



Rural Delivery

New York State Rural Housing Coalition, Inc.

March, 2013

The Bugaboo Of Sequestration

As this issue of Rural Delivery goes to press, the nation faces the March 1st deadline for implementation of sequestration of the federal budget. From Section 8 vouchers to housing rehabilitation grants to operating subsidies for public housing, the potential impact of sequestration on affordable housing across the country is huge. On February 14th, HUD Secretary Sean Donovan delivered Congressional testimony on what the impacts of sequestration will be in the housing world.

Secretary Donovan noted that 125,000 individuals and families, including the elderly and disabled, could be at risk of losing their Housing Choice Vouchers under the Section 8 program, putting these households at risk of homelessness.

Cuts to the Continuum of Care program threaten to make 100,000 formerly homeless persons living in shelters and emergency housing, including veterans, homeless once again. The critically-important Emergency Solutions Grants (ESG) program would be eliminated, forcing some shelters to close altogether. The HOPWA program would be reduced by 7,300 households.

It is expected that sequestration will prevent 75,000 families from receiving foreclosure prevention counseling. HOME program funding will be reduced, with the loss of 2,100 affordable housing units. Public Housing agencies will be forced to defer maintenance, adding to a \$26 billion backlog of repairs needed to the affordable portfolio.

Only weeks ago, Congress appropriated community development and other funds for the recovery and rebuilding of the devastation caused by Superstorm Sandy and other natural disasters. The March 1st sequestration would force \$3 billion in cuts to those crucial funds, preventing communities from rebounding.

HUD staff furloughs or other personnel actions may well be required to comply with cuts mandated by sequestration. The public will suffer as the agency is simply less able to provide information and services in a wide range of areas, such as FHA mortgage insurance and sale of FHA-owned properties.

The National Low Income Housing Coalition notes that both HUD and USDA will see a 5.1% cut in each of their programs. Ouch!

HUD Releases 2013 Income Limits

The Department of Housing and Urban Development has released the income limit updates for 2013. These income limits are to be used in qualifying households for assistance using a variety of housing programs, including HOME and CDBG. The HOME income limits are calculated using the same methodology that HUD uses for calculating the income limits for the Section 8 program. These limits are based on HUD estimates of median family income, with adjustments based

on family size. Family sizes in excess of 8 persons are calculated by adding 8% of the four-person income limit for each additional family member. The chart found in the link below includes limits at 30% of median, very low income (50% of median), 60% of median (LIHTC eligibility), and low income (80% of median). The income limit updates can be found at www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/2013/ny.pdf.

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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...

State Seeks Public Comment

NYS HCR has published the 2012 Consolidated Performance and Evaluation Report (CAPER) for public comment. The 15-day public comment period is scheduled from February 20th to March 6th. The draft details New York's performance administering the Small Cities CDBG program, the HOME program, the HOPWA program, and the Emergency Shelter Grants program. For more information, contact Alison Russell, Office of Policy and Research, NYS Homes & Community Renewal. (518)474-8782 or by email at arussell@nyshcr.org.

Alert!

The future of the affordable housing delivery system is on the line. Rural resources are at stake. Please join the Rural Advocates on March 4th at 5:00 PM at the Hotel Albany and meet with your legislator on Tuesday March 5th to make your voice heard.

There's An App For That

HUD's new fair housing mobile app allows smartphone and tablet users to locate housing counselors in their own area. Housing counseling can also be instrumental in helping displaced families find alternate housing in the wake of natural disasters such as the many thousands of families forced from their homes following Hurricane Sandy. The app was developed in partnership with Hewlett Packard. To get this housing discrimination app please visit the Apple App store at <https://itunes.apple.com/us/app/housing-discrimination-complaint/id570755695?mt=8>.

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.

HUD Reports Record Increase in Worst Case Housing Needs

HUD released the 2011 Worst Case Housing Needs Report on Monday, February 25th. HUD reports a dramatic rise in the number of families with very low incomes (at or below 50% of the median income in their area) who paid more than half their monthly income on rent, lived in severely substandard housing, or both.

According to the summary, the number of unassisted renter households with these “worst case housing needs” increased from 7.1 million in 2009 to 8.5 million in 2011, a 19% increase over two years. Since 2007, this number has risen by more than 2.5 million, or 43.5%. As a comparison, from 2001 to 2003, the number of families with worst case housing needs increased by just 162,000, or 3.2%.

