

NYSHCR

GOALS and ACCOMPLISHMENTS

2012 Accomplishments

- Under the leadership of Governor Andrew Cuomo, HCR was a central agency working with the **Regional Economic Development Councils**, a historic approach to job creation and economic development to revitalize New York. As part of an historic announcement in December, the Governor announced that the Regional Councils had awarded over \$785 million, including \$160 million in HCR funding. Those awards, coordinated for the first time, will support regional growth strategies that take into account each area's unique challenges and opportunities.
- Helped create a new **Consolidated Funding Application (CFA)** that streamlined the new process, allowing the Regional Councils to identify and expedite priority projects.
- **Initiated \$3.65 billion in affordable housing investments, creating 40,000 jobs.**
- 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.

2013 Goals

- Under the continued leadership of Governor Andrew Cuomo, the proposed five-year \$1 Billion **House NY** Program will come under the stewardship of HCR. The state will invest \$1 billion to produce or preserve over 14,000 units of affordable housing. House NY will be structured to help with unmet affordable housing needs, as well as revitalize Mitchell-Lama projects, by preserving thousands of units suffering from deferred maintenance and other physical deficiencies.

New York State Housing Finance Agency and Affordable Housing Corporation

2012 Accomplishments

- As part of his Medicaid Redesign Team recommendations, Governor Cuomo dedicated \$75 million for the development of supportive housing, a cost-saving model that provides high-quality services to high-needs populations. HCR is overseeing the investment of \$25 million of MRT funds in coordination with HFA bond financings for some of these projects.
- AHC financed a total of 1,207 low to moderate income units, achieving a diverse regional representation that included 45 of New York State's 62 counties. Of its \$25,000,000 allocation for FY 2012-2013, AHC has awarded approximately \$6,129,165 in non-New York City projects thus far in 2012. For New York City projects, AHC has awarded funds remaining from the FY 2011-2012 allocation, with a current remaining balance of \$3,927,812. The \$12,500,000 available for FY 2012-2013 has not yet been expended. AHC has a current available balance of \$16,233,238.60 in repayment funds.

- HFA and SONYMA were collectively the top housing bond issuer in the country.
- HFA financed a total of 4,363 low to moderate income units. HFA financed 24 projects, which included 5 projects upstate and 19 downstate projects. In total, HFA served 10 of New York State's 62 counties (6 downstate and 4 upstate). The total tax-exempt bond amount issued to fund projects was \$1,057,950,000. This total investment is estimated to create approximately 5,200 jobs.
- HFA's financings included four Mitchell Lama projects with 2,620 units.
- HFA stretched the State's volume cap by refunding over \$75 million of its prepayments into 5 HFA projects
- HFA partnered with HDC to develop a mechanism to further stretch the State's volume cap by refunding over \$100 million of HDC bonds into 4 HFA projects.
- HFA increased minority participation in our bond issues from 17% in 2011 to 37% in 2012.

2013 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.
- AHC has been allocated \$25 million in State funds for the administration of its Affordable Home Ownership Development Program for the 2012-2013 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.
- In 2012, AHC focused on applications for funding in areas of New York State most impacted in 2011 by Hurricane Irene and Tropical Storm Lee. In addition, pursuant to recently approved legislation (A7833/S6554), up to 100% in AHC funds (100% of the project cost) will now be allowable for rehabilitation projects that do not involve an acquisition component, and up to 10% in AHC funds (10% of the project cost) may now be used for grantee operating expenses, including expenses related to the organization operating support and administration of the project contract.

Rental Housing

- Continue to work with the Governor's office and other State, Federal, and local agencies to leverage all available resources and avoid redundancies in review processes and monitoring to insure we are serving the affordable housing community to the best of our abilities.
- Continue to work with the Multifamily Advisory Council to identify opportunities to streamline and integrate HCR's programs, procedures, and policies to assure we reach as broad of a geographically and economically diverse population as possible.

Neighborhood Stabilization Efforts

2012 Accomplishments

- HFA's disbursements of the State's total \$54.5 million grant to NSP Round 1 ("NSP1") will be spent-down by the March 2013 deadline. The local NSP programs will generate an estimated 600 units of redeveloped, affordable owner-occupied or rental properties, all previously foreclosed or vacant. In addition, 150 properties in redevelopment areas will have been demolished, and 25 properties land-banked for future development.

