Governor Andrew Cuomo introduced his 2013-2014 executive budget proposal on January 22nd. Details of his proposal were a well kept secret until he began to speak at 2:00 PM. Since that time, we have had a chance to look at the various documents involved and we have begun to get a sense of what this proposal might mean for affordable housing.

In his State of the State address back on January 9th the Governor spoke of a one billion dollar affordable housing initiative to be implemented over the next five years. There were hints that RPC would somehow be involved in the Governor’s proposal and it turned out to be true.

The Governor would provide $12 million dollars for the Rural Preservation and Neighborhood Preservation Programs using “excess funds” in the SONYMA mortgage insurance fund (MIF) as the source. This approach takes RPC/NPC off the regular state budget. It provides each RPC/NPC with about $56,000 in funding for each of the next two years. We have been told by the Governor’s staff that in years 3 – 5 of the five year fiscal plan, the program(s) would return to “on budget” funding. This base funding of $56K is subject to negotiation with the legislature and could conceivably be increased as a result of those talks.

Governor Cuomo’s proposal also includes a new Article 27 of the Private Housing Finance law that would replace the current Articles 16 (NPC) and 17 (RPC). Article 27 creates a new, single Community Preservation Program combining all 208 existing RPCs and NPCs into a single program. There is no provision for NOFA at this time, but would provide flexibility to open the program up to new programs or to otherwise re-map the existing groups. The new Article 27 does retain the statute amendments of last year that would encourage mergers and consolidations but would in itself do nothing to force such mergers. Although the proposed Article 27 lifts many elements from Articles 16 and 17 there do appear to be some subtle changes that will require more analysis for long term impact.

In addition, the budget proposal addresses several other key rural housing issues. For the past several years, the Rural Rental Assistance Program (RRAP) has been under serious budget pressure and we have been concerned about the future of this important subsidy for the very low income people living in USDA RD Section 515 rental housing. RRAP is also being proposed “off budget” to be funded through MIF and is returned to the budget in years 3-5 of the five year plan. The proposal appears to represent a long overdue increase to the RRAP program and seems to provide some assurance that the Governor will honor the RRAP commitment into the future. Advocates will be looking to confirm this understanding.

Much of the multi-billion dollar Governor’s proposal for housing goes to Hurricane Sandy (and Irene) recovery efforts as well as the preservation of the Mitchell Lama portfolio.

A key item to watch is the $231 million (over five years) that will invest in the development of new affordable housing statewide. As yet, it is unclear how this fund will work, or if and where the funding might be targeted.

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Board Resignations

We sadly acknowledge the resignations of two of our Board members. Jim Goodling has resigned from the Coalition Board to take a new job. Marty Mucher has also resigned from the Board as he has retired. We wish both Jim and Marty the best, and thank them for their support of the Coalition.

Secretary Donovan Staying for Second Term

HUD Secretary Shaun Donovan confirmed he will remain at HUD during President Obama’s second term in office. In a January 16th tweet, @HUDNews wrote, “It’s official! #SecDonovan is staying on as #HUD Secretary during second term.” “The president has asked him to stay on for a second term, and he is delighted to continue his work for HUD and the American people,” various media outlets quoted a HUD spokesperson as saying. Secretary Donovan, who served at HUD during the Clinton Administration, has been HUD Secretary since the beginning of President Obama’s presidency in 2009.

Grant Training Comes To Central NY

The Grantsmanship Center will hold their Grantsmanship Training Program® in Oriskany, New York from March 11-15th. During the course of the workshop, participants will be involved in a proposal writing exercise. Tuition is $895 per person, with a $50 discount for additional attendees from the same agency. The training is hosted by Cornell Cooperative Extension of Oneida County. For registration information, contact the Program Registrar at (800) 421-9512 or by email at Registrar@tgci.com.

