



RHD Rural Delivery

New York State Rural Housing Coalition, Inc.

October, 2013

Government Shutdown Goes Into Effect Contingency Plan Put Into Operation

Partial shutdown of the federal government began on the morning of October 1st, affecting all non-essential federal employees, including those at the Department of Housing and Urban Development. A contingency plan has been put in place to address critical concerns.

Because of limited staffing, the processing or closing of FHA-insured loans is expected to undergo delays, says the agency. The longer the shutdown lasts, the more serious the impact will be.

HUD exhausted its commitment authority in September for fiscal year 2013 funding, so no new projects or programs will be added to the processing pipeline. However, the shutdown could negatively impact projects that are in development already. Construction inspections of projects would not continue during a shutdown, and all review and underwriting activities of applications and pre-applications would cease.

The only multifamily development projects HUD will close during the potential shutdown period are those with firm commitments and a scheduled closing date, or projects with "critical external deadlines." The same is true for Section 202 Supportive Housing for the Elderly projects: only those with firm commitments

and a scheduled closing date during the shutdown period will get closed. Most of the 80 local HUD field offices will be closed by the shutdown, with some limited exceptions. There will be an "extremely limited" number of employees available to answer emergency questions. HUD's contingency plan lists the names and contact information for HUD workers for those with program projects inquiring after how the shutdown will affect them.

HUD is extending the deadline for the Service Coordinator notice of funding availability to November 16th to better match the November 18th NOFA deadline for up to \$15 million of Assisted Living Conversion Program grants, and applications will not be processed until after that date.

For Section 8 contracts that have permanent or indefinite authority or multi-year funding, HUD will continue to make payments only where there is budget authority available from prior appropriations or recaptures. Section 8 waiver requests will not be processed.

FHA single family loans will continue to be endorsed during the shutdown. A limited number of staff will be available to cover this work load.

Grants.gov will remain open for

business during the shut-down. The Grants.gov call-in center will continue to be available 24 hours per day.

The shutdown has impacted the Rural Housing Coalition, as a number of presenters scheduled to appear at the upcoming annual conference in Rochester are federal staff. As of press time, Coalition staff are scrambling to find replacement presenters to backfill any federal staff who are unable to attend the event, in case the shutdown lasts beyond the conference dates.

The HUD FY 2013 contingency plan for possible lapse in appropriations is available for review on the HUD website at <http://portal.hud.gov/hudportal/HUD>. Look for the September 27th posting.

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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...

Save The Date!

Rural Advocates Annual Meeting

The New York State Rural Advocates will hold their annual meeting on November 13th and 14th at the Otesaga Hotel in Cooperstown. The annual meeting will include setting the priority agenda for the next legislative year, as well as election of officers and board members. For more information, contact Nancy Berkowitz at (518) 352-7787.

NYC Trainings On Multifamily Development and Management

The Affordable Housing Institute workshops promote best practices in developing affordable housing, and in cost-saving, energy-efficient management and operations. Classes are geared for developers, owners, project managers, building managers, superintendents, maintenance and back office staff of nonprofit housing agencies. Discount registrations are available for the entire series from October 9th - December 18th or by single session rates.

- **LOCATION:** Association for Neighborhood and Housing Development (ANHD), 50 Broad Street, Ste. 1125, NYC below Wall St.
- **TIME:** 9:30 AM up to 12:30 PM (classes run 2 to 3 hours).
- **FEE-Entire Series:** \$150 for ANHD member agencies (admits 2), \$250 Non-members (admits 2). Single Session fee is \$30 for members and non-members (admits 1).

For more information, contact Mike Bucci - mgbucci@aol.com or Moses Gates - moses.g@anhd.org or Rita Mazza - rita.m@anhd.org.

Think Pink

GET TESTED, TALK TO YOUR DOCTOR

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 Housing Counseling Certification Proposed Rule Released

HUD released a proposed rule, "Housing Counseling Program: New Certification Requirements," on September 13th. The proposed rule seeks to address changes made to the HUD housing counseling program made under the Dodd-Frank Wall Street Reform and Consumer Protection Act. HUD's most recent housing counseling NOFA began to address the Dodd-Frank changes and alluded to the forthcoming proposed rule. Comments on the proposed rule are due on or before November 12th.

The Dodd-Frank Act made changes to the current HUD housing counseling program. These changes included a new requirement that all HUD-related homeownership counseling and rental housing counseling, provided in connection with any HUD program, are to be administered only by HUD-certified housing counseling agencies through their HUD-certified housing counselors.

