

NEW YORK STATE HOUSING FINANCE AGENCY

LIST OF MEASUREMENTS FOR CALENDAR YEAR 2022

HFA Mission Statement Report-Multifamily Unit 2022

1. Number of low to moderate income units financed:

HFA created and preserved 5,073 affordable housing units in 2022 compared to 4,577 in 2021 and 5,201 units in 2020.

HFA financed a total of 34 projects, including 22 new construction projects that created 3,339 affordable units and 12 preservation projects that preserved 1,734 affordable units. These projects include the creation or preservation of 1,041 units of supportive housing and 760 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 2022, 5,073 affordable units created or preserved across 14 counties.

- 2,542 (50%) were located in New York City
- 374 (7%) were located in Westchester and Long Island
- 2,157 (43%) 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 \$1,090,402,000 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 \$10,095,000 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. Projects under our new construction programs must participate in the benchmarking of utility usage during the years of their HFA regulatory period.

In 2022, HFA issued Sustainability Bonds 19 projects, totaling \$773.5 million in bonds for the creation of 2,815 units. Twelve projects were issued using Sustainability Bonds with a CBI certification totaling \$573.8 million in bonds for the creation of 1,801 units. Over \$3.4 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 2022, HFA issued bonds for 10 projects, totaling \$263.1 million in bonds for the creation of 1,195 units that were required to provide 20% reduction in energy use.

STATE OF NEW YORK MORTGAGE AGENCY

LIST OF MEASUREMENTS FOR CALENDAR YEAR 2022

The number of mortgages purchased, and the incomes served.

In 2022, SONYMA had the highest volume of lending in in the past 25 years, with more than \$449 Million in total loan purchases which served more than 1,953 primarily first-time homebuyers. A detailed breakdown of the activity is set forth below:

For the calendar year of 2022, 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 1,953 mortgages in 2022, compared to 1,686 in 2021, and 1,335 in 2020, serving the following income ranges:**

	Distribution of Purchases		
Income Ranges	<u>2020</u>	<u>2021</u>	<u>2022</u>
>100% of AMI	28.24%	26.27%	24.47%
80% to 100% of AMI	24.72%	24.02%	25.42%
60% to 80% of AMI	27.72%	27.40%	27.21%
50% to 60% of AMI	9.51%	12.10%	12.25%
<=50% of AMI	9.81%	10.20%	10.65%

- 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>2020</u>	<u>2021</u>	<u>2022</u>
1 - Buffalo	14.83%	16.73%	17.61%
2 - Rochester	16.40%	16.55%	14.44%
3 - Syracuse	3.22%	2.97%	3.84%
4 - Binghamton	3.82%	3.68%	3.02%
5 - Mid-Hudson	7.49%	6.29%	5.22%
6 - Capital	3.97%	8.19%	7.93%
7 - Mohawk Valley	1.42%	0.59%	1.74%
8 – Downstate (Mid-Hudson Valley)	6.74%	5.10%	8.60%
9 - Long Island	28.69%	24.20%	20.63%
10 - NY City	13.41%	15.72%	16.94%

3. The performance of the loan portfolio

The loan portfolio performed with delinquencies as of October 31, 2022, at 2.51% of loans, which was significantly better than the state average of 4.00% and close to the national average of 2.46%.

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 then 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.

4. Fiscal Health

The state of the State of New York Mortgage Agency's fiscal health is set forth in its financial statements.

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

- a. Focus on Low-Income Homebuyers:** During 2022, 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 homebuyers. In 2022, 1,523 of the Agency's mortgages were originated under this program, an increase from 1,137 in 2021 and 769 in 2020. Overall, 1,090 of the mortgages purchased were made to low-income homebuyers (80% of area median income or less), an increase from 838 in 2021 and 645 in 2020, and 451 loans SONYMA purchased statewide were made to minority households, an increase from 392 in 2021 and 313 in 2020. 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 April 2021, SONYMA launched a limited enhanced down payment assistance program, the Down Payment Assistance Loan (DPAL) Plus Program, which leveraged \$10 million in funds to aid very low- income households earning less than 60% of area median income in the purchase of homes priced lower than \$175,000. Under this program, 79 mortgages totaling \$8.77 million in total principal and \$3.95 million in Down Payment Assistance were originated in 2022. In 2022, the program had 39 mortgages totaling \$39.6 million in total

principal and \$3.8 million in Down Payment Assistance Loan Plus, fully utilizing program funds.

