

NYSHCR

GOALS and ACCOMPLISHMENTS

New York State Homes and Community Renewal

2013 Accomplishments

- Under the leadership of Governor Andrew Cuomo, HCR continues to be a central agency working with the **Regional Economic Development Councils**, a historic approach to job creation and economic development to revitalize New York.
- Continued to participate in the **Consolidated Funding Application** (CFA) that streamlined the new process, allowing the Regional Councils to identify and expedite priority projects.
- HCR provided financing and credit enhancements for 383 multi-family developments that were under construction statewide in 2012 and 2013. These developments are responsible for packaging a total investment of \$8.99 billion from private and public sources, covering the \$5.52 billion in hard construction costs, creating 62,200 jobs during construction, and producing or preserving 52,860 housing units, of which 47,700 are affordable.
- Established a single identity for all the New York State housing agencies including creating unified points of access to all the programs of all the housing agencies.
- Worked to coordinate the use of all the resources of all the New York State housing agencies to advance a uniform set of policies, priorities and goals to best create and preserve affordable housing opportunities as well as encourage community development throughout New York State.
- Since the integration of the state's housing agencies in 2010, HCR's programs are organized into four groups: Finance and Development, Housing Preservation, Community Renewal and Professional Services.
 - **Finance and Development** - aligns all programs that fund the development of affordable housing, including Low Income Housing Tax Credit programs, tax exempt and taxable bond finance programs, single family loan and Capital awards programs.
 - **Housing Preservation** - includes all the programs that maintain and enhance the state's portfolio of existing affordable housing. This includes the Office of Rent Administration, the Section 8 program, Asset Management and the Weatherization Assistance Program.
 - **Community Renewal** - includes all the programs geared toward community and economic development, job creation and downtown revitalization, including the NYS Community Development Block Grant Program, NY Main

Street program, Affordable Housing Corporation, Neighborhood Stabilization Program and the Neighborhood and Rural Preservation programs.

- Additionally, the **Office of Professional Services** includes all administrative and support services, including Communications, Legal affairs, Administration, Fair Housing, Policy Development, and Accounting and Treasury.

New York State Housing Finance Agency

2013 Accomplishments

- HFA acquired a mortgage loan portfolio of 44 Mitchell Lama properties from ESD in June 2013. The portfolio was evaluated and a five year goal set to preserve 8,628 units in 35 of the properties. 4 of the Mitchell Lama properties were refinanced in 2013, preserving 972 affordable units.
- HFA financed a total of 3,112 low to moderate income units. HFA financed 28 projects in 2013, which included 21 projects downstate and 7 upstate. In total, 14 of New York's 62 counties were served, with projects in 17 different cities statewide. The total tax-exempt bond amount issued to fund projects was \$1,089,850,000. This total investment is estimated to create approximately 7,138 jobs.
- HFA stretched the State's volume cap by refunding over \$73 million of its prepayments and \$112 million of New York City Housing Development Corporation's prepayments into 7 HFA projects.
- HFA underwriter appointments resulted in approximately 23% of total 2013 underwriter compensation being paid to MWBE firms, exceeding its 20% goal for the year.

2014 Goals

- The Governor has charged HCR with the mission of administering the \$1 Billion House NY Program to create or rehabilitate over 14,000 units. HFA's Finance and Development division will oversee the preservation of 8,628 Mitchell-Lama units, extending affordability for decades.
- Refinance an additional 17% of the 35 Mitchell Lama properties in the mortgage portfolio that were identified for preservation.

New York State Affordable Housing Corporation

2013 Accomplishments

- AHC awarded \$19,746,100 for total of 807 low to moderate income units, achieving a diverse regional representation that included 22 of New York State's 62 counties. AHC funded 6 New Construction, 14 Home Improvement and 10 Acquisition Rehabilitation projects in 2013. AHC has awarded approximately \$8,313,600 in non-New York City

and \$11,532,500 for New York City projects in 2013. Additionally, AHC has disbursed in excess of \$27,200,000 in previously awarded grant funds.