HUD found that worst case housing needs increased across all racial groups, household types, and regions of the country. Some of the largest increases were seen among Hispanic and non-Hispanic white households with almost half (48%) of all new cases of worst case housing needs were found among white households and 28% were found among Hispanic households. According to the summary, 38% of all households with worst case housing needs were families with children and 17% were elderly households.

Furthermore, the number of households with worst case housing needs with at least one nonelderly person with a disability increased from 990,000 in 2009 to 1.3 million in 2011.

HUD concludes that the significant increase in the number of very low income renters with worst case housing needs is primarily due to the substantial number of homeowners who became renters as a result of poor economic and housing market conditions such as high unemployment rates and the foreclosure crisis. There was also a fairly significant uptick in new household formation. These two factors accounted for 53% of the total increase in worst case housing needs. Other contributing factors to the overall increase included falling incomes among renters (15%), a continuing shortage of rental housing assistance (9%), and an increasing deficit of affordable housing (23%).

“These sobering numbers remind us that as we work to craft a balanced approach to our budget and priorities, we can’t lose sight of those who may be teetering on the brink of homelessness,” said HUD Secretary Shaun Donovan in a press release about the report. **Worst Case Housing Needs 2011: A Summary Report to Congress** is available at <http://bit.ly/13deMXb>.

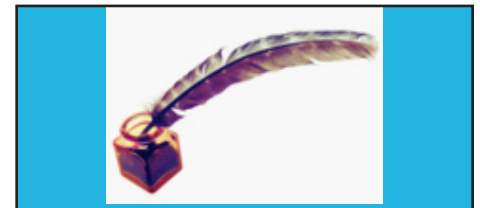
Fair Housing Expo Slated

Westchester County will host its 2013 Fair and Affordable Housing Expo March 9th at the Westchester County Center in White Plains. The purpose of the event is to provide free and useful information about fair and affordable housing options throughout the county.

The event will offer seminars to deal with the basics on purchasing a home and determining what affordable means for each individual family. Seminars include how much is needed for a down payment, fair housing and fair lending-related rights, and the importance of good credit.

There will also be a workshop focused on the Westchester County Housing Settlement and “Home-seeker Online,” a website which provides specific affordable housing information.

The one-day event will be held from 10:00 AM to 3:00 PM. For more information, contact Westchester Residential Opportunities at ganderson@wroinc.org or (914) 428-4507 ext. 314, or the Housing Action Council at hac@affordablehomes.org or (914) 332-4144.



What Do You Do When Your Grant Application Is Rejected?

In “*Now What? Six Tips for Growing After Grant Loss*” (CharityChannel, December 19, 2012), Heather Stombaugh advises: 1. **Don’t panic.** Take time to think carefully, with your colleagues, about what the rejection means for your organization. 2. Assess the program’s role in fulfilling your organization’s mission and how it fits into organizational priorities. 3. If it’s a high priority program that cannot be eliminated, decide whether or not you can continue the program using other organizational resources, carry it out with a partner, or reduce it in scale. 4. Plan ahead so that your critical programs don’t rely on support from a single source. Have a plan for what you’ll do if full funding doesn’t come through. 5. Diversify your revenue streams to include not only government and foundation funding but also corporate support, donations from individuals, and - where possible - fees for service. 6. Cultivate and maintain strong relationships with your funders.

Program Profile:

Gleneida Senior Housing In Putnam County

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 Putnam County Housing Corporation's Gleneida Court project, a phased senior development using multiple funding sources. Here is their story:

Putnam County Housing Corporation (PCHC) was incorporated in 1982 as an independent, non-profit housing organization to provide safe, decent and affordable housing for its residents. In the late 1980's PCHC began developing nearly four acres of an abandoned railroad ravine donated by *Guideposts Magazine's* founder, Norman Vincent Peale, author of *The Power of Positive Thinking*. Fifteen years later after leveraging \$6,192,999 from five different funding sources, the last of three phases was finally completed, resulting in 72 units of senior housing.

In today's environment, the site would have been developed as a whole with significant savings. However, 30 years ago our fledgling and inexperienced Rural Preservation Company was spearheading a grassroots effort to address the need for affordable senior housing. Clearly a track record had to be established.