2013 Goals

- The third round of NSP ("NSP3") awarded \$5 million more funds to the State. Awardees will redevelop 32 units in foreclosed or vacant properties in Rochester, Brooklyn, and Suffolk County, Long Island, generating new affordable rental or owner-occupied units, with the spend-down deadline set for March 2014.

Treasury

2012 Accomplishments

- Novated two SONYMA swaps with UBS to a higher rated entity, BNY Mellon, in the total notional amount of \$64,000,000. These novations reduced Agency counterparty and termination risk and were at no cost to the Agency.
- Novated two SONYMA swaps with Citibank to a higher rated entity, Wells Fargo Bank, in the total amount of \$68,000,000. These novations reduced Agency counterparty and termination risk and were at no cost to the Agency.

- Reduced number of checks received in-house from 40 to 5 per month through the utilization of Agency lock-boxes.
- Amended the Agencies' Investment Guidelines to allow MWBE broker/dealers to participate in the bidding on Agency Investments. Prior Guidelines required the utilization of Primary Dealers, none of which are MWBE firms.
- Increased MWBE participation of Remarketing Agents on SONYMA variable rate bonds by appointing Loop as Remarketing Agent on Series 150 in the amount of \$50,000,000.
- All Agency approved payments due to vendors are made through accounts held by The NYS Department of Taxation and Finance. Checks used to be drawn to pay these expenses as well as AHC Grant payments and were returned to the Agency for mailing. Now the checks are mailed by the Department of Taxation and Finance directly saving time, postage and resulting in reduced late fees.
- The Department of Taxation and Finance used to also send checks to the Agency for employee reimbursements. Currently these payments are made via wire transfer directly to the employee's bank account.
- The Single Family Mortgage reconciliation process has been automated to a greater extent. This has led to efficiencies and greater accuracy.
- Approximately 80% of the trustee bank statements are now received electronically. This saves paper, creates efficiencies in access to the statements and ease in account reconciliation.

State of New York Mortgage Agency

2012 Accomplishments

- The Mortgage Insurance Fund worked creatively in 2012 to maintain and extend affordability for a Mitchell-Lama housing development. At Co-op City in the Bronx, the largest Mitchell-Lama development in the state, HCR in November joined with HUD and New York City in guaranteeing a \$621 million Wells Fargo refinanced loan. The loan will pay for renovations and will also preserve affordability for 35 years for the 60,000 residents of Co-op City.

- The MIF insured 128 SF loans with 142 units for a total of \$23,559,434 in loan amount. The MIF also insured 71 Project loans with 22,350 units for a total of \$400,315,773 in loan amount
- The 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 797 mortgages, serving the following incomes: 12.2% served families earning incomes at or above 100% of the AMI; 22.1% served families earning incomes from 80.1% to 100% of AMI; 32.5% served families earning incomes from 60.1% to 80% of AMI; 17.1% served families earning incomes from 50.1% to 60% of AMI; and 16.2% of loans served families earning incomes at or below 50% of AMI.
- The loan portfolio performed with delinquencies as of December 31, 2012 at 4.22% of loans, which was significantly better than the state and national averages, which were 10.90% and 8.28%, respectively.
- During 2012, 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 2012, 52.6% of the Agency's mortgages were originated under this program. Overall, 65.7% of the mortgages purchased were made to low-income homebuyers (80% of area median income or less) and more than 42% of the 797 loans SONYMA purchased statewide were made to minority households.
- SONYMA continues to see significant increased activity in New York City and particularly an increase in lending to low--income and minority borrowers. As stated above, 34% of all SONYMA loans purchased during calendar year 2012, were made in New York City.
- In November 2012, SONYMA announced the Conventional Plus Program to complement to 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:
 - Announced a Loan Officer Recognition Program. Each year, SONYMA will release a list of the top 10 producing Loan Officers statewide. Each of the Loan Officers will be recognized as Platinum Award recipients and their contact information will be posted on the applicable Region page of our List of Participating Lenders on SONYMA's website. In addition, each received a

congratulatory letter from Commissioner Towns;