2013 Accomplishments—Neighborhood Stabilization Efforts

- The State succeeded in meeting the March 2013 100% expenditure deadline for its \$54.5 million Neighborhood Stabilization Program 1 (“NSP1”) grant. The 30 local NSP1 programs have collectively financed approximately 600 units of redeveloped, affordable owner-occupied and rental properties that were previously foreclosed or vacant. In addition, approximately 175 properties in redevelopment areas have been demolished, and 45 properties land-banked for future development.

2014 Goals

- AHC has been allocated \$25 million in State funds for the administration of its Affordable Home Ownership Development Program for the 2013-2014 funding round. As in previous years, AHC expects a significant demand for grant funds for all of its project types (acquisition/rehabilitation, home improvement and new construction), whereby all funds will be committed and diversely represented throughout the State.
- On October 28, 2013, AHC released its Notice of Funding Availability with applications due on January 17, 2014. Applications focused on funding Disaster Recovery in areas of New York State most impacted by recent floods will be given preference. In addition, pursuant to recently approved legislation (A7833/S6554), applicants can use up to 100% in AHC funds (100% of the project cost) for rehabilitation projects that do not involve an acquisition component. Also, applicants may use up to 10% in AHC funds (10% of the project cost) for grantee operating expenses, including expenses related to the organization operating support and administration of the project contract

2014 Goals—Neighborhood Stabilization Efforts

- Neighborhood Stabilization Program 3 (“NSP3”) awarded \$5 million in additional funds to the State. Awardees are in the process of redeveloping approximately 75 units in foreclosed or vacant properties in Rochester, Brooklyn, the Bronx, and Wyandanch, Suffolk County, generating new affordable rental and owner-occupied units. The State is on track to meet the NSP3 100% expenditure deadline in March 2014.

Treasury

2013 Accomplishments

- An investment management contract for a portion of the MIF Project account was terminated with Deutsche Asset Management Group resulting in annual management fee savings of approximately \$384,000. The portfolio had been consistently underperforming the relevant index and it was brought back in-house.

- As a result of the 2012 amendment to the Investment Guidelines allowing participation of MWBE broker/dealers, three MWBE firms were added to the daily trade rotation list. The new additions have proven to be very competitive with the bigger firms.
- Converted from manual daily trade write up sheets to a Microsoft Excel version that is integrated with the investment system allowing for smoother transfer of data. This cut down on unnecessary steps and potential errors.

State of New York Mortgage Agency

2013 Accomplishments

- The Mortgage Insurance Fund insured 170 SF loans with 192 units for a total of \$33,423,326 in loan amount. The Mortgage Insurance Fund also insured 84 Project loans with 7,602 units for a total of \$414,419,210 in loan amount.
- The Mortgage Insurance Fund provided pool insurance for all of the loans purchased by SONYMA Single Family and provided primary insurance for loans that were rejected by Genworth and other PMI companies generally due to low FICO scores.
- The Agency purchased 1,704 mortgages, serving the following incomes: 16.9% served families earning incomes at or above 100% of the AMI; 21.5% served families earning incomes from 80.1% to 100% of AMI; 33.5% served families earning incomes from 60.1% to 80% of AMI; 15.0% served families earning incomes from 50.1% to 60% of AMI; and 13.1% of loans served families earning incomes at or below 50% of AMI.
- The loan portfolio performed with delinquencies as of November 30, 2013 at 4.63% of loans, which was significantly better than the state and national averages, which were 10.43% and 6.78%, respectively.
- During 2013, the Agency focused its mission on providing mortgage loans to those individuals and families for whom low interest rate mortgages make the difference in achieving sustainable homeownership. This was accomplished by targeting mortgage financing activities on the Achieving the Dream Program, which assists lower-income homebuyers (70% of area median income or less). In 2013, 47.5% of the Agency's mortgages were originated under this program. Overall, 61.6% of the mortgages purchased were made to low-income homebuyers (80% of area median income or less) and more than 36% of the 1,704 loans SONYMA purchased statewide were made to minority households.
- In December 2013, SONYMA announced the FHA Plus program. FHA Plus takes advantage of a special exemption from HUD that enables state housing finance agencies to offer down payment assistance on FHA-insured mortgages, where the down