In July 2022, the Agency launched another limited DPAL Plus program targeted to residents of the East Buffalo region with an additional \$4 million in funds. Under this program, 50 mortgages totaling \$6.79 million in total principal and \$1.4 million in Down Payment Assistance were originated in 2022.

- b. Focus on Increasing Homeownership in Communities of Color:** Also, in 2022, 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 was designed based on SONYMA data analysis that looked at rejection rates for mortgage applicants of color across NY State and across all lenders. We found significant disparities as compared to white applicants in 33 concentrated communities across the state. Give Us Credit acknowledges that standard underwriting criteria tend to disadvantage communities of color due to historic economic and lending practices. The new underwriting protocols use a more nuanced evaluation metric than 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. The program launched as a pilot in NYC and Long Island in 2020 and expanded statewide in 2021. As of December 31, 2022, SONYMA has made approximately 220 mortgages under the Give Us Credit guidelines.
- c. Refinement of the SONYMA Express® Automated System to More Participating Lenders:** In 2021, the loan submission and approval system enabled a rapid transition to remote operations in response to the COVID-19 outbreak with minimal impact to participating lenders. Approximately 99% of the SONYMA volume is received through SONYMA Express® in 2022, with continued efforts to provide greater functionality and improved user experience.
- 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 100 web-based first-time homebuyer summits and realtor trainings. Additionally, SONYMA continued to expand the number of webinars offered through SONYMA University, developing content on topics that reflect the feedback and educational needs of attendees and the SONYMA Advisory Council. Since launching the effort in 2014, more than 4,500 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 180 realtors state-wide in 2022 virtually.
- 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. Due to the pandemic, the on-site Advisory Council meetings were canceled in 2020 & 2021, but quarterly subcommittee meetings continued virtually throughout 2022.

- 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 2022, SONYMA expanded participation in online events, and hosted a series of seminars to promote the Give Us Credit and DPAL Plus program rollouts.

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 conducted outreach to and group trainings to targeted community-based lenders and have on-boarded a handful of these lenders as SONYMA approved originating lenders in 2022.

- 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 1,110 loans totaling \$278.2 million, with 67 loans totaling \$19.5 million purchased in 2022.

- 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 is being transferred and housing counseling outreach is set to start in the first quarter of 2023.

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

As stated above, 481 (approximately 23.09%) of the 1,953 loans SONYMA purchased in 2022 were made to minority households. SONYMA has continued to contract with MWBE vendors whenever possible for advertising and promotional materials.

STATE OF NEW YORK MORTGAGE AGENCY MORTGAGE INSURANCE FUND MEASUREMENTS

For the year ending December 31, 2022, 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 57 SF loans with 67 units for a total of \$10,524,802 in loan amount. The MIF provided commitments to insure 119 SF loans with 129 units for a total loan amount of \$21,762,261 in loan amount. The MIF also issued new commitments to insure 60 Project loans with 20,673 affordable units for a total of \$470,898,834 in loan amount. This was a 5% decrease from the \$497,509,416 in loan amount in 2021. The increase in the number of affordable units was due principally to the refinancing of the \$620,000,000 Wells Fargo loan for the Parkchester project which substantially increased its 5,372 units' length of affordability. The Insurance Fund provided pool insurance for 1,953 loans purchased by SONYMA Single Family with a loan amount of \$447,941,325 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+ with the outlook revised from negative to stable.

