



Rural Delivery

New York State Rural Housing Coalition, Inc.

June, 2013

Multiple Issues Covered At Regional Trainings

The Rural Housing Coalition recently completed a statewide series of regional trainings for Rural Preservation Companies with a session in Watertown on May 29th. The four regional sessions were designed to provide an opportunity to discuss issues of regional importance among peer agencies. Each session was well attended and had dynamic conversations.

Following presentations on anticipated changes to Rural Preservation Company contract renewal processes, three of the sessions featured lunch presentations on the development of small rental housing projects in rural markets using HOME and Housing Trust Fund Corporation financing. The other session, in Newburgh, substituted a presentation by Joe Czajka of Pattern for Progress on his recently-completed analysis of Hudson Valley census demographics, and the anticipated housing market and community needs changes that can be expected as baby boomers age. Based on this analysis, the market for housing and community services in coming years will be very different than what has been experienced in the recent past.

Rural housing markets often have a need for additional rental housing, but the larger scale rental complexes supported by bond financing and

low income housing tax credits are simply too big to make sense in the small villages and hamlets of upstate New York. Lenny Skrill of NYS HCR presented background on how HCR views the use of tax credit allocations in urban and downstate markets as a much more efficient use of the resource than in upstate communities where the credits may generate as little as \$.85, compared to \$1.00 or more downstate. He noted that HCR was interested in funding upstate projects with HOME and HTFC funding, and suggested that well-conceived applications that also requested project based Section 8 rental assistance could be highly competitive.

The afternoon discussions in each of the training sessions varied widely, ranging from a discussion of increasing crime issues in rental complexes to how to couple supportive services with new housing developments for special needs populations to a feasible model for undertaking purchase/rehab/resale projects. Part of the afternoon discussion in Watertown covered the concerns arising from the recent designation of the City of Watertown as an entitlement community for CDBG, and the creation of an urban community boundary for transportation planning and storm-water management purposes.

Other discussions revolved around processing issues for HOME-funded programs, including recent Environmental Review changes that are having the practical impact of slowing down homebuyer assistance programs as well as owner occupied housing rehabilitation programs. Another serious concern was voiced regarding requirements for Lead Paint Risk Assessments, including increasing information requirements from Risk Assessors, with a resulting increase in these costs. One attendee noted that acquisition-only home ownership programs are also subject to these requirements, in order to close out projects.

HUD has published a risk assessment questionnaire (Form 5.0 in Chapter 5) that is a good guide for completing the RA process in accordance with the current requirements.

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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...

Membership Drive Underway

The Coalition has begun the 2013-14 annual membership drive. Look for your membership renewal information in your email inbox this month. The membership year begins July 1st. For more information on renewing your membership, or joining, please call Marlene Papa, Membership Chair, at (518) 458-8696.

Save The Dates

The Hudson Valley Chapter of the Coalition for Excellence in Homebuyer Education (CXHE) has scheduled upcoming regional trainings. Mark your calendars now!

September 23rd at the Albany Hilton

November 7th at a location to be determined.

**HUD Buffalo Annual Conference
On June 11th**

Please join the HUD Buffalo Community Planning and Development Division for their annual conference. The theme for this year's CPD Conference is "Investing for Resilience". HUD invites you to attend this conference on Tuesday, June 11th in the Town of Greece, NY.

There will be presentations and discussions on creating affordable housing and putting all the pieces together to meet needs, using data to tell your story to a wider audience, re-integrating the homeless into society and grassroots reinvestment. Registration: www.dennisonassociates.com/events.php. Registration is required and closes on Wednesday, June 5, 2013. Driving directions and a map are included in the registration link.

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.

Notice of Public Hearing New York State Annual Action Plan

To administer federal funds for the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs, New York State must prepare an Annual Action Plan (AAP). New York State's next AAP will describe the State's anticipated use of federal CDBG, HOME, ESG, and HOPWA funds in 2014 to address affordable housing and community development needs identified in its Consolidated Plan for 2011-2015. This AAP will also describe the State's methods for distributing these funds to local grantees.

