



RHD Rural Delivery

New York State Rural Housing Coalition, Inc.

January, 2015

NYSHCR Issues NOFA

On December 10th, NYS Homes and Community Renewal issued a NOFA for approximately \$38 million in funding for housing activities under the Community Development Block Grant program, the AHC Affordable Home Ownership Development program, the Access to Home program, and the RESTORE program. Application deadlines vary by program, as noted below.

The **New York State Community Development Block Grant Program** (NYS CDBG) is a federally funded program administered by the Housing Trust Fund Corporation's Office of Community Renewal.

The program provides resources to non-entitlement communities to enable the development of decent, affordable housing, create suitable living environments, and enhance economic opportunities across the state. Applicants to the NYS CDBG program must ensure that 70% of all activities principally benefit low- and moderate-income (LMI) persons.

Eligible applicants include non-entitlement villages, towns, cities or counties throughout New York State, excluding metropolitan cities, urban counties, and Indian Tribes that are designated Entitlement communities. Non-entitlement areas are defined as cities, towns, and villages with populations of less than

50,000 except those designated principal cities of Metropolitan Statistical Areas, and counties with populations of less than 200,000. The deadline for CDBG applications is February 27th.

The **AHC AHODP** deadline is February 13th. The maximum per unit of AHC investment this year is \$35,000, except in designated high cost areas, where the limit is \$40,000. AHC funds may be used for new construction, acquisition/rehabilitation, or home improvement.

The **Access to Home Program** is a State funded program administered by the Housing Trust Fund Corporation's Office of Community Renewal that provides grants to eligible applicants to make accessibility modifications to existing dwelling units occupied by low-income persons with disabilities. The maximum award amount is \$150,000 with a dwelling unit maximum of \$25,000. The minimum award amount is \$75,000. The application deadline for this program is also February 13th.

The **Access to Home for Medicaid Program** is a State funded program administered by the Office of Community Renewal, in coordination with NYS Department of Health, that provides grants to eligible applicants to make accessibility modifications to existing dwelling

units occupied by persons with disabilities that also receive Medicaid assistance. Units occupied by persons with disabilities but not receiving Medicaid assistance are not eligible for this program. The application deadline is February 13th.

The **RESTORE** program seeks applications for programs that benefit elderly homeowners (60 years of age or older) with incomes less than 80 percent of median income that propose funding for one or more of the following activities: Repairs to 1-4 unit residential dwellings owned and occupied by an elderly homeowner that correct an emergency housing condition; and repairs addressing furnace, roof, electrical and plumbing or other emergency repairs. The deadline is February 13th.

To review the complete NOFA, visit www.nyshcr.org/AboutUs/Offices/CommunityRenewal/2014OCR-HousingResourcesNOFA.pdf.

In This Issue...	
3% Down.....	Pg 3
Pedestrian Access Grants.....	Pg 3
OMB Omni-Circular.....	Pg 6
Refi's of Land Contracts.....	Pg 7
PTFA To Lapse.....	Pg 7
BEA Program Comments.....	Pg 8

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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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Rural Delivery is published monthly and delivered electronically to a mailing list of 200 community development professionals and policy makers.

For information on advertising in Rural Delivery and to receive a copy of our advertising rate sheet, please contact the Coalition at:
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Bits and Pieces...

Fannie And Freddie Now Required To Support National Housing Trust Fund

On December 11th, Mel Watt, Director of the Federal Housing Finance Agency, lifted the suspension of the obligation that Fannie Mae and Freddie Mac contribute to the National Housing Trust Fund. This is phenomenal news for all of the advocates that had worked tirelessly on the creation of a Housing Trust Fund with a dedicated funding source, only to see the mortgage crisis put the dedicated funding source in financial distress before any payments could be made. With the suspension of that requirement now lifted, funds from Fannie Mae and Freddie Mac should begin to flow, ultimately supporting the housing needs of very low income families.