	<u>As of 12/31/20</u>	<u>As of 12/31/21</u>	<u>As of 12/31/2022</u>
<u>PIF</u>			
No. of loans	1,028	1,036	1049
Loan Amount	\$4,126,421,240	\$4,363,879,978	\$4,677,935,513
Units	106,429	109,432	112,571

<u>Commitments</u>			
No. of loans	281	266	274
Loan Amount	\$2,289,868,240	\$2,274,882,845	\$2,320,415,967
Units	31,472	31,131	46,867

	<u>For the 12 months ended 12/31/20</u>	<u>For the 12 months ended 12/31/21</u>	<u>For the 12 months ended 12/31/22</u>
<u>New PIF</u>			
No. of loans	47	50	92
Loan Amount	\$323,966,040	\$406,729,718	\$624,742,441
Units	4,979	5,323	22,494

<u>New Commitments</u>			
No. of loans	62	64	61
Loan Amount	\$497,509,467	\$516,730,288	\$470,898,834
Units	6,098	6,130	20,673

**LIST OF MEASUREMENTS FOR CALENDAR YEAR 2022
NEW YORK STATE AFFORDABLE HOUSING CORPORATION**

1. Number of Low to Moderate Income Units & Amount Financed by year :

2022	1,320	\$38,443,538
2021	1,650	\$38,890,700
2020	930	\$22,301,820

2. Regional Representation of Projects Financed:

- a. In 2022, AHC awarded projects in all but one of the geographic regions of New York State, covering 41 of the State's 62 counties.
- b. Upstate/downstate distribution: approximately 11% of AHC's 2022 grants were awarded to projects located within New York City. 89% 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>	<i>12</i>	<i>498</i>	<i>\$13,439,538</i>
<i>Finger Lakes (Region 2)</i>	<i>4</i>	<i>105</i>	<i>\$2,805,000</i>
<i>Central NY (Region 3)</i>	<i>3</i>	<i>69</i>	<i>\$2,005,000</i>
<i>Southern Tier (Region 4)</i>	<i>5</i>	<i>93</i>	<i>\$2,395,000</i>
<i>Mohawk Valley (Region 5)</i>	<i>0</i>	<i>0</i>	<i>\$0.00</i>
<i>Capital (Region 6)</i>	<i>2</i>	<i>30</i>	<i>\$770,000</i>
<i>North Country (Region 7)</i>	<i>1</i>	<i>15</i>	<i>\$420,000</i>
<i>Mid-Hudson (Region 8)</i>	<i>7</i>	<i>98</i>	<i>\$2,850,000</i>
<i>Long Island (Region 9)</i>	<i>7</i>	<i>183</i>	<i>\$6,400,000</i>
<i>New York City (Region 10)</i>	<i>4</i>	<i>113</i>	<i>\$4,370,000</i>
<i>Statewide (Region 11)</i>	<i>3</i>	<i>116</i>	<i>\$2,989,000</i>
Totals:	48	1,320	\$38,443,538

***The chart represents awards made in 2022. 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 \$36,000,000 in State funds for its Affordable Home Ownership Development Program for FY 2022-2023. 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 as well as the Ida Assistance Program.
- c. AHC launched the Buffalo Emergency Home Repair Program. \$10 Million in funding was made available 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.

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

- a. In 2022, 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 28% during calendar year 2022

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. Qualified Allocation Plan

In May 2021, 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 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. This revision is 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.

B. Section 8 Mobility Programs

HCR partnered with organizations in Long Island, Westchester and Erie County that work with Section 8 voucher holders to reduce barriers to moving to well-resourced areas. NYSHCR has advanced the goal to expand the number of jurisdictions in New York State with Section 8 Housing Choice Voucher mobility counseling programs. Mobility counseling programs provide a variety of counseling, incentives, and other assistance to families to overcome barriers they may face in accessing well-resourced neighborhood’s that meet their families’ needs. Studies have shown that Housing Choice Vouchers nationally and in New York are concentrated in areas of poverty. Interventions and assistance such as those provided in the mobility programs result in families moving out of areas of concentrated poverty at rates much higher than those without such assistance.