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.
Our friends at Nixon Peabody prepared the attached tax credit impact analysis of the recent federal legislation averting the ‘fiscal cliff’:

Congress averted the expiration of many key tax credit and deduction provisions affecting the housing, new markets, and energy credit industries by passing the American Taxpayer Relief Act of 2012 on January 1, 2013, and President Obama has since signed the legislation into law. The following summarizes select provisions relevant to these industries.

Low-Income Housing Tax Credit

The act includes a 9% housing credit floor provision that allows any project receiving an allocation of Low-Income Housing Tax Credits before January 1, 2014, to qualify for the 9% credit floor. Effectively, because of the regular two-year placed-in-service deadline for carryover allocations, this amounts to a two-year extension for projects receiving 2013 allocations and a one-year extension for projects receiving 2012 allocations. Please note that this rule applies only to 2013 or earlier housing allocation authority. Thus, the 9% credit does not apply to binding commitments to allocate housing credit authority from a housing agency’s allocation authority in years after 2013, even if such a commitment is entered into in 2013. The 4% credit was not changed by this legislation, and continues to float.

Military housing allowance

The act retroactively extends the provision that the basic housing allowance of a member of the military is not considered income for purposes of calculating whether that person qualifies as a low-income tenant from December 31, 2011, through December 31, 2013.

New Markets Tax Credit

The act retroactively extends the new markets tax credit for 2012 and also for 2013, providing for annual allocations of qualified equity investments of $3.5 billion, and it extends the period for re-allocating unused allocations to 2018.

Bonus depreciation

Current law allows a 100% bonus depreciation for investments placed in service after September 8, 2010, and before January 1, 2012, and a 50% bonus depreciation for investments placed in service during 2012 (with the possibility of 100% for certain longer-lived and transportation assets). The act extends the current 50% expensing provision for qualifying property purchased and placed in service before January 1, 2014 (before January 1, 2015, for certain longer-lived and transportation assets), and also allows taxpayers to elect to accelerate some alternative minimum tax (AMT) credits in lieu of bonus depreciation, thereby helping to avoid the AMT.

Energy PTCs and ITCs

The act makes a significant change to the production tax credit (PTC) and the investment tax credit (ITC) that applies to otherwise PTC-eligible facilities (e.g., those that generate electricity using wind, geothermal, biomass, landfill gas, municipal solid waste, hydroelectric production, and marine and hydrokinetic energy). All of these are now eligible for the PTC or the 30% ITC, provided the facility begins construction not later than December 31, 2013. Formerly, the test had been whether the facility was placed in service by that date (or even earlier, in the case of wind). As yet, there is no guidance on what it means to “begin construction.” Treasury may adopt rules similar to those used by Treasury in administering the 1603 grant in lieu of tax credits program under the American Recovery and Reinvestment Act of 2009—ie, either (A) continuous physical work of a significant nature commencing before 2014, or (B) incurring 5% of the cost of the facility before 2014—but remember that Treasury’s rules for grants are not binding on the IRS in administering this new energy credit extension. The rules for solar, fuel cells, and geothermal that generates heat continue to have the same placed-in-service tests as before the extension (e.g., solar facilities must be placed in service by the end of 2016 to qualify for the 30% ITC).

HUD Issues Housing Counseling NOFA

The US Department of Housing and Urban Development has issued a NOFA for a new round of Housing Counseling funding. Applications are due March 18th.

With this NOFA, HUD is encouraging the creation of networks of housing counseling agencies. Scoring will encourage high impact services. Although not specified as a separate category in the application, reverse mortgage counseling remains an eligible activity under a comprehensive housing counseling grant.

In our regular feature, Rural Delivery invites members of the Rural Housing Coalition to highlight their community development projects and programs in the pages of this newsletter. This month, we are pleased to present the Main Street revitalization work of the Alfred Housing Committee. In their own words, here is their story:

The Alfred Housing Committee, Inc., a Rural Preservation Company located at 14 Madison Street in Wellsville, New York has administered and completed two New York Main Street Program grants for the Village of Wellsville.