FY2015 Income Limits

The publication of HUD's FY 2015 programmatic Income Limits will occur following the publication of 2015 poverty guidelines issued by the Department of Health and Human Services (HHS). The 2014 Consolidated Appropriations Act defines extremely low-income families as very low-income families whose income does not exceed the greater of the federal poverty guidelines as published by HHS or 30 percent of area median family income. HUD anticipates that the FY 2015 Income Limits will be published in February, 2015.

Tax Credit Training

Quadel will host a 3 day training in NYC this spring on tax credit compliance for operators of housing developed with low income housing tax credits. The training will be held from March 17th-19th at the AMA Executive Conference Center. Registration is \$825 per person. For more information, visit Quadel at www.quadel.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.

Down Payment Reductions To Go Into Effect

Some Americans will soon be able to buy a home with a down payment as low as 3 percent, compared with the current minimum of 5 percent, the mortgage giants Fannie Mae and Freddie Mac say.

The new lending guidelines announced by the companies recently are designed to help more low-income and first-time buyers afford homes. Millions of Americans lost their savings or no longer had the income needed to set aside money for a home in the aftermath of the 2008 financial crisis and the recession. That has held down the sales of houses and condominiums and slowed the economic recovery.

The guidelines are designed to prevent the kind of reckless lending that fueled a housing bubble and eventually triggered the recession. Borrowers must have enough income to repay loans on a monthly basis for homes that would be their main residence. This guideline would be intended to limit financial speculation.

“These underwriting guidelines provide a responsible approach to improving access to credit while ensuring safe and sound lending practices,” Mel Watt, director of the Federal Housing Finance Agency, said in a statement. The FHFA oversees Fannie and Freddie, which have been under government control since 2008 because of the housing bust.

Watt had announced in October that Fannie Mae and Freddie Mac

had reached an agreement with major banks to expand lending. The FHFA declined to say how many borrowers might benefit from having a 3 percent down payment.

The standard down payment for mortgages insured through Fannie and Freddie has been 20 percent. That would mean that a first-time buyer would need \$41,600 in cash to purchase a median-priced home of \$208,300, according to the National Association of Realtors. Just 29 percent of home purchases in October went to first-time buyers, compared with a historic average of 40 percent, the Realtors reported.

The new loans would be fixed-rate mortgages of up to 30 years for primary residences, though some policies vary between the companies.

Fannie could begin underwriting the loans before the end of the year. It said the loans would be geared toward first-time buyers, require mortgage insurance payments because of the low down payment and mandate that buyers complete a financial counseling program.

Freddie intends to begin offering its mortgages as early as March 2015, saying it would be an option for low- and moderate-income borrowers. It requires that borrowers earn less than an area’s median income, in addition to paying insurance and receiving counseling. Monthly payments could not exceed 43 percent of the borrower’s income.

Transportation Grants Benefit

Pedestrian Access

A recent article on the website *Efficientgov.com* notes that two New York communities are using grants from transportation agencies to improve pedestrian safety as part of their community revitalization efforts.

The City of Glens Falls in Warren County received a federal Department of Transportation grant to develop a pedestrian/bikeway connecting an elementary school and the local YMCA. Vehicular traffic on the street connecting the two facilities often travels in excess of the speed limit, making walking hazardous. The grant funds (totalling \$480,000) will not only be used to widen the existing sidewalks to 8 feet, but will also allow the creation of a separate bike/pedestrian path totally separated from vehicular traffic.

In the City of Long Beach in Nassau County (Long Island), a \$1 million grant from the New York State Department of Transportation will be used to renovate an existing boulevard connecting downtown to the beach, so pedestrians and cyclists will have easier access to the train station and the boardwalk. The state grant will pay 80% of the project costs, which will add bike lanes, improve existing sidewalks and add flood prevention landscaping along the boulevard.

The award to Long Beach is part of a \$70 million statewide grant program dedicated to making municipalities more pedestrian and bike-friendly. The EfficientGov article can be found at <http://efficientgov.com/blog/2014/12/18/gran-programs-focused-pedestrian-safety/>.