Dodd-Frank prohibits HUD housing counseling funds to go to a housing counseling agency unless "individuals through which the agency provides counseling, has been certified by HUD as competent to provide counseling." The law also established a new Office of Housing Counseling within HUD to strengthen oversight and administration over housing counseling services provided through HUD's housing counseling program. The law prohibits agencies that have been convicted for offenses such as election fraud, voter intimidation and voter suppression from receiving housing counseling funds. The law also establishes new guidelines about the misuse of grant funds. Once an agency is found to have misused housing counseling funds, the funds must be reimbursed to HUD within 12 months and

specifies that the agency will not be eligible to receive housing counseling funds in the future. HUD notes that while the terms HUD-approved and HUD-certified are considered interchangeable for purposes related to the proposed rule.

Under the proposed rule, rental housing counseling is defined as "counseling related to rental of residential property, which may include counseling regarding homeownership opportunities and providing referrals for renters and prospective renters to entities providing counseling." Rental housing counseling is defined as counseling related to the following topics and programs:

- Tenant-based assistance and affordable housing assisted under the HOME program in the context of eligible activities under the Community Development Block Grant program
- The Public Housing Operating Fund
- Displacement due to demolition and disposition of public housing
- The Family Self-Sufficiency program
- Public housing resident homeownership programs
- Conversion of distressed public housing to tenant-based assistance
- Hope for Public Housing homeownership grants
- Activities in connection with community housing development organizations' set-asides from HOME technical assistance funds
- Activities in connection with Hope for Homeowners planning grants
- The general housing counseling program
- Rural homelessness and rural housing stability grants

- Indian housing block grants and native Hawaiian housing block grants

- Section 8 rental assistance programs

HUD notes that this list may change as HUD programs change.

HUD proposes in its proposed rule that individuals must show competency in six areas to become certified housing counselors. The areas are:

- Financial management
- Property maintenance
- Responsibilities of homeownership and tenancy
- Fair housing laws and requirements
- Housing affordability
- Avoidance of, and responses to, rental and mortgage delinquency and avoidance of eviction and mortgage default

HUD adds, "While the current codified regulations approve counseling agencies for participation in HUD's Housing Counseling Program for a period of up to 3 years, HUD is not proposing reexamination of individual counselors every 3 years. While HUD may consider at some point requiring individual counselors to take courses to maintain their skills and keep up-to-date with homeownership/housing market issues, this proposed rule provides for the examination only to be taken and passed once for an individual to be certified."

HUD is exploring online testing options, and says in the rule that it will try to present the exam in the most cost-effective way. HUD estimates that the per counselor cost of certification is \$500. HUD says there are about 2,500 HUD-approved housing counseling agencies and 8,100 counselors, with a total certification cost of \$4,050,000. Grantees are permit-

Program Profile: Mohawk Indian Housing Corporation

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 work of the Mohawk Indian Housing Corporation, which works in Northern NY on the Canadian border. In their own words, here is their story:

Mohawk Indian Housing Corporation was formed June 23, 1972. Our main mission is “The Mohawk Indian Housing Corporation is committed to assisting the community with economic and housing improvement. MIHC supports and encourages others whose efforts are directed towards community development. MIHC will assist affordable housing needs of the elderly, the handicapped and disabled, very low-income families, the homeless and families in emergency crisis facing a disaster.”

The purpose of the corporation was to provide housing on the St. Regis Mohawk Indian Reservation, to build, to lease property, to sell and buy land and to do comprehensive planning activities for the area. The MIHC is willing and has always been involved and able to contribute any expertise in the housing sector for development desired by the Chiefs and Council.

In 1985 Iroquois Village, a 24 unit apartment complex was completed under the USDA-Rural Development 515 program. The units are subsidized by the Housing Trust Fund Section 8 Site Specific Housing Choice Voucher Program. A fire in 1999 resulted in the loss of one building with 6 units, remaining are 18 units.

In 1988 Phase I of Mohawk River Village, a 24 unit apartment complex was constructed under the

Homeless Housing Assistance Program adding 6 duplex buildings to our portfolio. By 1992 Phase II & III were completed for the remaining 6 duplex buildings totaling 24 rental units. Some units are subsidized under the Akwesasne Housing Authority Section 8 Tenant Assistance Program.

In 1989, MIHC used the HUD Section 202 program to construct Sweetflag Estates, a 30 unit housing complex for the elderly and handicapped/disabled.

In 2010, the St. Regis Mohawk Tribe Residential Habilitation at Home program was founded, replacing the former NYS Department of State Enriched Housing Program that had operated for 20 years. This program operates 24 hours per day 7 days per week to help eligible developmentally disabled residents achieve a more independent living and provide supervision that is based on the consumer’s needs.