Robert Sobeck, Executive Director for the Alfred Housing Committee says that a total of $800,000 has been invested on Main Street in the Village of Wellsville, of which $400,000 is New York State Main Street monies and another $400,000 invested by the business owners. A total of 28 buildings and a streetscape project received funding. The New York Main Street Program restored a sense of pride to the entire community.

Sobeck further states that “none of this would have been possible without Governor Cuomo’s vision for the future of economic development for the State of New York. I also want to personally thank Senator Catherine Young and Assemblyman Joseph Giglio for their support and assistance during the application process, as well as Karl Gustafson, Sr. Community Developer and Maureen Palumbo, Community Developer with the New York State Office of Housing and Community Renewal. They both provided technical assistance and were wonderful to work with.”

The New York Main Street Program created a vibrant Main Street in the Village of Wellsville, which is not only good for business, but it promotes additional business and investment as well. Residents, visitors, and prospective developers look at a community’s central business district to determine the viability of an area. Ensuring Wellsville’s Main Street projects a healthy image of the community is important to bringing further development to the area.

It should be noted that the Village of Wellsville is by far the largest municipality in Allegany County with approximately 5,171 residents. Additionally, it is the only retail center in the county of approximately 50,000 people.

In addition to operating programs such as the Wellsville Main Street revitalization effort, Alfred Housing Committee owns and manages 72 units of affordable rental housing located in 3 different projects in Wellsville, and is completing development of a fourth project, which is scheduled to open in May, 2013. This latest project will add 28 more affordable units to the agency portfolio.
Upcoming STAR Seminars

Spectrum Seminars will host STAR certification and C3P seminars in Syracuse in April. The trainings will be held at the Sheraton Syracuse Hotel. The C3P training will be held on April 2nd and 3rd. The STAR training will be held on April 4th and 5th.

STAR certification is a requirement for managers of USDA Section 515 rental housing projects. The seminar covers handbook income, eligibility, and occupancy issues, the 3560-8 Tenant Certification and 3560 handbook regulations.

The C3P training focuses on all aspects of marketing and management of housing projects financed with the Low Income Housing Tax Credit. This training also concludes with a certification exam.

For more information, contact Spectrum at (207)767-8000.

Rural Advocates Legislative Days Scheduled

The NYS Rural Advocates will hold their annual legislative days in Albany on March 4th and 5th. The meetings will be held at the Hotel Albany and at the Legislative Office Building. The Rural Advocates Board meeting will be on the evening of March 4th and legislative visits are scheduled for March 5th. Registration is $95.00.

A block of rooms have been reserved for the NYS Rural Advocates at the Hotel Albany, Albany Downtown, at $129 per night. Use code 1GJM to secure the special rate. Call (866)691-1183 for reservations. The room rate includes parking and wifi.

Contact ruraladvocates@gmail.com for assistance and information.

Career Opportunities

Executive Director

Chautauqua Home Rehabilitation & Improvement Corporation, Inc. (CHRIC), a local non-profit agency, whose mission is to improve the housing stock in Chautauqua County and improve the lives of low-income residents, is seeking a motivated, creative, and team-oriented individual to fill the position of Executive Director. In addition to housing rehabilitation, CHRIC provides: first-time homebuyers training; historic restoration projects; adaptations for seniors and people with disabilities; and lending services.

Responsibilities include:
- Overseeing day-to-day operations of CHRIC and its staff of fewer than 15 employees.
- Administering a multi-million dollar annual budget.
- Taking a leadership role in strategic and long-range planning.
- Developing and implementing fund-raising efforts.

The successful candidate will have:
- A four-year degree and three years of experience or a two-year degree and five years of experience as a director, assistant director, or manager in the non-profit field or public employment.
- An understanding of the housing rehabilitation process and its impact on the lives of low income residents and neighborhood revitalization efforts.
- Knowledge of non-profit budgeting and fiscal management procedures.
- Proven grant-writing and grant management skills.
- Proven ability to plan, execute, and evaluate large projects and special events.
- Proven ability in non-profit fundraising from corporations, foundations, government, and special events.
- Experience in organizational planning, staff supervision, and staff development.
- Excellent verbal and written communication and presentation skills; excellent interpersonal skills; ability to work effectively with staff, board, public officials, community leaders, and clients/customers.
- Proficiency in Word, Excel, and PowerPoint.