Interested individuals and organizations are encouraged to participate in the development of New York State's 2014 AAP by submitting written comments to: NYS HCR, Attention: Alison Russell, 38-40 State Street, Albany, NY 12207, or HCRConPln@nyshcr.org. All written comments must be received by June 14, 2013.

The public is encouraged to offer oral comments at public hearings on June 4 - 5, 2013. On June 4th, the first public hearing will be held from 12 noon until 1:00 PM and the second from 2:30 PM until 3:30 PM. On June 5th, the first public hearing will be held from 11:30 AM until 12:30 PM and the second from 2:30 PM until 3:30 PM. At these dates and times, hearings will be held concurrently at the following four New York State Homes and Community Renewal offices:

25 Beaver Street in New York City; 38-40 State Street in Albany; 620 Erie Boulevard West in Syracuse; and 535 Washington Street in Buffalo. Each site is accessible to individuals with mobility impairments. Individuals requiring other accommodations should call (866) 275-3427.

Attendees must present a driver's license or other government-issued photo ID upon entry. For additional information call (866)275-3427; or e-mail HCRConPln@nyshcr.org.

What Issues Can You Comment About Re: The Annual Action Plan?

The comment period for New York's annual action plan for utilizing federal community development funding is the perfect opportunity to express your concerns about issues related to how the State disperses federal funds, allocates grant awards, does or does not provide adequate support for the nonprofit sector, monitors programs and projects, and processes case activity for payment of vouchers. If you have an issue that is keeping you up at night, or promises to result in a new ulcer, take the few minutes required to put your concern on the public record, as specified in the article to the left:

- If you have concerns regarding not being able to obtain scores for your applications
- If you are concerned about funding allocation formulas
- If you think a program could be better coordinated if it's operated IN or OUTSIDE of the CFA.

Hearing On USDA Rental Assistance Shortfall

The Senate Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies held a brief and final hearing on the President's FY14 USDA budget request on May 23rd.

Committee Chair Mark Pryor thanked the USDA hearing witnesses for their work to help farmers and rural Americans during the past fiscal year. "Each of you is doing good things for rural America," said Chair Pryor. The Chair recognized that "we are in a budget constrained

environment," and noted that "Rural Development staff has been cut by 18% since 2010," even before sequestration was implemented.

John O'Brien of USDA Rural Development said that the President's FY14 budget "continues the commitment to rural America." Mr. O'Brien said that the department made "difficult choices" in putting together the budget request but provides a "mix of grants and loans to help rural families."

Ranking Member Roy Blunt questioned Mr. O'Brien about the

housing Rental Assistance program and the potential impacts of sequestration on the people served by the program before September 30th, the end of this fiscal year. Mr. O'Brien said that the Rural Housing Service does "not envision negative impact on tenants in near term." Mr. O'Brien said that "funds are not sufficient for all renewals" and that USDA is working with owners to mitigate this funding shortfall. They are exploring strategies such as deferring loan payments, extending loan terms, and allowing owners to

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Project Profile: Historic Preservation, Adaptive Re-use and Creative Placemaking in Kingston

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 Lace Factory Project of Rural Ulster Preservation Company in Kingston. In their own words, here is their story:

Rural Ulster Preservation Company (RUPCO), an established non-profit affordable housing developer based in Kingston, New York's first state capitol, is preparing to rehabilitate the United States Lace Curtain Mills Factory. "The Lace Factory" is a 55,000(+/-) square foot brick structure constructed in 1903. The goal of the project is "adaptive re-use" as affordable Artist's "live-work" housing. The project will leverage private investments in the city of Kingston and the surrounding area as an emerging center of arts and culture. This project presents an opportunity to preserve an historic structure, remove blight within a low income census block, provide needed housing and promote job creation in the short and long terms, and serve as a catalyst for economic rejuvenation of the mid-town Kingston neighborhood.

The completed project will include amenities such as a collective gallery, studio and workshop spaces marketable to the arts community within a structure worthy of historic preservation. The project will employ to the extent possible green and sustainable building technologies to reduce carbon footprints through energy efficiency. This project advances the proposition that the single most sustainable strategy to

stem blight and promote reinvestment in urban areas throughout the mid-Hudson Valley is rehabilitation and adaptive re-use to prevent our historic structures from entering the waste stream, and to leverage the investments already made in municipal infrastructure & transportation.

