



Rural Delivery

New York State Rural Housing Coalition, Inc.

May, 2013

United For Homes Promotes National Trust Fund Campaign Seeks Permanent Funding Source

The National Low Income Housing Coalition has launched a cooperative nationwide effort to promote and implement the National Housing Trust Fund. The campaign, *United For Homes*, seeks to end America's greatest housing challenges, through implementation of the National Housing Trust Fund. *United for Homes* is the campaign to fund the National Housing Trust Fund with revenue raised from modifications to the mortgage interest deduction.

Representative Keith Ellison introduced HR 1213, the Common Sense Housing Investment Act of 2013, on March 12th in Congress. The legislation is currently co-sponsored by Representative Barbara Lee of California, Representative Jan Schakowsky of Illinois, and Representative Bobby Scott of Virginia. HR 1213 will fund the National Housing Trust Fund through increased federal revenues generated by reform of the federal tax code as it relates to housing deductions. The legislation lowers the cap on the amount of mortgage for which interest can be deducted from \$1 million to \$500,000. It allows deduction of home equity loans and second home mortgages under the \$500,000 cap.

The legislation converts the

mortgage interest deduction to a 15% non-refundable mortgage interest tax credit. These changes are phased in over five years. The legislation directs the resulting revenue of approximately \$196 billion over ten years to the National Housing Trust Fund (\$109 billion), the LIHTC (\$14 billion), Section 8 (\$54 billion), and the Public Housing Capital Fund (\$18 billion).

Under current law, homeowners who itemize on their tax returns can deduct the interest paid on mortgages on first and second homes up to a total of \$1 million, and the interest on up to an additional \$100,000 in home equity loans. Targeting mortgage interest tax breaks more towards middle class and lower income homeowners will provide a tax benefit where it is needed most and create revenue that can be used to help end homelessness.

Tax deductions are subtracted from a taxpayer's total income in order to calculate taxable income. Tax credits, on the other hand, are subtracted directly from a taxpayer's tax bill. Tax credits result in a dollar-for-dollar reduction in the amount of tax a taxpayer owes. Tax credits can be more beneficial to taxpayers than tax deductions, especially to those who do not itemize on tax returns.

Under this proposal, 16 million more homeowners would get a tax break. Currently, only 24% of all taxpayers claim the Mortgage Insurance Deduction (MID). By converting to a credit, all homeowners with mortgages would get a tax break, not just those who have enough income to file itemized tax returns. Through proposed housing tax reform, the number of homeowners with mortgages who would get a tax break would increase from 39 to 55 million. The cost of the MID in 2014 will be \$80 billion. But with this housing tax reform proposal, there will be almost \$200 billion over ten years in new revenue that can be used to address the most important housing problems by funding the National Housing Trust Fund.

For more information, and to endorse the campaign, visit: <http://nlihc.org/unitedforhomes>.

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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...

Syracuse HUD Office To Close

The US Department of Housing and Urban Development has announced a restructuring that will result in the closure of the Syracuse office. This will leave a total of three offices in New York, the Buffalo Area Office, the New York Regional Office, and an office in Albany. The Syracuse office is one of 16 to be closed across the country, affecting a total of 900 employees. All employees affected by both the Multifamily restructuring and the Field Policy Management office closings will be eligible for relocation assistance, or they can elect to take voluntary separation incentive pay or voluntary early retirement. Every employee is being offered a position with the agency.

Coalition Pursues LPA Scores

At the behest of the Board of Directors, Rural Housing Coalition Executive Director Blair Sebastian recently sent a letter to NYS Homes and Community Renewal Commissioner Darryl Towns expressing strong concern about the increasing inability of applicants for the agency's locally administered programs, known as LPAs, to obtain the scoring awarded their applications. Applicants use this vehicle as a means to assess proposal weaknesses or oversights, and to plan changes for upcoming funding rounds.

Bike Grants Due

The Bikes Belong Coalition is offering Community Partnership Grants which are designed support partnerships between city or county governments, nonprofit organizations and local businesses that aim to improve the environment for bicycling in the community. Grants range from \$2,000 to \$10,000 and are primarily provided for the construction or expansion of bicycle facilities such as bike lanes, trails, and paths as well as advocacy projects that promote bicycling as a safe and accessible mode of transportation. The deadline is May 24th. Visit www.bikesbelong.org/grants/apply-for-a-grant/how-to-apply-for-a-bikes-belong-grant/ to apply.