MIHC provides rental management for 74 units for the elderly, handicapped/disabled, low and very low income families. Staff provide workshops, activities calendar and informational training depending on the needs. Tenant responsibilities and eviction prevention counseling are provided as needed.

The CSBG program funds a driver for a transportation program for the elderly, handicapped/disabled and very low and low income residents.

In addition, MIHC has received

six consecutive HOME awards of \$400,000 each, to enable 145 owner occupied homes to be renovated between 1997 and 2008.

In 1990, the Supportive Apartment Program was developed in 2 units renovated from the former



Existing Emergency Housing

Partridge House trailers. Residents were under the supervision of St. Regis Mohawk Tribe Family Support until 2003. The units were then re-classified as emergency housing. This site is proposed for demolition, with plans to replace the old trailers with FEMA mobile homes for transitional and emergency housing. The



Replacement FEMA Manufactured Homes

development will proceed under an MOU with the Akwesasne Housing Authority, which will provide funding for the utility hookups and other development expenses as a loan to the project. The MOU and loan agreement are currently being drafted. The furnished FEMA units each contain 3 bedrooms, allowing the new project to serve larger size families.

Proposed Rule Continued

Continued from Page 3

ted to use a portion of their housing counseling grants to reduce the costs of training and examination.

Under the proposed rule, while counselors may still specialize in a particular area of housing counseling, all individual counselors must show at least basic competencies in the aforementioned six areas to ensure that they can identify cross-cutting issues that may also be relevant to a household's situation and needs.

Read the proposed rule at: <http://1.usa.gov/16nQKpg>.

Disaster Funding Applications Sought

New York State is encouraging home owners and small businesses who suffered losses from Tropical Storms Lee and Irene, and Superstorm Sandy, to apply for grants that may cover their uncompensated losses.

There is no deadline to apply for assistance from the Recreate New York Smart Home Programs or for the Small Business Storm Recovery Program. The state is encouraging homeowners and business owners to apply. Visit the home page of www.stormrecovery.ny.gov and click on the "Apply for Assistance" link, which connects to the application page.

The two tropical storms caused damage throughout the upstate region two years ago, while Sandy struck the Atlantic coast, New York City and the Hudson Valley last year.

HUD Revises Two Criteria for Voucher Termination Prevention Funds

The Continuing Resolution appropriating funds for FY13 included a \$103 million voucher renewal set-aside for certain circumstances and created a new use for the set-aside, allowing a public housing agency (PHA) without sufficient funds to cover existing vouchers to apply for funds to prevent voucher terminations. An April 26, 2013 letter from HUD's Office of Public and Indian Housing (PIH) and PIH Notice 2013-12 provided criteria for PHAs seeking "shortfall funds". A new notice, PIH 2013-24, makes two revisions to the eligibility criteria for PHAs seeking shortfall funds.

1. Because sequestration did not apply to the HUD-VASH program, the notice is revised to make it clear that PHAs receiving shortfall set-aside funds are expected to continue their HUD-VASH leasing efforts, including leasing turnover HUD-

VASH vouchers, up to the base-line level of units under all of their HUD-VASH allocations, not just recent allocations as originally specified in Notice 2013-12.

2. A PHA that did not expect a shortfall when the April 26th letter was sent, and therefore did not stop issuing vouchers or rescind vouchers remaining on the street, may now apply for shortfall funds if they face a potential shortfall.

Shortfall funds are a priority and "category 1" among four categories for use of the \$103 million. As in the past, the set-aside may also be used to cover: significant increases in voucher renewal costs due to portability or unforeseen circumstances; vouchers not in use the previous year because they were held for a project-based voucher commitment; or HUD-VASH.

View PIH Notice 2013-24 at: <http://1.usa.gov/uBAGLE>.

In a related matter, HUD and the VA announced on September 27th the release of 110 new HUD-VASH vouchers for homeless vets. Of the limited number of vouchers issued in this round nationally, 15 were awarded in New York, directed to Christopher Community in Onondaga County.

Veterans Administration Functions Impacted By Shutdown

The services provided by the Veterans Administration are affected somewhat differently by the federal shutdown than HUD. VA services that affect the health and safety of vets generally will continue to function. Hospitals and clinics will remain open. Some services will only continue through October, such as claims processing, pensions and vocational rehab. Home loan processing will continue during the shut down. The Office of Small and Disadvantaged Small Businesses will also remain open. The VA regional offices will not be open for the public. Some national phone numbers have been suspended, and some call centers will not be operating. The VA general phone line (800-827-1000) will remain in operation. The VA website will be updated less frequently.

For more information, visit www.va.gov/opa/docs/Field_Guide_20130927.pdf.

