



# Rural Delivery

New York State Rural Housing Coalition, Inc.

July, 2013

## Land Banks Receive \$20 Million

Attorney General Eric T. Schneiderman announced on June 26th that up to \$20 million over two years – obtained in last year’s settlement with the nation’s largest banks – will be made available to communities to rebuild and restore neighborhoods hit hard by the housing crisis. Following the collapse of the housing market, the New York State Legislature passed legislation in 2011 establishing “land banks” that could acquire vacant, abandoned, or foreclosed properties, and choose to rebuild, demolish, or redesign them. By restoring vacant or abandoned properties, land banks lower costs for local governments, benefit public schools, reduce crime and boost the local economy.

Since the passage of this legislation, however, no state or federal funds have been dedicated to any of New York’s land banks. The Attorney General announced the start of a competitive application process for land banks to finally receive funding and fulfill their intended purpose: reviving neighborhoods still recovering from the housing collapse and the ensuing foreclosure crisis.

“Through last year’s settlement with five banks that contributed to the collapse of the housing market, we’ve provided roughly \$2 billion in relief to homeowners throughout the State—but it’s not

throughout the State—but it’s not nearly enough,” said Attorney General Schneiderman. “By dedicating money from that settlement to land banks across New York, we’ll empower local communities to rebuild their own neighborhoods, house by house, block by block. The road to recovery is long, but it will take innovative approaches like this – driven and managed by those who know the community best – to boost local economies and finally put this crisis behind us.”

Utilizing funds from the National Mortgage Settlement, the Attorney General’s office will invite competitive proposals from land banks to directly address the effects and aftermath of the foreclosure crisis. The eight land banks in New York State are located in:

- Cities of Buffalo, Lackawanna, Tonawanda and Erie County
- City of Syracuse and Onondaga County
- City of Schenectady, County of Schenectady and City of Amsterdam
- Chautauqua County
- City of Newburgh
- Broome County
- City of Rochester
- Suffolk County

Funding from the Attorney General’s office will be awarded in two rounds, which gives the office an

opportunity to support land banks next year that may not be eligible this year. By transferring vacant and abandoned properties to responsible land owners, local governments benefit because they avoid the significant cost burden of property maintenance, like mowing and snow removal. In addition, local governments benefit from increased revenue because the new property owners pay taxes on the property. In turn, local schools benefit because they receive more funding when there is an increase in property owners in their school districts. Land bank programs can also increase the variety of mixed-income housing offered and provide more opportunities for affordable housing. The more residents and businesses that occupy property in a neighborhood, the more services and amenities will be needed, which boosts local economic activity.

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**Rural Delivery**

Rural Delivery is published by the  
New York State Rural Housing Coalition, Inc.

The Coalition is a non-profit statewide membership organization dedicated to strengthening and revitalizing rural New York by assisting housing and community development providers.

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**Bits and Pieces...**

**NYSHCR Appoints Storm Recovery Chief**

Seth Diamond, former Commissioner of the New York City Homeless Services has joined the staff of NYS HCR as the Director of Statewide Storm Recovery. He began work on June 17th. Announcement of additional staff at HCR is pending.

**Wynne Joins Coalition Staff**

Blair Sebastian recently announced the appointment of Lorraine Wynne to the position of Agency Administrator for the Rural Housing Coalition. Lorraine began work in early June. She previously worked for The Legal Project, ACES, Fleet Bank, and Key Bank. Lorraine can be reached at (518) 458-8696 x 15.

**Membership Year Begins July 1st**

July 1st represents the beginning of the Rural Housing Coalition's membership year. Membership renewal information was sent out to all members of the Coalition in May. If you have already sent in your renewal, thank you! If you have mis-placed the renewal information, or did not receive it, please contact Marlene Papa, Membership Committee Chair, at (518) 458-8696 x 10 for information on how to expedite your renewal.

The Coalition grows in strength with each organization and individual that joins. Please take a moment to ensure a strong future for Rural New York by sending in your membership renewal today.

*Wishing You A Safe And  
Happy Independence Day!*

Federal and U.S. military employees can support the Rural Housing Coalition through the annual Combined Federal Campaign (CFC). If you are a federal government or military employee and would like to donate through the CFC, please enter CFC code #9614 on your pledge card during the next fund drive.

## Final Rule Streamlines Section 202/811 Project Planning

HUD published a final rule on June 20th intended to streamline requirements for Section 202 and Section 811 developments. Changes to 24 CFR Part 891 were proposed on March 28, 2012 to update certain regulations governing all Section 202 and Section 811 developments to conform to changes in law, policy, and practices.