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.

Congress Hears Testimony On Mortgage Interest Deduction Proposal

The National Low Income Housing Coalition submitted comments to the House Ways and Means Committee Real Estate Tax Reform Working Group on April 15th, calling for modification of the mortgage interest deduction in order to fund the National Housing Trust Fund.

The Real Estate Working Group's Chairman and Vice Chairman are Representatives Sam Johnson and Bill Pascrell, respectively. The panel is charged with evaluating all aspects of the federal tax code that fall under the umbrella of "real estate." As part of this process, stakeholders and members of the public were invited to submit comments that will be summarized by the Joint Committee on Taxation (JCT) and included in a final report that also includes the Real Estate Working Group's findings. The report will be delivered by the JCT to the full Committee on Ways and Means on May 6th.

No policy recommendations are expected to be included in the report, which is intended to be part of the groundwork needed to inform potential tax reform efforts this Congress. It remains uncertain if comprehensive tax reform will happen in the 113th Congress, but as recently as the week of April 7th, House Committee on Ways and Means Committee Chair Dave Camp and Senate Finance Committee Chair Max Baucus indicated that they intend to work together this Congress to achieve this goal.

The NLIHC's comments focus solely on the United for Homes campaign to fund the National Housing Trust Fund with revenue raised through modifications to the mortgage interest deduction. In ad-

dition, in outlining the details of the proposal and providing supporting data, NLIHC's Sheila Crowley presented a case for why the time is right to modify the mortgage interest deduction and address the shortage of housing available and affordable for extremely low income households, a number that reached 7.1 million housing units in 2011. Ms. Crowley said, "We readily acknowledge proposing to fund a federal trust fund by raising revenue through reform of a federal tax expenditure is unorthodox. But it is the kind of creative, out-of-the-box thinking that is required in this era of diminishing resources for low income housing programs." Ms. Crowley also said, "There is bipartisan support for applying savings achieved through a modernization of the mortgage interest deduction to housing programs that serve the very poor," and noted that the Bipartisan Policy Center's Bipartisan Housing Commission said in its report, *Housing America's Future*, that revenue generated from changes in homeownership tax subsidies should be applied to affordable rental housing programs.

The committee reports that more than 100 comments have been submitted and there consequently is a delay in the posting of all of the public comments that have been submitted. All comments are expected to be posted on the committee's website early in the week of April 22nd. You may view NLIHC's comments at http://nlihc.org/sites/default/files/U4H_RealEstateWorkingGroup_Comments_4-15-13.pdf. You may view all submitted stakeholder comments at <http://1.usa.gov/ZEvngN>.

AHC Authorizes Latest Grants

At the April 11th board meeting of the Affordable Housing Corporation, 10 new AHC program awards were authorized for upstate communities. The awards authorized are: \$200,000 to Broadway-Fillmore Housing Services in Erie County for 20 units of home improvement; \$175,000 to HOMEFRONT, Inc. in Erie County for 5 units of acquisition and rehabilitation; \$350,000 to NHS of South Buffalo in Erie County for 15 units of home improvement; \$300,000 to the South Wedge Planning Committee in Monroe County for 65 units of home improvement; \$300,000 to Community Action in Self Help in Wayne and Ontario Counties for 10 units of home improvement; \$150,000 to Genesee Valley Rural Preservation Council in Livingston County for 20 units of home improvement; \$605,000 to Opportunities for Chenango in Broome and Chenango Counties for 22 units of acquisition and rehabilitation; \$150,000 to the Village of Dolgeville in Herkimer County for 6 units of home improvement; \$167,600 to the Town of Queensbury in Warren County for 6 units of home improvement; and \$640,000 to Community Housing Innovations in Nassau and Suffolk Counties for 16 units of acquisition and rehabilitation.

*Visit our website at
www.ruralhousing.org*

*'Like' us on Facebook for
up-to-the-minute news.*

Program Profile:

Schuyler County Embraces The New York Main Street Program

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 New York Main Street Program operated by Community Progress, Inc. In their own words, here is their story:

Community Progress Incorporated has been providing assistance to homeowners and business owners throughout Chemung, Schuyler and Steuben Counties for over 43 years with home repairs, commercial upgrades and residential improvements, including many adaptive re-uses of vacant buildings.