Old buildings often outlive their original purposes. "Across New York



State, the preservation and reuse of our historic buildings is fundamental to the economic revitalization of our cities, towns, and villages," says The Pres-

ervation League of New York State. RUPCO recognized that the factory building was an important historic resource, and that literally hundreds of Kingstonians worked there over several generations. In late 2012, RUPCO prepared a nomination of The Lace Factory to state and federal registers of historic places. In January 2013, the NYS Historic Review Board listed the property on the NY Register of Historic Places and authorized nomination to the national Historic Register, and as of this writing the National Parks Service is poised to do the same.

Adaptive re-use is a process that adapts buildings for new uses while retaining their historic features. Rehabilitation encompasses those

actions and processes that make it possible to adapt an historic building for a compatible, contemporary use, while protecting its heritage value.

According to a 2006 study titled *Arts As An Industry: their economic impact on New York City and New York State* by the New York-based Alliance for Arts (a research organization which studies the arts as an industry to measure the importance of culture to the economy and to education), in 2005 the arts industry's economic impact on New



York State was \$25.7 billion, with 194,000 jobs created, \$9.8 billion in wages, and \$1.2 billion paid in taxes. Like housing starts, investments in culture and arts have also been associated by economists with leading indicators of economic recovery.

The Lace Factory project is fully approved and has received all local planning, zoning, and environmental approvals including a Negative Declaration under SEQRA (7-9-12.) This project is also aligned with regional priorities as the beneficial outcomes for this project correspond with goals outlined in the Mid-Hudson Council's Economic Development Plan, and the draft Mid-Hudson Regional Sustainability Plan.

While housing projects such as this are essential to help stabilize neighborhoods in decline, it's im-

Kingston, Continued

portant to also recognize that housing renewal alone is not enough to secure neighborhood revitalization. Sustainable economic strategies for job creation and improving market demand are also necessary. It is anticipated that longer term economic benefits and collateral job creation will accrue to local retailers and other start-up businesses in the community.

Based upon a study conducted by the National Association of Home Builders (NAHB) a “multi family project” of 55 (+/-) units such as The Lace Factory will generate 62 FTE jobs, nearly \$1.5 million in local wages and incomes, roughly \$400,000 in Local Government Tax Revenues during construction with a nearly equivalent amount generated in State Taxes and Revenues. The NAHB methodology projects the Annual Economic Impact of the project thereafter to translate into 28 Local Jobs, with the benefit of Local Income & Wages amounting to more than \$1.3 Million.

Creative Placemaking (2010) by Markusen Economic Research Services/ Metris Arts Consulting (a

white paper written for The Mayors’ Institute on City Design, a leadership initiative of the National Endowment for the Arts in partnership with the United States Conference of Mayors and American Architectural Foundation) states “As cultural industry incubators, creative places make valuable contributions to the national economy. More than 2 million Americans support themselves as artists, and the ranks of cultural workers exceed 3.8 million, or almost 3% of the nation’s workforce. Many are entrepreneurs, some employ others; 65% of writers, 57% of visual artists, and 41% of musicians are self-employed.”

This investment in housing will yield dividends in short and long term job creation, and leverage private investments that demonstrate the capacity of culture and the arts to revitalize communities. Historic preservation, adaptive re-use and creative placemaking can improve livability and provide economic development outcomes, with the potential to radically change the future of American towns and cities.

Strategic Plans Slated For RPC Workplans

Rural Preservation Companies are advised that they can expect to include several housekeeping activities in their 2013-14 Preservation Company workplans. The statute that permits the creation of the Rural Preservation Program requires that RPP service areas must be certified as eligible with each decennial Census. As a result, each RPC will need to include this service area recertification work in their annual workplan for the coming year, as the Census data to accomplish this is now available.

In addition, the Strategic Plans created by all Preservation Companies in 2008 have now lapsed. NYS HCR expects all RPCs to include update work to bring strategic plans current in the annual workplan. This work will include updates to Needs Assessments for service areas as necessary. Current expectations are for RPCs to complete the service area certification and strategic plan update work during the first 6 months of the contract, with a deadline expected of December 31, 2013.