- payment assistance may be used towards the borrower's minimum cash investment. Further, FHA mortgages offer other underwriting advantages and have slightly more lenient credit standards than conventional loans.
- Announced a price enhancement to incent lender participation in the Conventional Plus Program launched last year. The program is intended to complement SONYMA's existing tax-exempt bond financed programs. The product is designed to take advantage of certain pricing and underwriting benefits afforded to SONYMA by Fannie Mae.
 - Working in collaboration with the SONYMA Advisory Council, SONYMA:
 - Reformed the council's committee structure to break up business development into two separate committees. The business to business, and consumer direct marketing committees will enable more concentrated efforts to increase awareness of SONYMA products and promote new referral and origination partnerships.
 - Worked with members of the SONYMA Express® committee to develop a submission workflow and facilitate system testing. The Committee's involvement was instrumental in moving the launch of SONYMA Express® forward.
 - Successfully coordinated Welcome Home, Buffalo! and Welcome Home, Brooklyn! Homeownership Events with industry professionals.
 - Partnered with a team of graduate students in the NYU Robert F. Wagner Graduate School of Public Service to:
 - Analyze existing survey data and questionnaires, and build new ones with the goal of increasing response rates;
 - Attempt to determine SONYMA's market share within the NY State;
 - Analyze loan portfolio performance and products;
 - Identify potential for business development and expansion;
 - Work with loan officers and homeownership support groups to improve awareness; and
 - Find ways to enhance homeownership education material.
 - To take advantage of market opportunities, SONYMA issued economic refunding bonds in the approximate amount of \$145 million which generated savings of approximately \$13.27 million.

2014 Goals

- Complete and launch the web-based SONYMA Express® automated system to help lenders review and make decisions on the IRS compliance and credit underwriting components of SONYMA loans. The system's purpose is to: (i) eliminate uncertainty of the borrower's eligibility for a SONYMA loan early in the process; (ii) dramatically improve loan processing times; (iii) lower lender costs; (iv) increase SONYMA loan production; and (v) provide capacity to allow lenders to deliver loan files to SONYMA electronically thus eliminating the need to submit a paper file.
- Further promote SONYMA MBS programs – Conventional Plus and FHA Plus.
- Continue outreach to lenders for training and to recruit new lenders – particularly credit unions and community banks.
- Continue to cultivate relationships with industry partners by participating in many events with realtors, lenders, not-for profits, community groups and others. In 2013, SONYMA presented an informational session at the New York State Coalition for Excellence in Homeownership Education Statewide Conference. This enabled us to raise awareness of the products among homeownership counseling providers throughout NYS who work directly with our target audience, low to moderate income first time homebuyers. Additionally, our new SONYMA Advisory Council Business to Business Committee is focusing their efforts on relationship development with other homeownership service providers.

Office of Fair Housing and Equal Opportunity

2013 Accomplishments

- OFHEO staff participates on panels, attends conferences, workshops and other industry related events, as well as conducts open forums to provide information and assistance to MWBEs on how to do business within the HCR structure.
- OFHEO currently provides ongoing technical training to HCRs contracting units on MWBE compliance.
- OFHEO analyzes each department's expenditures to identify areas for potential MWBE participation.
- OFHEO attends pre-construction meetings, providing technical training to the project development teams, thereby increasing MWBE participation on construction projects.
- OFHEO updates the MWBE Corner with information helpful to the MWBE community as well as those firms looking to utilize MWBEs.
- Created a webinar for local community groups.