Increasing Access to Fair and Affordable Housing

A. Assessment of Fair Housing

NYS HCR also conducts regular assessments of fair housing in the state under federal and now state law. The most recent Assessment of Fair Housing incorporates feedback from residents, community organizations, local governments and other housing stakeholders obtained through fair housing surveys (translated into 6 languages), stakeholder interviews and focus groups on areas such as domestic violence survivors, LGBT communities, racial justice, rural housing, immigration, faith-based leader perspectives, home ownership and others. The Assessment analyzes data and living patterns and proposed a set of goals and action items to address the root causes of housing

disparities experienced so disproportionately by communities of color, people who are disabled, and other vulnerable communities in New York.

The Assessment concludes in a series of goals and actions items, which are now in the process of being proposed and implemented. For example, in the Governor's 2023 State of the State address recommendations from the assessment of fair housing were advanced. Including, state actions to address exclusionary land use and zoning regulations to allow for more affordable housing throughout the state.

Despite the previous federal administration's pullback on the requirement to conduct an Assessment of Fair Housing, HCR proceeded in working to identify barriers to fair housing as well as meaningful actions to address them. The Assessment of Fair Housing will be published in the coming months for public comment in furtherance of HCR and other State agencies' long-established commitment to affirmatively further fair housing. The State legislature also recently passed legislation enshrining this duty into State law, which HCR supports as a continuation of its own commitment to these principles.

B. Give Us Credit Program

Give Us Credit is a 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, or the 12 months preceding the start of the pandemic, 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.
- Limited lookback periods for convictions and bankruptcies.
- 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. Fair Housing Testing Program

A crucial aspect of enforcing fair housing laws is investigating where instances of discrimination occur. On February 25, 2021, New York State announced the deployment of undercover testers across New York State to investigate discrimination in home rental and sale transactions. These testers will pose as applicants for rental housing or potential homebuyers to determine the presence of discriminatory behavior or treatment from sellers, landlords and brokers.

The program is administered by New York State Homes and Community Renewal in conjunction with six non-profit fair housing organizations who train and oversee the testing programs. The non-profit organizations are the Fair Housing Justice Center, Long Island Housing Services, Housing Opportunities Made Equal, CNY Fair Housing, Legal Assistance of Western New York and Westchester Residential Opportunities. The total amount of the contracts is \$2,200,000 which complements funding provided to these organizations by HUD.

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 2021, HCR began implementing a federal revision to the regulation that required a ground-up revision to compliance manuals, reporting metrics, forms and processes, including training on internal and external stakeholders. In 2023, FEHO will continue to work 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 as materials that can easily be included in applications and Human Resource files to implement the Section 3 hiring preference for low-income individuals.

G. Fair Housing Outreach and Education

The Fair and Equitable Housing Office also conducts outreach and education both internally and externally on fair housing and Section 3 issues. In 2022, more than 1,500 people attended events organized and are led by FEHO. Examples of the 21 events include:

- Hosting of Demetria McCain, Principal Deputy Assistant Secretary for Fair Housing and Equal Opportunity at the US Department of Housing and Urban Development for Fair Housing Month.
- A panel on “Affordable Housing is Fair Housing” hosted by fair housing organization Westchester Residential Opportunities.
- A Fair Housing 101 panel with the Division of Human Rights in Spanish
- Internal and external technical trainings on updates to progressive tenant assessment policies and the new Section 3 program.

MWBE Performance Measurements

Office of Economic Opportunity and Partnership Development (OEOPD)

Accomplishments:

OEOPD has worked diligently 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 as the pandemic has exacerbated longstanding challenges these businesses face. OEOPD (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. OEOPD 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 OEOPD page on the Agency's 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 financed developers seeking MWBE and SDVOB services related to approved utilization plans. OEOPD 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.

OEOPD is currently pursuing information technology solutions to enhance its compliance reporting and review process, as well as 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 is developing an EEO program responsive to the robust language of the legislation reauthorization.

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

In Calendar Year 2022, 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%