Competitive salary and benefits package. Send letter of interest and resume by February 7th, 2013 to: CHRIC ATTN: CHRIC Search Committee 2 Academy Street Mayville, New York 14757-1050 CHRIC IS AN EQUAL OPPORTUNITY EMPLOYER

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. 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.
House Organizational Meetings Held, Subcommittee Assignments Announced

The House Committee on Financial Services held its organizational meeting for the 113th Congress on January 23rd. The meeting was led by newly appointed Committee Chair Jeb Hensarling and Ranking Member Maxine Waters. Ranking Member Waters said in her opening statement that Chair Hensarling has “bent over backwards to try to understand [the Minority’s] concerns,” and said that she looks forward to a good working relationship with the Majority even though the two sides may disagree.

The committee adopted a rules resolution by voice vote. The resolution, among other provisions:
• Names former Committee Chair Spencer Bachus (AL) Chairman Emeritus. Mr. Bachus no longer serves as Committee Chair due to House of Representatives term limit requirements for Chairman positions.
• Renames the former Subcommittee on Insurance, Housing, and Community Opportunity to the Subcommittee on Housing and Insurance.
• Continues to require that at least three calendar days notice be given before a committee or subcommittee markup.

Assignments for all subcommittees were finalized at the meeting. Representative Randy Neugebauer (TX) was named Chair of the Subcommittee on Housing and Insurance and Representative Blaine Leutkemeyer (MO) will be Vice Chair. Representative Michael Capuano (MA) is the new Ranking Member.

Other Republicans named to the Housing and Insurance Subcommittee are Representatives Ed Royce (CA), Gary Miller (CA), Shelley Moore Capito (WV), Scott Garrett (NJ), Lynn Westmoreland (GA), Sean Duffy (WI), James Renacci (OH), Robert Hurt (VA), and Steve Stivers (OH). Chairman Hensarling is ex officio and the former Chairman is emeritus.

The Democratic Representatives assigned to the Subcommittee on Housing and Insurance are Nydia Velasquez (NY), Emanuel Cleaver (MO), William Lacy Clay (MO), Brad Sherman (CA), Jim Himes (CT), Carolyn McCarthy (NY), Kyrsten Sinema (AZ), and Joyce Beatty (OH). Ms. Waters is ex officio. Ms. Sinema and Ms. Beatty are newly elected Members of the House.

The Subcommittee on Capital Markets and Government Sponsored Enterprises will be chaired by Representative Scott Garrett (NJ) with Representative Robert Hurt (VA) as Vice Chair. Representative Carolyn Maloney (NY) is the Ranking Member.

The Republican members of the Capital Markets and GSEs Subcommittee are Representatives Spencer Bachus (AL), Peter King (NY), Ed Royce (CA), Frank Lucas (OK), Randy Neugebauer (TX), Michele Bachmann (MN), Kevin McCarthy (CA), Lynn Westmoreland (GA), Bill Huizenga (MI), Michael Grimm (NY), Steve Stivers (OH), Stephen Fincher (TN), Mick Mulvaney (SC), Randy Hultgren (IL), Dennis Ross (FL), and Ann Wagner (MO), with Chairman Hensarling as ex officio. Ms. Wagner is new to Congress.

The Democrats assigned to the Subcommittee on Capital Markets and GSEs are Representatives Brad Sherman (CA), Rubén Hinojosa (TX), Stephen Lynch (MA), Gwen Moore (WI), Ed Perlmutter (CO), Jim Himes (CT), Gary Peters (MI), Keith Ellison (MN), Mel Watt (FL), Bill Foster (IL), John Carney (DE), Terri Sewell (AL), and Daniel Kildee (MI), with Ms. Waters as ex officio. Mr. Kildee is newly elected.

