



Homes and Community Renewal

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December 11, 2018

Ms. Cindi Frieder
Office of The State Comptroller
State Audit Bureau
123 William Street, 21st Floor
New York, NY 10038

Dear Ms. Frieder:

Thank you for the follow-up examination of the 80/20 Housing Program (Report 2015-S-83). We appreciate the professionalism that your staff utilized in conducting the examination. The following is Agency management's response to the findings listed in the follow-up report.

Recommendation 1

Require Program developments to verify the incomes of all prospective tenants, prior to moving into an apartment, with the IRS.

Status – Implemented

Management's Response

Management agrees that the recommendation has been implemented and will continue to apply this best practice with all its low-income tax credit projects.

Recommendation 2

Work with the management staff at participating Program developments to develop sound and consistent methodologies to project income when determining eligibility.

Status – Not Implemented

Management's Response

Management continues to disagree with this recommendation and stands by its original response. Consistent with existing practice, management will continue to advise owner/agents to improve confirmation of tenant affidavits and affirmations with adequate support prior to all future move-ins, based on HUD and section 42 of the IRS code guidelines. It is our opinion that requiring agents to complete tax credit training and complying with HUD and regulatory agreements and monitoring by Agency staff field visits is sufficient to determine project income eligibility.

Recommendation 3

Ensure that adequate information is collected to enable decision makers to adequately assess the costs and benefits of the Program.

Status – Not Implemented

Managements Response

Management disagrees with this recommendation and stands by its original response. HFA is comfortable with the previous policy decision that the development of these mixed income projects furthers the Agency's core mission of creating and preserving high quality affordable multifamily rental housing. Therefore, management does not intend to implement this recommendation. In addition, HFA changed its policy in 2016 to focus tax exempt bonds resources in New York City towards 100% affordable housing developments during the term of the Governor's Housing Plan.

We wish to thank the Office of the State Comptroller, particularly Examiner Diane Gustard, for the orderly way the examination was performed.

Sincerely



RuthAnne Visnauskas
President/CEO