NOFA Looms For Assisted-Living Conversion

November 18th is the deadline date for applications for HUD's program for conversion of multifamily units in elderly affordable projects to assisted living or Service-Enriched Housing.

The Assisted Living Conversion Program provides funding for the physical costs of converting some or all of the units of an eligible multifamily development into an Assisted Living Facility (ALF) or Service-Enriched Housing (SEH). The ALCP provides funding for the physical costs of converting some or all of the units of an eligible multifamily development into an ALF or SEH, including unit configuration and related common and service space, and any necessary remodeling, consistent with HUD or the state's statute/regulations (whichever is more stringent), including compliance with all applicable accessibility laws. Typical funding will cover basic physical conversion of existing project units, as well as related common and service space. For ALF conversions, there must be sufficient community space to accommodate a central kitchen or dining facility; if meals are prepared at

an off-site location, the preparation area of the facility must be of sufficient size to allow for the installation of a full kitchen. For both ALF and SEH conversions, there must be community space available to all residents of the project.

All applicants seeking ALCP funding must provide supportive services for the residents either directly or through a third party. The application must include a firm commitment, letter of support, or a Memorandum of Understanding (MOU) for the supportive services offered within the ALF or SEH. The project may charge assisted living or service-enriched residents for meals and/or service fees. Residents may contract with third party agencies directly for nursing, therapy, or other services not offered by the ALF or SEH. Refer to Section III.C.3.e, for more information about Meals and Supportive Services. Residents must be offered, but cannot be required to accept, any supportive services.

For more information, visit: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail/nofa13/alcp.

Service Coordinator Applications Due

HUD is accepting applications for funding for Service Coordinators in multifamily affordable buildings through October 16th. Approximately \$7.5 million is available in this NOFA.

The Service Coordinator in Multifamily Housing Program provides funding for the employment and support of Service Coordinators in insured and assisted housing properties that were designed for the elderly or nonelderly persons with disabilities and continue to operate as such. Service coordinators help residents obtain supportive services from the community that are needed to enable independent living and aging in place.

A Service Coordinator is a social service staff person hired or contracted by the assisted housing owner or its management company. The Service Coordinator is responsible for assuring that elderly residents, especially those who are frail or at risk, and those non-elderly residents with disabilities are linked to the supportive services they need to continue living independently in their current homes.

Applicants should review the Management Agent Handbook 4381.5 Revision-2, Change-3, Chapter 8, for further guidance on service coordinators. This Handbook is accessible through HUDCLIPS on HUD's website at http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsgb/4381.5.

To review the NOFA, visit: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail/nofa13/scmbnofa.

STAR Exemption Update

As a reminder, homeowners in New York State receiving a Basic Star Exemption must register with the NYS Tax Department by the end of the year, in order to keep that exemption in effect.

The initial registration information about this requirement was sent to home owners in early September, and many have already registered. If you have not, or are unsure please do one of the following:

1. Register online by visiting www.tax.ny.gov
2. Call (518) 457-2036:
 - Monday - Friday: 8:30 AM - 8:00 PM
 - Saturday: 9:00 AM - 1:00 PM

Senior Citizens who receive Enhanced STAR are not affected by the new registration requirement.

Action Taken At HTFC Meeting

At the September 13th Board Meeting of the Housing Trust Fund Corporation, several projects and programs were approved, including a multifamily rental housing development for seniors in the Bronx, and a grant of \$120,000 in CDBG Economic Development funding to Town of Sodus to support a local industry. Other action of the board included adoption of a resolution to bring the administration of CDBG DR assistance for businesses into alignment with the already-approved program for residential assistance to victims of disasters. This change will affect the administration of approximately \$180,000,000.

HUD Requests Funds For FHA

FHA Commissioner Carol Galante sent a letter to the Senate Banking Committee on September 27 requesting \$1.7 billion in additional mandatory funding for the Federal Housing Administration (FHA) in order to remain in compliance with regulations governing minimum reserve fund levels for the Mutual Mortgage Insurance (MMI) Fund. This is the first such request in the history of the program.

In its FY14 budget proposal, the Administration estimated it would need \$943 million of mandatory funding for the FHA's reserve in order to maintain the required levels.

These additional funds were necessary because FHA had experienced greater losses than expected from Home Equity Conversion Mortgages loans, also known as reverse mortgages. The FHA currently holds in excess of \$30 billion in reserves and HUD reports that the program is in good financial condition otherwise. The MMI fund also generates revenue for the federal government and in FY14 HUD applied an anticipated \$14.5 billion in MMI and other reserves to offset HUD's budget request.

View HUD's FHA letter at: <http://bit.ly/1bmb3vR>

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