In 2006, we secured our first-ever New York Main Street Grant for the Village of Watkins Glen in the amount of \$200,000, leveraged another \$564,932 in private investments to assist eight businesses with a total program cost of \$715,682. One of the larger projects included that of the Glen and Seneca Theaters.

In 2008, we landed a \$410,000 award, leveraged an additional \$2.1 million in private investments, RESTORE NY funds and tax credits to assist six businesses on Main Street. One of the most notable projects in the region includes the renovation of the blighted, vacant 22,500 square foot, three-story building in the heart of Montour Falls, the historic Montour House. This building now contains 10 luxury-style apartments and three commercial leased

spaces (bank, hospital administration offices and a coffee/wine shop).



Montour House

We also provided Streetscape Enhancements to the Che-Qua-Ga



Che-Qua-Ga Falls

a new rail overlooking the falls and new/enhanced lighting onto the falls.



for the residents, as well as two leased commercial spaces (a day-care facility and a local utility company's storage facility).



Union School

Finally, in 2011, CPI partnered with the local Economic Development Agency, SCOPED, to reel in a \$500,000 NYMS award, which will partially assist 10 businesses with facade improvements and an adaptive re-use of the upper vacant floors of two buildings into residential units; creating 11 new units of housing. One of the most remarkable projects involves an old, vacant fire-house that we turned

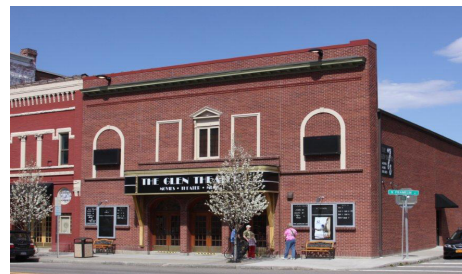


into a brewery and bar because pit with indoor/outdoor seating.



Brewpub & BBQ

The brewery is in the back of the building in full view of all visitors, a tasting area is to the side and a bar/restaurant fills the remaining space. This program is slated to be completed by December 2013.



Glen and Seneca Theaters

In 2010, CPI moved down the street in Montour Falls to Broadway and secured \$157,500 in NYMS funding to leverage another \$1.6 million to create an adaptive re-use project of the old Union School into eight affordable apartments that include a shared work-out center, garage parking, a new bus stop for

Career Opportunities

Grant Writer

Western Catskills Community Revitalization Council seeks candidates for an anticipated full-time Grant Writer/Manager position located in Stamford, NY.

The purpose of this position is to maintain and nurture relationships with existing funding sources for WCCRC; identify new funding sources for possible support based on priority funding areas; and develop proposals and applications for these sources.

The Grant Writer reports directly to the Executive Director. The Grant Writer works very closely with funders such as HCR, Regional

Economic Development Councils, DOS, HUD and other Program Staff to meet these goals.

Qualifications are a minimum of 5 years experience in grant development, or similar experience, plus a Bachelor's degree, or equivalent combination of education and work experience; demonstrated understanding of rural issues; superior written and verbal English language communication skills; experience with research to identify new opportunities for foundation and government relations; excellent organizational skills and ability to effectively and efficiently manage several

detail oriented projects simultaneously; ability to work independently and as part of a team; experience, patience and comfort in dealing with a diverse range of people; computer and internet literacy and familiarity with Word, Excel, and other Microsoft programs required; personal commitment to WCCRC's mission and goals; residence in or willingness to relocate to the WCCRC service area and its surrounds. (No relocation package provided.)

Qualified candidates are invited to send a cover letter, including salary requirements, and résumé via e-mail to info@westerncatskills.org.

EOE

Executive Director

Interfaith Council for Action, Inc. (IFCA Housing Network), a community leader in the ownership, rehabilitation and management of affordable/workforce housing located in Ossining, New York, is seeking a dynamic new Executive Director. Our mission is to sustain community, diversity and opportunity through workforce/affordable housing and vital social services.