Putnam's hilly terrain, lack of infrastructure and the fact that two-thirds of its 236 square miles are located within the New York City Watershed posed a daunting challenge in locating a site that would also meet funding requirements of siting housing near essential services. With potential sites limited to

a few areas with infrastructure, Dr. Peale's donation of four acres (albeit a ravine) within walking distance to downtown Carmel was prized.

Transforming a railroad ravine into a viable building site required extensive site work - thousands of yards of fill was trucked in, compacted and tested over a period of months before the site met necessary construction conditions. A \$100,000 Rural Area Revitalization Program (RARP) grant footed the bill while PCHC staff pursued construction capital. RARP also funded construction of the roadway. Finally, \$1.4 million in funding was awarded from the then Farmer's Home Administration, now Rural Development. PCHC's attorney formed the Gleneida Housing Development Company, transferring the acre plus needed for the project construction to its ownership. Also secured was rental subsidy from the Rural Rental Assistance Program (RRAP) and with tremendous community support, a PILOT agreement was reached.

Construction was completed in June of 1993 on 24 one bedroom units with living room, bath and kitchen in 650 square feet. Six of the 24 units were dedicated to individuals requiring handicapped accessibility regardless of age, the remaining 18 for seniors, age 62 years and older. A community room, kitchen, laundry facilities and patio complete the site. Income eligibility was set at 50 percent of AMI. Today the basic rent is \$672 in one of the highest housing cost counties in the nation where the current payment standard for a one bedroom unit is \$1,160.

In 1997, the New York City Wa-

tershed agreement took effect, further impeding development in the county. Yet, PCHC's persistent efforts to construct a second phase of 24 units of affordable senior housing finally paid off with \$671,000 secured from the New York State Housing Trust Fund, leveraging \$1,502,999 in low-income tax credits. Again, PCHC's attorney formed a separate entity, Seminary Hill Apartments, a limited liability corporation, and again transferred an acre plus of the land for construction. Seniors, 60 years and older, whose incomes are 50 percent of AMI pay a basic rent of \$526 at Gleneida Senior Apartments. A central corridor and elevator afford tenants a sense of community without ever leaving the building. Units are 600 square feet with kitchen, bedroom, bathroom and living room. On the first floor, laundry facilities, kitchen and a community room open to an outdoor patio. The second level has additional community space, a game area and a computer room. Once again, the Town of Carmel's strong support for the complex translated into a PILOT agreement.

Three years later, unable to secure seed money, PCHC turned to HUD'S Section 202 Supportive Housing for the Elderly Program to construct the third and final phase, Lakeview Senior Apartments. The HUD 202 program does not require substantial soft cost outlay with its initial application. After the proposal has been determined feasible, HUD guarantees soft cost reimbursement. For the last time, PCHC's attorney created a housing development fund corporation and transfer of ownership of the last parcel of the original four acres was completed.

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Gleneida, Cont'

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In an effort to curtail rising construction costs, PCHC turned to modular construction – the “building” arrived on flatbed truck in two sections which were then connected through traditional stick-built construction. The two-story connection houses the expansive lobby, elevator, office, bathroom facilities, community room and kitchen on the first floor and additional community space, game room, lobby and maintenance areas on the second floor. The project received \$2,519,000 in funding to construct 24 units of subsidized housing for seniors with a basic rent of \$556. As per HUD requirements only Special Assessment Taxes are paid. Units are 540 square feet with living/dining area, bedroom, bathroom and kitchen.

Today, all three phases are referred to as Gleneida Court and are 100 percent occupied with long waiting lists.

NOFA Issued For Orange County Projects

Orange County has issued a NOFA for project proposals under the County HOME program. A pre-application presentation for interested developers is scheduled for March 8th at 11:00 AM at the Office of Community Development, 18 Seward Avenue, Middletown. Applications will be due by March 25th.

The NOFA seeks both rental and homeownership projects, serving households with incomes at or below 60% of median. For more information, contact John Ebert at the Office of Community Development at (845) 615-3817.

Career Opportunities

Executive Director

Cayuga County Homsite Development Corporation, a not for profit housing Company in Auburn, New York is seeking an Executive Director. Cayuga County Homsite's activities include: Administering the Housing Choice Voucher Program for Cayuga County, Housing Rehabilitation, Managing apartments and complexes, Housing Counseling and working with the City of Auburn on the Community Development Block Grant Program. Please contact Homsite at 60 Clark Street Auburn, NY 13021. The Telephone number is (315)253-8451. Please submit a resume if interested. **QUALIFICATIONS:**

- Four year degree-Masters degree preferred
- Experience in housing development including federal, state and local housing programs.
- Construction knowledge
- Administration and supervisory experience
- Grantsmanship and ability to administer programs.
- Fast learner
- Ability to communicate in writing and verbally.