The final rule contains most of the proposed changes; however, the final regulation differs from the proposed by:

- Removing the proposed definitions of ‘substantial rehabilitation’ and ‘repairs, renovations, and improvements.’ This in turn removes a proposed \$6,500 per unit minimum for ‘substantial rehabilitation’ and \$6,500 per unit maximum for ‘repairs, renovations, and improvements,’ either of which would be required to yield a 55-year useful life for the property. Instead, the final rule keeps the original definition of ‘rehabilitation,’ but modifies it by reducing the required useful life as a result of rehabilitation from 55 years to 40 years in order to be consistent with the term of the Section 202 or Section 811 capital advance.

- Allowing Section 202 projects to have two-bedroom units if a portion of the units are financed by other sources and the square footage that exceeds the one-bedroom size limit is treated as ‘excess amenities.’

Some of the key proposed rule changes that remain in the final version include:

- Requiring smoke detectors and alarms in every bedroom or primary sleeping area.

- Deleting the provision that prohibited using Section 202 or Section 811 funds for washers, dryers, dishwashers, trash compactors, patios, and balconies.

- Removing the previous provision that prohibited healthcare facilities at mixed-finance Section 202 developments. However, healthcare facilities may not be financed, maintained, or operated with Section 202 funds, and residents must not be required to use or pay a fee for healthcare facilities. The previous prohibition against medical facilities was intended to prevent institutionalizing elderly people. To prevent isolating people with disabilities, Section 811 developments still will not be allowed to have healthcare facilities.

- Extending the duration of the availability of fund reservations for capital advances from 18 months to 24 months, with the option of extending this period to 36 months.

- Revising the definition of ‘private nonprofit organization’ for mixed-finance projects in order to more effectively use Low Income Housing Tax Credits by including for-profit limited partnerships with a sole general partner that is a for-profit corporation or limited liability company wholly owned and controlled by one or more nonprofit organizations.

The final rule may be viewed online at: <http://1.usa.gov/14eyX4l>.

## Inclusive Home Design Bill Introduced

Representative Jan Schakowsky introduced the Eleanor Smith Inclusive Home Design Act, HR 2352, on June 13th. This is a reintroduction of legislation filed in previous Congressional sessions by Ms. Schakowsky.

The bill seeks to make housing more accessible to those with disabilities. Its namesake, Eleanor Smith, is the founder of Concrete Change, an organization whose mission is to make sure all housing built in the US is accessible to those with disabilities. If passed the legislation would require new homes built with federal funds to meet accessibility standards. Such standards include a zero step entrance, at least one wheelchair accessible bathroom and wheelchair accessible doorways.

“When homes are accessible, it benefits not only people with disabilities, it benefits all of us who have friends and family with limited mobility. Accessible housing makes it possible for more seniors to age in place and avoid the cost of prematurely moving into nursing homes – an issue that is increasingly important as the population grows older. It would also ensure that our veterans who have suffered debilitating injuries on the battlefield are able to more easily find an accessible home. This is a commonsense piece of legislation that would benefit all Americans,” Ms. Schakowsky said in her press release on the legislation.

The bill, which has six co-sponsors, has been referred to the House Committee on Financial Services. View the press release at: <http://1.usa.gov/16s88vC>.

save the dates  
october 9th and 10th  
2013 conference, rochester

## Census Bureau Offers Data Access Summer Camp

This summer the US Census Partnership and Data Services team will be conducting a series of free data access webinars. Join online to learn about datasets and data retrieval tools. Thematic sessions will be conducted focusing on accessing data about foreign-born populations, racial and ethnic groups. All sessions will be conducted by a representative from the Census Bureau, and will last approximately 2 hours. Upcoming trainings include:

**Your Community by the Numbers: Quick Reports**, Friday, July 12th, from 9:00 to 11:00 AM. Register at <https://census.webex.com/census/k2/j.php?ED=212651747&UID=0&HMAC=18d59c4447f78d5700c96257edcc0e6c1cc3816b&RT=MiMxMQ%3D%3D>.

**Introduction to Data Ferret**, Friday, July 26th from 9:00 to 11:00 AM. To register, visit <https://census.webex.com/census/k2/j.php?ED=212652992&UID=0&HMAC=39346463611a01a4b2bc7b0eea999054939eabdd&RT=MiMxMQ%3D%3D>.

Capacity is limited to 200 persons per session, so early registration is advised. Thematic trainings are also available focused on various ethnicities and foreign-born populations. Visit the Census website for the full training schedule at [www.census.gov/mso/www/training/](http://www.census.gov/mso/www/training/).

