, SONYMA on behalf of the HCR engaged in the following:

- Homeownership assistance in the form of Downpayment Assistance and reduced interest rates for low-income New Yorkers
- Give Us Credit Underwriting Standard which are non-traditional and alternative credit metrics for home mortgages (example, counting boarder income in underwriting)
- Launched the Credit is Due Program, which works with established Special Purpose Credit Programs at local banks that extend credit to underserved communities.

Goal 2: Increase access to suitable affordable housing for those with disabilities.

In addition to financing supportive housing units and implementing broad accessibility standards for HCR's housing projects pursuant to HCR's Design Guidelines, in 2023 the agency:

- Completed a procurement for a new housing posting and lottery website that will include accessibility features and make finding adapted affordable housing more streamlined for New Yorkers.
- Implemented and trained housing providers on a new policy outlining outreach and linkages that must be done for affordable accessible units, and clarifying waitlist management that must be conducted for those with disabilities.
- Funded 6 non-profits for fair housing training which also included accessibility construction standards for architects and contractors.
- Published Design Standards specifically for homeownership projects, which includes accessibility design that often goes beyond local codes.

Goal 3: Create more affordable housing with avenues for community supports

In 2023, the agency:

- Launched the LGBTQ+ Affirming Senior Housing Program, which provides financing to develop new multifamily rental housing that is affirming for New York State's LGBTQ+ low-income seniors aged 62 and above so that they may age in place and live independently in their own homes and communities.
- Created funding priorities in the Community Investment Fund Termsheet for the development of childcare centers, grocery stores or supermarkets, healthcare facilities, youth services, job training organizations and/or other community facilities.

Goal 4: Remove barriers to housing by addressing redlining and disinvestment in neighborhoods

In 2023, the agency:

- Included \$3 million LIHTC set-aside for proposed projects in Well-Resourced Areas, characterized by low poverty and higher than the median in school performance.
- Rolled-out and continued programs aimed at decreased that race homeownership gap (see Goal 1).
- Added a set-aside of up to \$3 million in LIHTC for NYS-certified Minority/Women-Owned Business Enterprise (M/WBE) and Service-Disabled Veteran-Owned Business (SDVOB) Developers.
- Released Phase II of the \$50 million New York Land Bank initiative to support the acquiring, stabilizing, and facilitating the redevelopment of blighted and abandoned properties, returning them to productive use, and growing local property tax bases.

Goal 5: Increase access to affordable housing by addressing barriers to housing choice

In 2023, the agency:

- Continued to incentivize development of affordable housing in well-resourced areas by setting aside \$3 million in the unified funding round and awarding competitive points for these projects.
- Continued careful scrutinization of requests for local community occupancy preferences and age-restrictions in State-funded projects.
- Expanded the Making Moves Section 8 Mobility Counseling program to 2 more locations (Newburgh and Ithaca) joining HCR programs in Long Island, Westchester and Buffalo.
- Conducted a social media campaign for Making Moves program awareness achieving over 5 million impressions in program areas.
- Expanded and strengthened HCR's applicant assessment policies for housing providers when reviewing criminal legal system involvement and credit/financial history. Individualized assessments in these areas must be conducted and opportunity given to correct and/or providing mitigating information. Instances like student and medical debt, convictions and bankruptcies that happened beyond lookback periods and instances of criminal legal system involvement that do not involve the health and safety of the building or residents, and financial history tied to instances of domestic violence, cannot be considered.

Goal 6: Increase access to affordable housing through fair housing education and enforcement

In 2023, the agency:

- Extended the fair housing testing pilot program, implementing a \$2.2 million program with 6 fair housing organizations to test landlords, brokers and lenders on disparate treatment of protected classes.
- Through the 6 fair housing organizations and through the Fair and Equitable Housing Office, conducted trainings and outreach to varying housing stakeholders, including landlords and tenants, on fair housing rights. Included social media and non-traditional formats like bus ads in Queens.

- Collaborated with New York Attorney General’s Office and the Division of Human Rights on initiatives and efforts to enforce the source of income protections in the Human Rights Law.
- Continuing to collaborate with other state agencies to address issues of housing discrimination, including offering public education and outreach events in multiple languages.