Project Profile: Genesis House Using Volunteer Grantwriters

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 a creative grant-writing effort organized by Genesis House, a homeless shelter for families located in Olean, NY. Here is their story:

Genesis House opened in 1995, thanks to the cooperation and support of a variety of religious institutions in Olean. That philosophy of cooperation and volunteer action has made the organization successful in serving the shelter and nutritional needs of homeless families ever since. During a typical year, Genesis House provides shelter to an average of 35-40 families.

Genesis House operates with one full time staff, complemented by two half time staff. However, the shelter is blessed with volunteer support of 70 local residents per year, providing a wide variety of services, ranging from shopping for food and supplies to painting and general maintenance of the facility.

With such a limited full-time payroll, the process of grantwriting was a daunting challenge. Yet grant support represents 22% of the annual budget. Nine years ago, Linore Lounsbury, the Executive Director of Genesis House, decided to put some of the volunteer energy to good use in generating more grant applications for submittal to appropriate funders.

Through word of mouth, she solicited volunteers for a grant-writing committee that meets weekly. Recognizing that the volunteers would

have little-to-no experience in completing a grant application, the volunteers started small, working on one page grant applications. Ms. Lounsbury maintains a list of potential funding sources and makes available copies of grant applications that have been submitted previously to those sources. As the volunteers complete smaller-sized applications, they then progress to larger asks. The grant applications the Genesis House volunteers concentrate on are with local foundations and faith-based funders. The volunteers now also research other funding opportunities as a group. At the moment, there are 4 active volunteers writing grants, and plans are under way to recruit more volunteers for this effort.

One volunteer successfully secured \$7,000 on her first try. This success motivated her to do more. She said it was a more productive use of her time than many other volunteer opportunities. She has thus become a great ambassador for recruiting new members for the committee.

The largest grant received to date from the volunteer grantwriter committee effort has been \$10,000. One of the volunteers submitted a \$30,000 proposal to United Way just before Christmas. Genesis House

also received a donation of another building this past month, which will require a new grantwriting push in order for it to be properly outfitted to house additional folks in need.

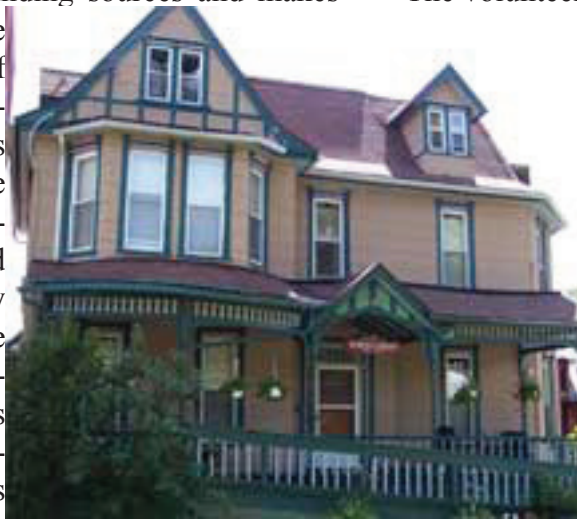
The volunteer grant writers committee continues to evolve. The committee is planning to grow in size this coming year. There is no maximum size, and Ms. Lounsbury welcomes additional committee members. In addition, volunteers have begun completing annual reports to the funders,

which is a terrific way for the volunteers to maintain contact with the programs that they worked so hard to see funded.

The grantwriting committee is a fun way for volunteers to make a very meaningful contribution to the wellbeing of their neighbors. The volunteers gain practical skills in learning how to properly prepare a grant proposal and report on the accomplishments of the funded programs. And the volunteers provide a huge support for the very small administrative staff of the agency.

Ms. Lounsbury would like to collaborate to a greater degree in the future with other faith-based groups to increase the impact of these outreach efforts.

Genesis House is located at 107 South Barry Street, Olean, NY 14760. Their phone number is (716) 373-3354 and the website address is www.geneshouseofolean.org/.