- Created OFHEO semiannual newsletter for placement on the MWBE Corner.
- Created OFHEO brochure to disseminate at conferences and other outreach events.
- Coordinated a WBE open forum during Women’s History Month to increase WBE participation on HCR procurements.
- OFHEO assists MWBEs with fast-tracking the certification process with NYS Empire Development Corporation. Letters are sent to encourage non-certified MWBEs to become certified.
- OFHEO Participated as MWBE advocates in the Selection of Firms for the Following RFPs:
 - On August 24, 2013, the public authorities of HCR issued a request for proposals (“RFP”) to establish a new prequalified panel for legal services other than those matters pertaining to municipal finance transactions (“Non-Bond Counsel Panel”). In January 2013, 24 law firms were added to the panel, 10 of which were MWBEs.
 - On July 10, 2013, HFA issued a RFP for Portfolio Counsel Services for HFA’s newly acquired portfolio from ESD. As a result of this RFP process, the Agency’s review committee selected a majority firm to partner with a WBE firm. In addition, the Agency’s selection was impressed with several of the interviews, and as a result, four firms were added to the Non-Bond Counsel Panel, two of which were MWBEs.
 - In April 2013, a RFP was issued by HFA, SONYMA, MBBA and TSFC to establish a new prequalified panel for law firms to serve as bond counsel. The Agencies received 28 responses, 3 of which were from joint ventures between a majority and M/WBE firm, 9 of which were from M/WBEs, and 16 of which were from majority firms. Firms for this panel are anticipated to be selected in January 2014.
 - In May 2013, AHC issued a request for qualifications (“RFQ”) for audit services to establish a new prequalified list of auditors. After reviewing the responses to the RFQ, the AHC review committee selected 10 firms to be included on the panel, 6 of which were MWBEs.
 - The Agencies made use of its Co-Bond Counsel panel, created in 2011, by assigning transactions to five (5) MWBE firms on that panel in calendar year 2012. As a result of these efforts, all eight (8) members of the Co-Bond Counsel panel have been assigned transactions.

- A RFP issued by SONYMA for technical support and facilitation services for meetings with the SONYMA Advisory Council that resulted in the contractor subcontracting with a MBE.
- MWBE Outreach efforts were made to create a pre-qualified HFA panel of insurance consultants for multi-family housing that includes, two firms, one of which is a MWBE.
- A RFP issued by TSFC for disclosure, structuring and refunding sufficiency verification agent services that resulted in the selection of a contractor subcontracting with a MWBE firm.
- Governor's Mandate of 20%:
 - HFA, SONYMA, AHC, MBBA and TSFC achieved 14.93%: 20.03% in Procurement, 14.90% in Construction, over 13.49% in Bond Related Cost; and
 - DHCR/HTFC achieved 30.95%: 40.05% in Procurement, over 29.78% in Construction.
- A document audit was performed by ESD of HFA, SONYMA, AHC, MBBA and TSFC relating to the Governor's Mandate. There were no negative findings.
- OFHEO reviewed and approved 22 Affirmative Marketing Plans for calendar year 2013.
- OFHEO hired a WBE consultant to assess the marketing and tenant selection process for all Affirmative Marketing Plans approved in 2011.

2014 Goals

- OFHEO will continue its efforts to increase MWBE participation on HCR contracts.
- OFHEO will analyze in more depth each department's expenditures to maximize MWBE participation within the Agency's opportunities.
- OFHEO will continue to be a resource and provide technical assistance to the agency contracting units, development and MWBE community.
- OFHEO will continue to host forums and perform MWBE outreach to increase participation on the agency procurements and construction projects.
- OFHEO will continue to review agency policies and contract language to include MWBE goals.

Challenges

- Changing the culture within the Agency
- Expanding MWBE reach
- Identifying qualified and certified MWBEs
- Coordination between City & State agencies