RESPONSIBILITIES:

- The Executive Director has overall responsibility for the operation of the agency answerable to the Board of Directors.
- The Executive Director will work

with the Board to set policy and then be responsible for the implementation of that policy.

- The Executive Director will be responsible for overall supervision of the staff.
 - The Director will be responsible for compliance with bylaws, incorporation papers, personnel policy and insurances.
 - The Director will be in charge of all personnel issues-hiring and firing, supervision, keeping track of time, providing training etc.
 - The Director is responsible for working with fiscal office on budget development, purchasing and Audit issues.
 - The Director will work with and oversee all aspects of the agency fiscal, rehabilitation, Section 8, etc.
 - The Executive Director will work with Federal, State, local and all officials
 - Attend meetings when necessary
 - The Director will carry on appropriate public relations on behalf of the agencies.
 - The Director will work closely with the Rural Housing and Neighborhood Preservation Coalitions.
 - The Director will work closely with the Rehabilitation Department and do necessary reports, draws, and all other necessary paper work.
- SALARY RANGE \$55,000 to \$60,000 with benefits**

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.

Tax Credit 101

IPED will host a beginners training in the use of the low income housing tax credit at the Omni Parker House Hotel in Boston on April 18th and 19th. There is a \$75 registration fee discount for registrations received by March 4th.

This seminar is intended for newcomers to the field as well as those seeking an up-to-the-minute refresher course. It will present the basic rules governing the LIHTC and use of the tax credit in today's transactions; a "hands-on" analysis of a financial model generated for a typical tax credit project; an overview of the legal, accounting, and business issues involved in negotiating transactions; a practical look at tax credit transactions from the lender, agency, developer, and investor perspectives; special issues that arise in deals involving nonprofits; the basic rules for when tax credits are used together with tax-exempt bonds; options for tax credit properties in Year 15; and real-world advice on the occupancy and compliance essentials that are critical to the long-term success of every project.

Registration is \$795, and \$595 for nonprofits, government agencies or educational organizations. For more information, contact IPED at (202)331-9230, or by email at info@ipedinc.net.

Board Accountability Webinar

Are you having trouble keeping your board members accountable? Are some members following through and others not? Are things slipping through the cracks?

If you ever wished for an easy way to keep your board members on track, this webinar is for you. It is one part argument for a significant mind-shift in board accountability and one part specific tools that you can implement easily and immediately. You will walk away with from the session with the means for

making all of your board members accountable to the mission, vision, and goals of your organization, as well as to each other.

Presented by Terrie Temkin, Ph.D., principal, Core Strategies for Nonprofits, Inc., this webinar will be held on Tuesday, March 12th, from 2:00-3:00 PM. The cost for the webinar is \$35. Members of Boardsource may participate in the webinar for free. To register, visit www.boardsource.org/Bookstore.asp?Item=1442.

HTFC Board Meeting

At a meeting on January 29th, the Board of the Housing Trust Fund Corporation approved resolutions funding 2 economic development projects: \$750,000 in CDBG assistance to Gould's Pumps in Seneca County, creating 50 new jobs; and \$416,000 to M&G DuraVent in Albany County to create 30 new jobs, and retain 58 positions that had been at risk of relocation out of state.

The HTFC Board also approved a resolution to amend the consulting services contract for the Preservation Initiative program, which will invest \$25 million in HTFC funds in 23 projects across the state. The amendment will allow the consultant, LISC/National Equity Fund to be paid for their work on the program.

National Mortgage Settlement Update

HUD issued a report on the progress of implementing the National Mortgage Settlement on February 21st. To date, financial assistance has been provided to 550,000 homeowners nationally, at an average cost of \$82,000 per home paid by the nation's largest servicers. Consumer relief of almost \$22.48 billion has been provided by the lenders. In addition, \$250 million was provided to support housing counseling services, and \$50 million was provided for legal aid.

Because of the settlement, the principal reduction helps borrowers stay in their homes, lowering monthly payments on over 266,000 loans and actually reducing struggling homeowners' loan balances by more than \$84,000 on average.

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