Genesis House in Olean

Career Opportunities

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.

Community Development Consultant

Thoma Development Consultants is seeking a long-term team member to join our staff of professionals as an entry level Program Manager/Assistant focusing on economic development projects. The successful candidate, as an individual and as a team member, will be responsible for providing a varied array of community development services to our customers in the Central and Finger Lakes areas of New York State, including grant writing, grant administration, and project implementation. A degree or comparable experience in planning, community development, or similar field is desired. Background or experience in economic development is preferred. Background or experience in any of the following is helpful: planning, grant writing, grant administration, downtown revitalization, and sustainable development. Candidates should possess excellent written and verbal communication skills, enjoy working with the public, and thrive in a collaborative working environment. Please submit a cover letter, with salary requirements and resume by February 1, 2015 to: Thoma Development Consultants, 34 Tompkins Street, Cortland, NY 13045 or by e-mail to tdc@thomadevelopment.com. Thoma Development Consultants is an equal opportunity employer.

Director Of Development

The Development Director will develop, coordinate and implement strategies for private and public support that meet the resource needs of the Erie Canalway Heritage Fund and Erie Canalway National Heritage Corridor and are consistent with the mission and values of the organizations. The Development Director will implement a diversified development program with funding from individual, foundation and corporate donors, and seek resources from the public sector. S/he will work closely with staff and volunteers and must possess a solid record of achievement in mission driven organizations.

The successful candidate will be responsible for building and preparing an annual and long-term development plan; managing the development and solicitation of gifts, sponsorships, and grants; and, coordinating fund raising events. This newly created position will report to the Executive Director. Responsibilities include: develop goals, strategies and work plans for fundraising/resource development activities; develop and manage appeal letters, direct mailings, solicitation materials, case statements, and other resource development materials; work closely with the Director of Communications; research, write and manage grants; meet all reporting requirements; work closely with Program Directors to coordinate resource development activities; secure new funding sources, particularly with individuals, corporations & foundations; plan and implement special events and other resource development meetings, manage database for donors and prospects; ensure that the appropriate systems and procedures are in place to support fundraising goals, including tracking systems to acknowledge donations in timely and appropriate manner; ensure appropriate donor recognition and regular donor communication.

Bachelor's Degree required; Minimum 5 years development/fundraising experience with not-for-profit organizations; Record of measurable results in obtaining gifts/donations/grants from individuals, foundations, and corporations; demonstrated experience planning and implementing special events; Excellent communication and relationship building skills; ability to make presentations and inspire donors to action; A team player, able to work within a fast paced environment; energetic and creative and able to motivate staff, volunteers and donors to action; experience working with volunteers; Willingness to travel, as appropriate, for meetings, trainings, and events. This full time position includes a competitive salary and benefits package. To apply send a resume and a thoughtful cover letter to: Erie Canalway Heritage Fund, Inc., Re: Development Director, PO Box 219, Waterford, NY 12188. The position will be filled when a qualified candidate is identified. The anticipated start date is February 2015. The Erie Canalway Heritage Fund, Inc. is an equal opportunity employer.

OMB Omni-Circular/SuperCircular Takes Effect

December 26, 2014 is the start date of audit and procurement changes resulting from the implementation of the Omni-Circular/SuperCircular issued by the Office of Management and Budget. The Omni-Circular and SuperCircular make changes to audit requirements for federal grantees, as well as changes to procurement requirements.

The circulars took effect on December 26, 2013. Subpart F, Audit Requirements, will apply to audits of the fiscal years of non-federal entities that begin on or after December 26, 2014. The revised audit requirements do not apply to fiscal years beginning prior to that date. For organizations whose fiscal year ends on December 31st, this will be your December 31, 2015, audit. For those with a June 30th fiscal end, this will be your June 30, 2016, audit. The circulars usher in an increased threshold for A-133 audits. A new higher threshold (up from the current \$500,000 to \$750,000) will relieve approximately 5,000 non-federal organizations from the

requirement, while still having 99.7 percent of federal award dollars subject to single audit oversight. The new rules increase the threshold for reporting known or likely questioned costs from \$10,000 to \$25,000.