Goal 7: Promote development of affordable housing in areas where land use and development regulations provide barriers

- Launched the Pro-Housing Community Program. Communities that are designated pro-housing communities (generally by achieving housing growth targets) receive a preference in priority for state discretionary funding opportunities.
- Incentivized building of multi-family housing in well-resourced areas through funding set-asides and tax-credit priorities.

GOAL 8: Implement environmental justice principles in State-funded housing in response to climate change

- Published 2023 Sustainability Guideline for HCR-funded housing requiring new construction to meet all-electric high efficiency standards laid out in the guidelines
- Committed \$7 million to the Clean Energy Initiative Program for new construction and adaptive reuse at 0% interest
- Incentivized HCR-financed new construction to commit to “Stretch Sustainability Goals” that go beyond the core sustainability requirements.

2023 MWBE Performance Measurements

Department of Empowerment, Compliance and Opportunities (DECO)

Accomplishments:

DECO has worked diligently to further the mission of ensuring that Minority and Woman-Owned Business Enterprise (MWBE) and Service-Disabled Veteran-Owned Business (SDVOB) firms are engaged to the greatest extent feasible, especially as the pandemic has exacerbated longstanding challenges these businesses face. DECO (1) analyzes the agencies' expenditures to identify areas for MWBE and SDVOB opportunities, (2) works with all relevant internal departments to create procurement strategies, (3) participates as a member on all RFP/RFQ selection committees to advocate for MWBE and SDVOB inclusion in prime contract and subcontracting opportunities, and (4) identifies barriers the Agencies may face in achieving the overall annual goals. DECO is also responsible for monitoring compliance and quarterly reporting to the Empire State Development Corporation and the Office of General Services, in addition to the Executive Chamber. The department has grown to include 19 staff members.

The additions of a strategic program analyst, senior compliance specialist, two procurement compliance specialists and a junior compliance specialist will expand DECO's capacity to meet the increased volume of deals and projects.

The DECO page on the Agencies' website provides information and resources for and about MWBE and SDVOB firms including links for ESD and OGS NYS certification requirements and benefits. The page links certified firms to procurement opportunities at HCR, opportunities related to HCR financed development and construction activity, and contact information for finance developers seeking MWBE and SDVOB services related to approved utilization plans. DECO consistently engages with uncertified MWBE and SDVOB firms identified during the review of utilization plans and quarterly reports to encourage certification. The office has integrated the use of goal setting software that identifies certified firms across all certifying agencies. The software enhances the office's ability to share opportunities in real time and set appropriate goals for construction projects and procurement contracts.

The department successfully completed a rebranding, changing the name from OEPOD – DECO. This has resulted in opportunities to speak at ESD's MWBE Business Growth Accelerator Program, Ascend Long Island, and the NYS MWBE Forum where the Director of Compliance was recognized with an award.

DECO has also been re-introduced to the HFA credit committee as a non-voting member, allowing for DECO to review all financing for construction.

DECO is exploring IT solutions that are GIS compatible to identify right-sized opportunities for MWBEs on all new projects by region, municipality, and political district. The department will also launch a pilot program to co-host pre-bid conferences with project partners

virtually and in-person. This partnership will allow DECO staff to follow through with good faith efforts toward increased utilization.

DECO received HFA board approval to make a \$150k Contribution from the MWBE Technical Assistance fund to support Youth Construct and foster an introduction to ACED (Architecture, Construction, Engineering, and Development) industries for at-risk youth enrolled in NYC public high schools.

DECO has procured a business consultant to conduct a market feasibility study that will inform an education series entitled “The business of doing business with HCR”, designed to serve established BIPOC developers with technical assistance and for subcontractors seeking larger opportunities from prime contractors.

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

In Calendar Year 2023, the Agencies’ MWBE utilization was as follows:

Overall – 29%

Procurement – 63%

Construction – 28%

Bond Related Activities – 14%

In the same period, the Agencies’ SDVOB utilization was 5%