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Senate Holds FY14 USDA Hearing

The Senate Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies held a hearing on the President's USDA FY14 budget request to Congress on May 9th. Witnesses included: USDA Secretary Thomas Vilsack; Michael Young, Budget Officer of USDA; and Phyllis Fong, Inspector General of USDA.

Subcommittee Chair Mark Pryor began the hearing by highlighting the constraints of the current budget environment and how the FY14 budget request for USDA provides less funding than the budget a year ago. Chair Pryor praised requested increases for some programs, including a \$100 million increase for Section 521 rural rental assistance, but expressed dismay at proposed cuts to other programs. In his opening statement, Ranking Member Roy Blunt commented on the size of government and how it has grown beyond its means.

The written testimony of Sec-

retary Vilsack emphasized that USDA has leveraged efficiencies to manage an increased workload due to greater program complexity and higher program participation levels, while staff resources have declined by greater than 12%. Secretary Vilsack's testimony further stated that the reductions within the FY13 full-year continuing resolution will result in a reduction of some program services including rental assistance for 15,000 very low income rural residents who are elderly, people with disabilities, and single women who are heads of households. Secretary Vilsack's testimony also states that the FY14 budget request includes greater than \$1 billion to renew all outstanding contracts for rental assistance.

Senator Tim Johnson questioned Secretary Vilsack on the impact of water programs as a result of the rural definition and usage of 2010 Census data. Under current law, rural areas are to be classified based on 1990 or 2000 census population

data until 2010 census data are received. Many rural communities have grown since the 2000 Census and would no longer be defined as rural communities. The FY13 continuing resolution delays exclusion of these communities from the definition of rural until October 1st. Secretary Vilsack responded to Senator Johnson's question by stating there are currently eleven different definitions of rural community for USDA's programs and usage of 2010 Census data would have negative impacts on many types of rural assistance, including more than 900 communities losing rental assistance. Secretary Vilsack further commented that a uniform definition is needed and a system should be developed to focus on areas where the need is greatest. In April, Senator Johnson introduced S. 766, which would change census population requirements used to determine rural areas.

An archived webcast and witness testimony are available at: <http://1.usa.gov/12jsO7y>.

Safe Vets Housing Bill Introduced

Representative David McKinley introduced HR 2605, the Safe Housing for Homeless Veterans Act, on May 21st. Representative Grace Napolitano has co-sponsored the measure, which has been referred to the House Committee on Veterans Affairs. The measure was introduced in the 112th Congress, but was not enacted before the end of the Congress.

The measure would require that organizations that receive Department of Veterans Affairs (VA) funding to provide housing and/or services to veterans experienc-

ing homelessness meet all relevant code standards, including the "most current Life Safety Code and all applicable State and local housing codes, licensing requirements, fire and safety requirements, and any other requirements in the jurisdiction in which the project is located regarding the condition of the structure and the operation of the supportive housing or service center." If fund recipients do not meet these standards the bill would allow for the suspension of payments from the VA until code requirements are met.

Rental Assistance

Shortfall, Continued

Continued from Page 3

use reserve funding for operations, said Mr. O'Brien. However, when contracts are renewed in the next fiscal year, said Mr. O'Brien, there will be "cascading affects through next year," due to the shortfall.

Chair Pryor requested an explanation of the anticipated impacts of sequestration on the USDA in writing from each of the witnesses. The Chair said that the next meeting of the Subcommittee will be the mark up of its FY14 spending bill.

Community Economic Development

Grants Due

For Fiscal Year (FY) 2013, the Department of Health and Human Services (HHS), Community and Economic Development (CED) program, administered by the Office of Community Services (OCS) in the Administration for Children and Families (ACF), will provide approximately \$16.3 million in grants (\$800,000 maximum per project) to Community Development Corporations (CDCs) for projects designed to address the economic needs of low-income individuals and families through the creation of employment and business opportunities.