IFCA seeks a visionary yet action-oriented and collaborative Executive Director. S/he will succeed June Jarvis who served as Executive Director for over five years after working at IFCA previously for 17 years. The new ED will develop, recommend and implement plans, policies and strategies that further the mission in a challenging financial environment. S/he will be accountable for all programs and services and will be the chief liaison with public and private funders, external organizations, civic, business,

and community leaders. The ED will manage and work with a senior staff team and will have direct "hands on" responsibility for the delivery of goals established with the Board.

The successful candidate will offer many of the following: Passion for the mission of IFCA and ability to involve others; understanding of subsidized housing finance tools and State and Federal programs is desirable; experience related to housing is preferred but not required; significant direct experience in financial management and well-developed quantitative skills; clear track record of success in identifying and securing private and public funding through fundraising and government relations; demonstrated success in developing and working with a non-profit Board of Directors; experience in strategic planning and implementation; successful human resources and super-

visory experience; ability to work cooperatively with multi-economic groups and strong integrity/ethics; the ability to write and present well; Bachelor's degree required, Masters preferred.

Please see additional information at www.ifcany.org. To apply, please send cover letter, resume and salary history to Susan Egmont at Egmont Associates at segmont@egmontassociates.com. EOE

The New York State Rural Housing Coalition is happy to be able to provide help wanted advertising opportunities for our members and non-profit community development agencies. Ad copy must be provided in Microsoft Word format, and may be transmitted by email to rhc@ruralhousing.org. 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 Hearing Questions Loss of Rural Rental Assistance

The House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies held a hearing on April 24th on the President's FY14 budget request for Rural Development. The USDA's Rural Housing Service programs were a topic of some importance for both witnesses and subcommittee members.

Chair Robert Aderholt opened the hearing expressing disappointment in the Administration's FY14 budget request to Congress. The Chair asked whether the request, including a new proposal for the Rural Development office, serves the needs of people with the lowest incomes.

Ranking Member Sam Farr said the nation has a "problem that's about infrastructure" that must be approached as such. "Why is rural America still dirt poor decade after decade?," asked Mr. Farr. Doug O'Brien of USDA provided an overview of the Administration's budget request for Rural Development, saying that the request targets resources to citizens with the greatest needs, including the funding for the Rural Housing Service guarantee and direct loan programs. Mr. O'Brien also said that the budget request will "take care of the most vulnerable" citizens by increasing funds in the rental assistance program.

Mr. O'Brien connected the budget request to the issue of sequestration saying that, "growth of [Rural Development] programs is exciting but the reduction of staff is daunting." Administrative cut backs will reduce services from the department and USDA will have to cut back on services, said Mr. O'Brien.

Echoing the testimony of Sec-

retary Tom Vilsack before the Subcommittee on April 16th, Mr. O'Brien said that USDA will not be able to provide rental assistance to 15,000 residents due to sequestration. These residents are "mostly [people] who are disabled, elderly" said Mr. O'Brien.

Mr. Aderholt questioned Mr. O'Brien about the assertion 5,000 households will lose rental assistance due to sequestration and asked why the Administration did not share this information until after sequestration took effect. Further, he wanted to know how the USDA plans to manage the reduction in funding for the rental assistance program.

Mr. O'Brien said that USDA has sent notices to each multi-family property owner, explaining the situation of the Rural Development office. USDA is exploring ways to save funds in the program including requiring that owners utilize reserve funding and other administrative strategies. We are "trying to figure out how to minimize the impact of the rental assistance cuts on tenants," said Mr. O'Brien.

Representative David Valado asked why the Administration requested lower funding for the Self-Help Housing program. Mr. O'Brien responded that the President's budget focuses on rental assistance, and that even though USDA believes that the Self-Help program is worthwhile, the department was forced to make hard budget decisions.

In answer to a question from Mr. Aderholt on her testimony about the single family loan guarantee program, Tammy Trevino, Administrator for Housing and Community Facilities Programs at USDA Rural Development, said that USDA balanced the multiple priorities of the

Rural Housing Service in its budget request and pointed to the increase in requested funding for rental assistance. This is not a choice that USDA would make, given other budget constraints, said Ms. Trevino.