The House Committee on Appropriations also finalized Minority subcommittee assignments at an organizational meeting on January 23rd; Majority subcommittee assignments were announced on January 15th.

Republican Representatives assigned to the Transportation-HUD Appropriations Subcommittee are Chair Tom Latham (IA), Frank Wolf (VA), Charles Dent (PA), Kay Granger (TX), Tom Cole (OK), Jaime Herrera Beutler (WA), and new Member of Congress David Joyce (OH).

Democratic Representatives assigned to the Transportation-HUD Appropriations Subcommittee are Ranking Member Ed Pastor (AZ), David Price (NC), Mike Quigley (IL), and Tim Ryan (OH).

New Office Location For Salmin, Celona, Wehle & Flaherty

Longtime sponsors of the Rural Housing Coalition conference, Salmin, Celona, Wehrle & Flaherty in Rochester have a new office location. The accounting firm has moved to Cornerstone Centre, 2300 Buffalo Road, Building 200, Rochester, NY 14624-1365. The phone number is (585) 279-0120, and the fax number is (585) 279-0166.
Housing Fairness Act Introduced

On January 15th, Representative Al Green introduced HR 285, the Housing Fairness Act of 2013, which would authorize $15 million to create a nationwide testing program to detect and document differences in the treatment of persons seeking housing, and measure the prevalence of discriminatory practices across the housing market.

This bill would authorize investigation or enforcement actions to remedy any discriminatory housing practice found as a result of testing. In addition, the measure authorizes $42.5 million in funding for the Fair Housing Initiatives Program, and amends Title V of the Housing and Community Development Act to ensure private nonprofit fair housing enforcement organizations are qualified. This bill also authorizes $5 million to carry out a competitive matching grant program to study the causes and community effects of discrimination in the housing market, and implement pilot projects that test solutions.

This is a re-introduction of HR 284, introduced in the 112th Congress. HR 285 was referred to the House Committee on Financial Services.

HUD Income Calculator Updated

HUD has completed updating the Income Calculator to incorporate FY 2013 HUD Program Income Limits. These limits have been effective since December 11, 2012 for most HUD programs and can be viewed on the OneCPD Resource Exchange.

All calculations that are currently in a user’s dashboard in the CPD Income Eligibility Calculator, as well as all calculations completed going forward, will use the FY 2013 income limits for the purposes of determining eligibility.

Although your data and calculations are accessible within the CPD Income Eligibility Calculator for 13 months, this feature is designed to allow you to more easily update a beneficiary’s income in the future – it is not a repository of income calculations completed in the past.

Only calculations that had been downloaded from the Calculator and saved to a user’s hard drive (or printed off) prior to January 25, 2013 may use the previous year’s income limits data for calculating a beneficiary’s income eligibility.

Important notice for Local Program Administrators utilizing HOME program funding:

The FY 2013 Income Limits used in this calculator are not yet in effect for the HOME Program. While participating jurisdictions are permitted to use the CPD Income Calculator to perform income calculations for potential HOME beneficiaries, they cannot rely on the calculator’s determination that the beneficiary qualifies as income eligible or the calculated percentage of area median income. The participating jurisdiction must compare this calculated income with the FY 2012 HOME income limits posted on the HOME Program website at www.hud.gov/homeprogram/. The FY 2013 income limits will not become effective for the HOME Program until 30 days after HUD posts the income limits, along with the 2013 HOME Program website.

NCRC Hosts Fair Housing Training

The National Community Reinvestment Coalition (NCRC) is offering two-day Affirmatively Furthering Fair Housing (AFFH) trainings in seven cities. The trainings are approved by and funded with support from the Fair Housing Initiatives Program of HUD’s Office of Fair Housing and Equal Opportunity.

Participants will gain a working knowledge of how communities and agencies receiving funds can ensure compliance with the Fair Housing Act and with the AFFH rules. In addition, participants will learn about model programs and innovative approaches, including collaborating with stakeholders to achieve housing opportunity. The trainings will provide an update on the status of current AFFH activity and preview HUD’s new vision for AFFH.