Also included in the new requirements are:

Conflict of interest — Non-federal entities must maintain conflict of interest policies as well as written policies on organizational conflict of interest to protect the integrity of procurements under federal awards and sub-awards.

Greater responsibilities for sub-recipient monitoring — Pass-through entities must include (at the time of a sub-award) an approved, federally recognized indirect cost rate negotiated between the sub-recipient and the federal government. If no such rate exists, either a negotiated rate or a 10 percent de minimis rate, should be included.

Greater focus on internal controls — Organizations must establish and maintain effective internal controls

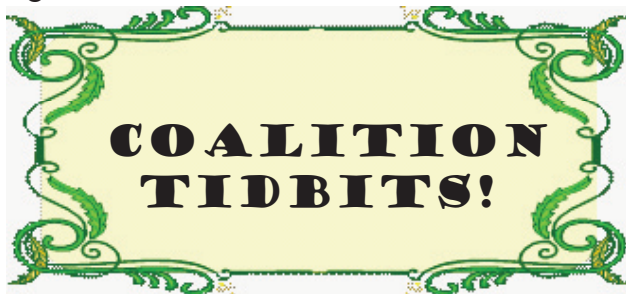
over federal awards to provide reasonable assurance that awards are being managed in compliance with laws and regulations. Non-federal entities and their auditors will need to exercise judgment in determining the most appropriate and cost effective internal control in a given circumstance. Non-federal entities must also take measures to safeguard personally identifiable information.

Definition of supplies — If the acquisition cost of computer equipment is less than the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000 (regardless of the length of the device's useful life), it should be considered a supply. In addition, the final guidance includes a new micro-purchase procurement method. This method applies to the purchase of supplies or services when the aggregate dollar amount does not exceed \$3,000. If the non-federal entity considers the price reasonable, these purchases may be awarded without soliciting competitive quotes.

Performance measurement — Recipients of federal awards must relate financial data to the performance accomplishments of an award. Recipients must also provide cost information to demonstrate cost-effective practices. The intent is to help awarding agencies improve program outcomes, share lessons learned, and spread the adoption of best practices.

Cost principles: The new guidance also includes significant reforms to cost principles (formerly circulars A-21, A-87, and A-122).

Check with your auditor about these and other changes affecting non-federal grantees in order to stay in compliance.



Proofreading, editing, and more.....oh my!

Among many of the expert services we provide to our members, there is one that tends to fly under the radar -- our "second look" process. Not only are we here to lend expertise in helping you respond to an RFP or with grant applications, we do much more:

- Crafting a fundraising campaign piece? We are here to help you strategize the approach and give your documents a final proofing that will help you avoid any "oops" moments.
- Developing a professional document such as a corporate brochure or an annual report? If you need an extra set of eyes before sending it to the printer, we are more than happy to help.

Think of us as your extended editorial staff!

Refinancing Families Out Of Land Contracts

In many rural communities in New York, land contracts are a relatively common form of home purchase for lower income home buyers. When the family is in need of home repair, though, having a land contract can be a problem. A land contract borrower typically does not have a deed, and thus cannot document ownership of the property when they apply for housing rehabilitation assistance using HOME or CDBG funds. One strategy for helping families in this situation is to help them in refinancing the land contract and converting to an FHA-insured mortgage.

If a borrower does not receive cash at the closing, his/her new mortgage may be processed by a lender as a purchase or refinance transaction with maximum FHA-insured financing if he/she uses the loan to pay off a:

- land contract
- contract for deed, or
- other similar financing arrangements in which the borrower does not have title to the property.