Visit our website at  
[www.ruralhousing.org](http://www.ruralhousing.org)

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## Career Opportunities

### Housing Counselor

Arbor Housing and Development is seeking a full time Housing Counselor to provide homeownership education, financial counseling, foreclosure intervention and reverse mortgage (HECM) counseling. Arbor Housing and Development is a non-profit organization dedicated to enhancing the quality of life in our community by providing safe and affordable housing options and supportive services. We help families realize a stable housing cost so they may build economic self-sufficiency. The ideal candidate must enjoy working with individuals and families of all economic and ethnic

backgrounds to promote homeownership opportunities. Two year college degree or equivalent experience with various state and federal housing programs, mortgage experience preferred. Must have excellent verbal and written communication skills, public speaking ability and demonstrate computer abilities, time management and professionalism. This position is located in Big Flats, NY. Please email or send a resume and letter of interest to the attention of: Mary Costello – HR Administrator ([mcostello@arbordevelopment.org](mailto:mcostello@arbordevelopment.org)), Arbor Housing and Development, PO Box 31, Bath, NY 14810. EOE

The New York State Rural Housing Coalition is happy to be able to provide help wanted advertising opportunities for our members and non-profit community development agencies. Ad copy must be provided in Microsoft Word format, and may be transmitted by email to [rhc@ruralhousing.org](mailto:rhc@ruralhousing.org). Ad copy must comply with federal and state equal opportunity requirements to be published, and must be received by the 25th of the month to ensure placement in the succeeding issue of *Rural Delivery*. Ads provided in this fashion will also be posted in the Career Opportunities page of the Coalition's website, unless a request is specifically made not to place the advertisement on-line.

### NOFA Issued For Rural Veterans Coordination

The Department of Veterans Affairs (VA) has announced the availability of funds for applications for assistance under the Rural Veterans Coordination Pilot (RVCP). The NOFA includes funding priorities for those applicants who will assist veterans and their families who are transitioning from military service to civilian life in rural or underserved communities. Applications must be received no later than 5:00 PM on July 19th.

The RVCP program provides grants to community-based organizations and local and state government entities to assist veterans who

are transitioning from military service to civilian life in rural or underserved communities and the families of such veterans.

For more information, contact Karen Malebranche, Veterans Health Administration, Office of Interagency Health Affairs, 810 Vermont Avenue NW, Washington, DC 20420, or by telephone at (202) 461-4001.

For a copy of the application package, download directly from [www.ruralhealth.va.gov/coordination-pilot/index.asp](http://www.ruralhealth.va.gov/coordination-pilot/index.asp). Applications must be uploaded as a complete package into *Grants.gov*.

## Mortgage Settlement Monitor Reports 8 Fails In Testing Results

The nation's largest mortgage servicers have failed eight of the servicing standards in the National Mortgage Settlement according to a report released by Joseph A. Smith, Jr., Monitor of the National Mortgage Settlement. The Monitor's testing through the end of last year resulted in three testing fails, and there are five additional fails in 2013.

The following is a statement released recently by HUD Secretary Shaun Donovan:

"The Independent Monitor's report

is a landmark moment in our efforts to reform the servicing industry. For too long, banks have been operating behind closed doors. This report provides the public with a new and transparent look into how banks are treating homeowners. The good news is that gains have been made. The practice of robo-signing—where banks sign off on foreclosures with little or no review—has come to an end. We've also confirmed that the five banks have stopped charging distressed borrowers a fee just to process a loan modification request.

Unfortunately, other abuses shamefully endure. Most notably, these financial institutions consistently fail to send notices and communicate decisions to stakeholders in a timely manner. This is unacceptable. So the five financial institutions are officially on notice; they must correct these problems and pass the Monitor's tests or the Obama administration, along with the bipartisan group of 49 state attorneys general we partnered with on this effort, will fine them up to \$5 million for each failure or haul them back into court."

### HUD Guidance On Vouchers For Homeless

HUD's Notice PIH 2013-15 provides strategies public housing agencies can use to make homes available for homeless persons. HUD's Office of Public and Indian Housing states in the June 10th notice that PHAs' greatest tool for addressing homelessness is an admission preference for homeless people.

Preferences must be based on local housing needs and priorities arrived at by using accepted data and information obtained through the PHA Plan public comment process. PIH encourages PHAs to work with Continuums of Care as well as others when establishing homeless preferences. Preferences must be clearly presented in the Admissions and Continued Occupancy Policy and voucher Administrative Plan.

PHAs may create a preference for people who are referred by partnering homeless service organizations. PHAs may also have a preference for formerly homeless people transitioning from Permanent Supportive Housing. Homeless people may be required to document that they qualify for a homeless preference, or PHAs may rely on a partnering

homeless service organization to verify eligibility for a homeless preference. Regarding waiting list management, the notice indicates that once an adequate number of people with a homelessness preference are on the waiting list, PHAs may close the list. PHAs may leave a waiting list open for homeless people while keeping the waiting list closed for all others.

Households cannot be admitted to public housing or obtain a voucher if someone in the household:

- Is subject to a lifetime sex offender registration requirement.
- Is using illegal drugs, or because of the abuse of drugs or alcohol, poses a threat to the health and safety of other residents.
- Was convicted of making methamphetamine on the premises of federally assisted housing.
- Was evicted from federally assisted housing for drug-related criminal activity. However, re-admission is permissible three years after eviction.