- Released a Lender Scorecard to each participating lender that is designed to provide lenders with a snapshot of their SONYMA activity over the prior calendar year. Information provided included: comparison of 2010 and 2011 loan reservations, purchases, and fallout rate; median processing time (days from loan application to SONYMA commitment); comparison between a Lender's production in each SONYMA Region to that of the Region's top producing Lender; percent of loans using SONYMA's Down Payment Assistance Loan (DPAL); percent of properties located in Target Areas; average loan amount, loan-to-value ratio, and household income; and delinquency statistics.
- SONYMA has made significant progress in providing financing to underserved neighborhoods. Target area and minority lending has increased in fiscal year 2012. Twenty four percent of all SONYMA loans purchased were target area loans and more than 37% were made to minorities.
- A report released in 2012, published by Moody's Investors Service, shows that SONYMA's two bond resolutions are among the best performing of all single family state housing finance agency resolutions rated by Moody's. The Mortgage Revenue Bond resolution had the lowest delinquencies as of December 31, 2011 and the Homeowners Mortgage Revenue Bond resolution was fourth lowest.
- To take advantage of market opportunities, SONYMA issued refunding bonds in the amount of \$656 million which generated savings of \$44.5 million.

2013 Goals

- Complete and launch the web-based 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.
- Continue outreach to lenders for training and to recruit new lenders – particularly credit unions and community banks.
- Continue collaborative working relationship with the New York State Association of Realtors and New York State Builders Association

Office of Fair Housing and Equal Opportunity

2012 Accomplishments

- OFHEO staff participates on panels, attends conferences, workshops and other industry related events, as well as conduct 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 attends pre-construction meetings, providing technical training to the project development teams, thereby increasing MWBE participation on construction projects.
- Created Standard Operating Procedures using flowcharts for each area of focus within OFHEO.
- OFHEO co-sponsored a Section 3 training for sub-grantees.
- Agency Procurements are now on the home page of the website.
- 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.
- Created a 'MWBE Corner' on the agency's website, to provide support to the MWBE community.
- OFHEO and legal issued an MWBE Outreach to nine firms as potential candidates for the performance of Co-Bond Services for Agency financings. The Agencies received seven responses from MBEs and one response from a WBE. All eight firms were deemed qualified and added to the Agencies' pre-qualified list of co-bond counsel. Seven firms have been assigned to HFA financings.
- The Agency has engaged nine minority Underwriting firms.

- OFHEO conducted an open forum for Financial Advisors and HFA and its Affiliated Agencies issued an MWBE Outreach to ten firms. Three WBE firms were deemed qualified and added to the Agencies' prequalified list of Financial Advisors. Two firms have been assigned.
- OFHEO conducted an open forum for MWBE Construction Related Professional Service, with 30 firms in attendance. An RFQ is due July 2nd.
- OFHEO conducted an open forum for MWBE Appraisal and Market Study Consultants, with 11 firms in attendance and added two firms to the agency's prequalified list.
- HFA added one MBE firm, to its Technical Services and Assistance Provider pre-qualified list relating to the Agency's Manufactured Home Parks Program. OFHEO conducted an open forum, to identify additional MWBE firms in this area.
- HFA will be hiring a firm to provide Actuarial Services with a minority sub-contracting partner.
- OFHEO secured approval from the Empire State Development Corporation, on the 2011-2012 Goal Plans for HFA, SONYMA, HTFC and DHCR.
- OFHEO secured approval from the Empire State Development Corporation, on the consolidated 2012-2013 Goal Plans for HFA, AHC, SONYMA, MBBA & TSFC as well as HTFC & DHCR.
- OFHEO participates on an advisory committee with NYSFAFH, to assist in identifying ways to increase MWBE membership and participation on affordable housing projects.
- OFHEO participated in the two Speed Networking events, held by NYSFAFH for MWBEs. (Albany & NYC) OFHEO reviewed and approved 56 Affirmative Marketing Plans for the calendar year
- Attended the third NYSFAFH Speed-Networking event held in Rochester.

2013 Goals

- OFHEO will continue its efforts to increase MWBE participation on HCR contracts.

- OFHEO will continue to participate in industry related events to promote procurement opportunities within HCR.
- 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 for 2013/2014.
- OFHEO will continue to review agency policies and contract language to include MWBE goals.
- Host a meeting with minority lending institutions, to discuss possible opportunities within the HCR structure and/or MWBE community.