The session in New York will be in White Plains, on May 22nd and 23rd, at the Crowne Plaza White Plains. Go to http://e2.ma/click/yggbd/el6uuh/mbgev to register.

Marketing Trends 2013

In her marketing blog, Getting Attention, Nancy Schwartz notes that social media will continue to gain importance in marketing strategies for nonprofits in the coming year. She encourages nonprofits to integrate social media into the overall marketing plan, moving beyond Facebook. At the same time, she cautions against using every new shiny social media platform that comes along. For more on this and her other trending marketing tips, visit http://gettingattention.org/articles/3524/strategies-campaigns/nonprofit-marketing-changes-2013.html.
AG Holds Hearing On 501 (c)4 Disclosure

Attorney General Eric Schneiderman held a hearing in Albany on January 27th regarding proposed regulatory changes for non-profit organizations holding 501(c) 4 tax exemptions from the IRS. The proposed regulation will impose new reporting requirements on 501 (c) 4 organizations that spend more than $10,000 per year in New York State on lobbying activities. These organizations must disclose the identities of donors unless the donations are specifically restricted to non-electioneering activities of the organization, or in the case where a waiver from the regulation has been secured because disclosure would cause undue harm. The comment period on the proposed regulations will close on March 6th.

Speakers at the Albany hearing included representatives of Citizen Action, the League of Women Voters, and NYPIRG. Testimony was also received from several state legislators, who testified about being the victims of attack mailings during the most recent campaign, and efforts to trace the source of the mailings dead-ended with mail drops in Virginia.

This regulation only applies to organizations with 501 (c) 4 status. It does not apply to organizations operating with Section 501 (c) 3 tax exempt status from the IRS. 501 (c) 3 organizations are restricted from lobbying activity under current law, it was noted by one of the panelists from the Attorney General’s office. Affected organizations will be required to itemize expenses and contributions in reports to the Attorney General, and the information will be made public.

These regulations are intended to increase transparency in the political process. With primary oversight responsibility for the nonprofit sector, the Attorney General is empowered to determine the form and manner in which organizations make annual reports to his office.

Following the close of the public comment period on March 6th, The Attorney General’s office expects to adopt the regulations with any changes warranted by public comments. The regulations will become effective immediately upon adoption. Under the proposed regulations, nonprofits will be required to begin making enhanced disclosures as part of annual financial reports filed with the Attorney General’s Charities Bureau. These enhanced disclosures are expected to occur in many cases in time to effect disclosure of information concerning 2013 elections, and in all cases in time for the 2014 elections.

Copies of the proposed regulations can be found at www.ag.ny.gov/charity-disclosure-regulations.

Request For Developer Proposals

The Town of Lansing, New York has released a Request for Proposals to develop a new mixed-use neighborhood to be part of the Lansing Town Center. The desired development would be located on approximately 156 acres of Town-owned land. The RFP seeks a developer or developers who would build a mixed-use, pedestrian-oriented and sustainable development in a traditional neighborhood-styled Town Center. The intent of the Town is to have mixed, complimentary uses, such as small-scale retail, commercial and office uses, hotel, residential (including affordable, market-rate and senior housing), a possible research and development park, a community center, recreation, significant amounts of common open space and trails. Uses already around the Town Center site include the new Town Hall, Library, Community Center, Town Historical Society and Old Schoolhouse, restaurants, a supermarket, and small-scale retail and commercial uses.

The RFP is available on the Town of Lansing website at: www.lansingtown.com. The developer(s) will be selected based on the criteria and objectives outlined in the RFP. Proposals are due on March 15th. Questions regarding the RFP should be directed to: Kathy Miller, Supervisor at (607)533-8819 or Jonathan Kanter, AICP, Town Planning Consultant (607)533-7054, Box 186, Lansing, NY 14882, or via email at kcmiller154@twcny.rr.com or jkanter4@twcny.rr.com.