Mr. Farr criticized the Administration for knowingly requesting insufficient funding to address the needs of rural households. "The problem is that they want to help rural America. When they go out, they find out you can't help rural America without water... housing. And they are not doing anything about it, they are just talking about it," said Mr. Farr to Mr. Aderholt.

Representative Alan Nunnelee asked about the status of HUD and USDA on merging similar housing programs. Mr. O'Brien responded that USDA continues to work closely with the White House on these alignment efforts including participating in the Rental Housing Working Group and participating in bi-weekly calls with the Domestic Policy Council to ensure that agencies are not duplicating efforts.

Representative Jeff Fortenberry asked what USDA is doing to address the change in Census definition that would cause a number of communities that have been defined as rural to no longer be in that category, which would prevent them from receiving federal rural development funding. Mr. O'Brien mentioned that the final FY14 budget extended the current definition through the end of the year for rural housing programs and that the Administration would like to work with Congress on a long-term plan to address this concern.

Read witness testimony at <http://1.usa.gov/10jDMP3>.

FHLB-NY Announces June 28th AHP Deadline

The Federal Home Loan Bank of New York will accept applications for the 2013 Affordable Housing Program until June 28th. Since 1990, FHLB-NY has set aside 10% of its private earnings to support the creation and preservation of housing for lower income families and individuals through the Affordable Housing Program (AHP). AHP funds are awarded to member banks who submit applications on behalf of project sponsors who are planning to purchase, rehabilitate, or construct affordable homes or apartments. Funds are awarded through a competitive process which typically takes place either once or twice a year, at the HLB's discretion.

Eligible uses of AHP funds include: Acquisition, construction, or rehabilitation of rental housing in which at least 20% of the project's occupants must earn 50% or less of the area median income, and owner-occupied housing in which households earn 80% or less of the area median income. Eligible projects may include: 1-to-4 unit houses, co-ops, condos, apartments, single-room occupancy facilities, shelters, transitional housing, mutual housing associations, and group homes.

AHP funds are an excellent source of matching funds for Small Cities CDBG, HOME, and AHC funding for programs such as housing rehabilitation.

FHLB funds can also be used as part of a financing package for a capital development project. In those cases, it may be helpful to apply to FHLB for a very discreet element of the project, such as the financing to install an elevator in the project.

As noted earlier, applications for FHLB funding must be submitted through a partner bank that is a member of the FHLB. Some banks doing business in New York are members of the FHLB in Cincinnati, which has a deadline date of August 1st. For more information, visit www.fhlbny.com/community/housing-programs/ahp/forms,-guidelines-and-agreements.aspx.

Indian Housing Resource Guide

The National American Indian Housing Coalition released the 2013 revised edition of the Indian Housing Development Handbook, which is a guide for tribal housing programs, federal and state government agencies, lenders, contractors, investors, attorneys and other housing professionals. Get a free copy at <http://naihc.net/index.php/training/indian-housing-development-handbook/>.

Save The Dates

October 9th and 10th are the dates for the 2013 Annual Affordable Housing and Community Development Conference, which will be held at the Hyatt Regency Hotel in Rochester. We have secured a special room rate of \$96 per night. If you are interested in coming in early for the conference to enjoy some time visiting Rochester's many attractions or nearby wine country, or plan to stay over an extra night to catch an early flight, our room discount will still apply. You can now make reservations for discounted hotel rooms by calling (888) 421-1442. Be sure to mention that you are attending the Coalition conference to secure our discount room rate.

The Conference Committee of the Coalition's Board of Directors is currently developing the training agenda. If you have suggestions for training workshops for the conference, please contact the Coalition NOW at (518) 458-8696x14.

August Deadline For East Hill Grants

The East Hill Foundation welcomes inquiries from nonprofit 501(c)(3) organizations for grant funding for the Western New York area. The next grant application deadline date for organizations serving the Western New York area is Thursday, August 1, 2013. In response to the growing needs of WNY residents caused by the national economic downturn, East Hill Foundation would like to assist WNY nonprofit (501c3) organizations that address basic human services such as providing food and shelter for the needy. Community giving is primarily focused within the eight counties of Western New York: Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans and Wyoming. Grants are limited to a maximum of \$30,000 under the Western New York program of the foundation. For more information, visit: www.easthillfdn.org/public/wnygrants.asp.



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