Protecting Tenants at Foreclosure To Lapse

An important piece of unfinished business at the conclusion of the 113th Congress on December 16th was the Protecting Tenants at Foreclosure Act (PTFA). Protections provided by the PTFA expire on December 31, 2014 and were not extended by this Congress, despite efforts by Senator Richard Blumenthal and Representative Keith Ellison to do so. The PTFA, authorized in 2009, ensured that renters living in foreclosed homes could stay in their homes for at least 90 days or through the term of their lease, whichever was greater.

Republican objection to PTFA extension prevented it from ad-

versing. The objection took two forms. One was purely political. The last PTFA extension was the Dodd-Frank Wall Street reform legislation, which many Republicans oppose. The second objection was to the federal nature of the law and the belief that tenant protections are for state law to provide.

Lenders should process cash-out transactions to pay off land contracts, or refinance on properties subject to ground rents as if they were cash-out refinances on properties held in fee simple, as described in HUD 4155.13.B.2.

If the property was acquired fewer than 12 months earlier, and the loan proceeds are to be used to pay off the outstanding balance on the land contract, plus eligible repairs and renovations, the loan-to-value ratio is applied to the lesser of the

- appraised value of the land and improvements, or
- total cost to acquire the property, which includes the original purchase price, plus any documented costs the borrower incurs for rehabilitation, repairs, renovation, or weatherization, closing costs and reasonable discount points, if treated as a refinance.

Equity in the property may be used for the borrower's entire cash investment. However, if the property was acquired fewer than 12

months earlier, and the borrower receives more than \$500 cash at closing, the loan is limited to 85% of the lesser of the

- appraised value of the land and improvements, or
- total cost to acquire the property, which includes the original purchase price, plus any documented costs the borrower incurs for rehabilitation, repairs, renovation, weatherization, closing costs and reasonable discount points, if treated as a refinance.

Replenishing the borrower's own cash expended for repairs, improvements, renovation, or weatherization is not considered "cash back," provided that the borrower can substantiate with cancelled checks and paid receipts all out-of-pocket funds for the improvements.

Upon completion of the refinance of the property, the local program administrator can proceed with processing the HOME or CDBG rehab application, as the homeowner will then possess a deed in their name.

Underwater Mortgages Decline

The number of homeowners underwater on their mortgage has declined by seven million since early 2012, but 8.7 million still owe more than their homes are worth, according to Zillow. The report notes that the recent slowing in home price growth will make it more difficult for borrowers to move above water in 2015. To get out of negative equity, some homeowners went through foreclosure or a short sale. Others just hung on, making mortgage payments while property values improved. Currently, Atlanta and Detroit are the top two cities nationally where owners of the cheapest homes are most likely to be underwater.

CDFI Funds Seeks Comments On BEA Program

The Community Development Financial Institution Fund of the Department of the Treasury issued a public notice just before Christmas seeking public comment on the Bank Enterprise Award program (BEA).

The purpose of the BEA Program is to provide an incentive to Federal Deposit Insurance Corporation (FDIC)-insured depository institutions to increase their qualified activities by providing financial assistance to community development financial institutions through grants, stock purchases, loans, deposits, and other forms of financial and technical assistance or by providing loans, investments, and financial services within distressed communities. The CDFI Fund will make awards

through the BEA Program to FDIC-insured depository institutions, based upon such institutions' completion of certain qualified activities, as reported in the application.

Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the CDFI Fund, including whether the information shall have practical utility; (b) the accuracy of the CDFI Fund's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of technology; and (e) estimates of capital or start-up

costs and costs of operation, maintenance, and purchase of services to provide information.

All comments must be received by February 23, 2015 and must be submitted in writing and sent to the attention of Bob Ibanez, Program Manager, Bank Enterprise Award Program, Community Development Financial Institutions Fund, US Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, D.C. 20020; by e-mail to bea@cdfi.treas.gov; or by fax to (202) 508-0089.

The Federal Register notice containing all of the details for submitting comments can be found at <http://cdfifund.gov/docs/bea/2014/BEA%20Application%20PRA%20FR%20Notice%202014.pdf>.

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