The CED program seeks to fund projects that address the personal and community barriers that must be overcome to help low-income individuals become self-sufficient. Funds can be used for costs associated with business start-up or busi-

ness expansion activities, as consistent with the cost principles in OMB Circular A-122, found at 2 CFR Part 230, provided that the expenditures result in the creation of positions that can be filled with low-income individuals. Applications are due on July 2nd.

For more information, please see the full funding opportunity announcement. Information about the CED program may be found at: www.acf.hhs.gov/programs/ocs/ced/index.html.

NOTE: Applicants wishing to obtain funding for a project that addresses food deserts through improved access to healthy, affordable food can apply under the Community Economic Development Healthy Food Financing Initiative Projects Funding Opportunity Announcement (FOA Number HHS-2013-ACF-OCS-EE-0584).

Federal Reserve Finds Worsening \$ Conditions For Low Income Households

The Philadelphia Federal Reserve Bank has released a recent survey that finds that LMI households are experiencing better job availability, but overall worsened financial conditions. Service providers to low- and moderate-income (LMI) households in the region report that job availability for their clients improved for the third consecutive quarter, according to the Bank's First Quarter 2013 Community Outlook Survey. At the same time, these service providers see worsened financial conditions for their clients.

To review the survey results in detail, visit www.philadelphiafed.org/community-development/community-outlook-survey/.

USDA Releases RBOG NOFA

June 24th is the deadline for submission of grant applications for the USDA Rural Development Rural Business Opportunity Grant program (RBOG). The NOFA was published on May 21st.

The RBOG program promotes sustainable economic development in rural communities with exceptional needs through provision of training and technical assistance for business development, entrepreneurs, and economic development officials and to assist with economic development planning. Rural Development is participating in the Investing in Manufacturing Communities Partnership (IMCP), which is a new Administration-wide initiative that will accelerate the resurgence of manufacturing

and help cultivate an environment for businesses to create well-paying manufacturing jobs in regions across the country. The IMCP is designed to reward communities that demonstrate best practices in attracting and expanding manufacturing by using long-term planning that integrates targeted investments in workforce training, infrastructure, research, and other key assets. The IMCP is being initiated in FY 2013 as EDA, USDA, SBA and EPA each provide funding for regional implementation strategy grants. The agencies will allocate funding through existing programs to advance this critical national priority. Strategies developed by these grants, as well as existing strategies and those otherwise un-

der development, will enhance regions' efforts to compete for future proposed large scale IMCP grants (10 to 100 times the size of the implementation strategy grants). These grants will be given to communities with the best strategies for attracting private investment.

\$2.6 million is available nationally. Individual grants are available up to \$100,000. Approximately 40 awards are anticipated. For more information, visit www.rurdev.usda.gov/BCP_RBOG.html.



Downtown Revitalization Goal Of Street Redesign

Montevallo, Alabama, a town of about 6,000 residents, is revitalizing its downtown scene to make it more pedestrian and business-friendly through new street designs and a bike-sharing initiative.

The community of Montevallo is working with the local university to make the downtown area more enjoyable for residents and local businesses. Building off the college town mentality, Montevallo has created a bicycle sharing program to make it easier for residents and students to get around the area without a car. A promenade project has also been launched to connect pedestrians and cyclists to local shops and restaurants along Main

economic development. Signs were added to downtown streets to encourage safe driving with the influx of bicyclists on the road and to keep pedestrians safe.

The ValloCycle bike sharing program is the first of its kind in Alabama and was launched as part of a resolution to make the local roads safer while reducing the city's carbon footprint. The initiative has taken pages from Birmingham's Complete Streets policy which rebuilt dilapidated roadways to support more cyclists and public transportation.

Being much smaller than Birmingham, Montevallo tried to scale down the strategy to fit the needs

of the local community. ValloCycle provides the college town with more than 70 bikes and three stations to drop off or pick up the vehicles. The program also aims to place priority on pedestrian and cyclist safety when making future transportation infrastructure improvements and upgrades in the future.

In addition, Montevallo completed a project that connects the university to the local downtown area so students and other pedestrians can get to and from popular locales without the use of a car. A boardwalk is also being constructed around the university's lake to connect a trail system to sidewalks to make foot travel seamless.

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