Except for the four statutory prohibitions, PHAs have discretion regarding admissions. The notice

encourages more flexible admissions policies for people re-entering communities following incarceration. However, flexibility cannot be limited to a specific population, such as homeless people; rather, admissions policies must apply to all.

PHAs may only terminate someone's assistance or evict them if there are serious or repeated violations of significant lease terms. HUD recommends that PHAs work with homeless service providers to establish discretionary termination and eviction policies and to develop partnerships that can carry out eviction prevention strategies. HUD reminds PHAs that they should consider various factors before denying admission or terminating assistance. For example, PHAs may assess the seriousness of a situation, the extent individual family members participated in a situation, or the impact of denial or termination on other family members not involved in an action. In addition, PHAs may consider evidence of rehabilitation or willingness to participate in social services. View PIH Notice 2013-15 at: <http://1.usa.gov/1afx3VY>.

## Conference Call Attempts To Clarify Re-application Process For Preservation Companies

A conference call was held on the afternoon of June 26th to answer questions arising from the reapplication process for Rural and Neighborhood Preservation Companies. The call was sponsored by the Neighborhood Preservation Coalition to follow up on an earlier webinar held on the same topic. Jerry Nagy of NYSHCR sat in on the call to speak to specific concerns raised by callers.

The forms needed for submission for the re-application are contained in an email from Mr. Nagy mailed to all preservation companies on June 24th, at about 4:47 PM. That same email was forwarded again to all RPCs by Colin McKnight during the conference call, when it became clear that a number of preservation companies had not received the original email. Mr. Nagy was emphatic that the forms in his email attachments are the ones to be used for the re-application, as the forms found on HCR's website have not been updated, and there are significant differences in the paperwork.

The reapplication is due on July 1st, and a postmark of that date is acceptable. RPCs needing an extension should request a 15 day extension from Mr. Nagy by email as soon as possible. The 2013-14 contract amount will be \$66,459 for Rural Preservation Companies and \$67,966 for NPCs. The contract will be paid in 3 installments, and the initial HTFC disbursement form should be made out in the amount of \$24,786 for RPCs (\$24,092 for NPCs). Subsequent RPC payments will be \$8443 and \$33,230. The second payment request will be submitted during the summer with the Annual Performance Report.

Mr. Nagy clarified several issues during the call:

- The 'Allocation Plan' referred to in the documents is actually a 'Cost Allocation Plan', which is provided by virtually every annual audit.
- It appears that for some activities that unit counts will be double counted for years one and two of the workplan. We encourage RPCs to list real numbers on the form.
- On the Vendor Responsibility Form, be sure to answer *yes* to Question 17.
- The required Board Resolution should detail authorization to submit applications to BOTH the Division of Housing and Community Renewal AND the Housing Trust Fund Corporation.
- A number of callers were confused by references on the Contract Face Page to items such as 'appropriation language' and 'OAG Charities Registration Confirmation'. These items are for internal use at DHCR and will be taken care of by their staff.
- In Exhibit B, Client Assistance, there is a section at the bottom of the form under Human Services Assistance (Individuals). The Coalition encourages all RPCs to leave this section blank, as the section lists activities that are not believed to be eligible under the RPP statute.
- In Exhibit C, there is a reference to 'Staff Agreements' that in prior year's applications had read 'Service Agreements'. This is a typo and should be read as 'Service Agreements'.

Ultimately, all applicants must secure a minimum score of 80 points in order to be eligible for re-funding. Anyone wishing to have their draft application reviewed by Coalition staff is encouraged to make that request. This is particularly important for anyone with questions about their needs assessment and strategic plan.

In addition to the questions arising from the RPP reapplication process, there were a number of questions related to the concurrent and ongoing Grants Gateway initiative being undertaken by the state Division of the Budget. This online portal is intended to streamline the process of getting to contract with state agencies in future years, by uploading commonly needed documents for state contracts in one place. Any state agency will be able to draw your various documents from that source as needed, ultimately making it easier to submit complete contract packages.

As the Grants Gateway is not a DHCR project, Mr. Nagy was not in a position to answer the more technical questions being asked in the conference call. He noted that the deadline for having your agency pre-qualified on Grants Gateway is the end of July. Documents may be uploaded on Grants Gateway as the reapplication process is underway—the two processes are independent of one another. The user guide for the grants gateway can be found at [http://grantsreform.ny.gov/sites/default/files/docs/nys\\_grants\\_gateway\\_vendor\\_guide\\_v1.0.pdf](http://grantsreform.ny.gov/sites/default/files/docs/nys_grants_gateway_vendor_guide_v1.0.pdf). The registration form is found at <http://grantsreform.ny.gov/sites/default/files/RegistrationFormforAdministratorfillable.pdf>.