



Housing Trust Fund Bill Approved Awaits Presidential Signature

After months of negotiations among Senate Democrats, Senate Republicans, House Democrats, House Republicans and the Bush Administration, the House of Representatives on July 23rd passed HR 3221, the American Housing Rescue and Foreclosure Prevention Act of 2008, by a vote of 272-152. The Senate approved the House-passed bill on July 26th by a vote of 72-13. President Bush has stated that he will sign the bill. Most important among the bill's numerous provisions is the establishment of a Housing Trust Fund. This is a major victory for low income housing advocates and the lowest income people in our country with the most serious needs.

The Housing Trust Fund's features are:

- * It is a permanent program with a dedicated source of funding not subject to the annual appropriations process.

- * At least 90% of the funds must be used for the production, preservation, rehabilitation, or operation of rental housing. Up to 10% can be used for the following homeownership activities for first-time homebuyers: production, preservation, and rehabilitation; down payment assistance, closing cost assistance,

and assistance for interest rate buy-downs.

- * At least 75% of the funds for rental housing must benefit extremely low income households and all funds must benefit very low income households.

This is the first new federal housing production program since the HOME program was created in 1990 and the first new production program specifically targeted to extremely low income households since the Section 8 program was created in 1974.

Funds for the Housing Trust Fund will come from annual contributions made by Fannie Mae and Freddie Mac. The amount will be based on a percentage of each company's annual new business. Using the formula in the bill, the amount in 2007 would have been \$557 million. Because their new business is increasing, the amount in 2008 is expected to be higher. However, 25% of the funds each year must first go to a reserve fund at the Treasury to offset scoring problems. The remaining 75% of the funds will be divided between the Housing Trust Fund, which gets 65%, and a new Capital Magnet Fund that gets 35%.

Given the recent instability of Fannie Mae and Freddie Mac, concerns

funds will be available for new programs. The new regulator has the authority to suspend contributions under certain circumstances related to the fiscal distress of the GSEs. However, no money will be available for the Housing Trust Fund until FY10, by which time Freddie Mac's and Fannie Mae's fiscal conditions are expected to be much improved.

Now that it has achieved this important and long-sought milestone, the National Housing Trust Fund Campaign will turn its attention to the next two steps towards achieving its goal of 1.5 million homes in 10 years. The first is implementation of the program—working with HUD to create an effective and timely fund distribution system. The second is to identify and advocate for additional sources of dedicated revenue. The bill specifically provides that Congress may “transfer, appropriate, or credit” other funds to the Housing Trust Fund.

Members Urged To Complete Survey

Members of the Rural Housing Coalition are encouraged to complete a survey detailing the types of housing and community development work

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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...

DHCR ConPlan Comments Sought

DHCR will accept comments on the draft Consolidated Plan and Action Plan for submission to HUD beginning on September 8th and through October 8th. The draft ConPlan is available online at www.dhcr.state.ny.us. Click on 2009 Action Plan/Discussion Draft. Comments are encouraged, and should be submitted to bmccarthy@nysdhcr.gov by October 8th.

Conference Brochures To Be Mailed

Registration brochures, containing information on the upcoming 29th Annual Affordable Housing and Community Development Conference will be mailed shortly. Once the registration brochure is back from the printer, electronic copies will be posted on our website at www.ruralhousing.org.

It is not too early to make hotel reservations for the October 29th-31st event at the Hyatt Regency hotel in Buffalo. Call the hotel directly at (716) 856-1234 to make your reservation, and be sure to tell the operator that you are reserving for the Rural Housing Coalition conference to secure our special room rate of \$86 per night. See you in Buffalo in October!

Welcome Back Anne!

Anne Patnode returned to the staff of the Rural Housing Coalition in early July. We are pleased that she has agreed to oversee the very important training and technical assistance work of the Coalition, to ensure that our members are receiving all of the services that they need.

Big Move Ahead

Sometime during this fall, the Rural Housing Coalition will be moving to new office space in downtown Albany. We are looking forward to being in our new space, but recognize that this may cause some temporary communication disruptions. Please bear with us...

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.

Subprime Foreclosure NOFA Issued

The 2008 NYS Budget includes \$25 million to help homeowners in New York who entered into a subprime or unconventional mortgage, by providing counseling and legal services. A program is being developed and will be administered by the NYS Housing Trust Fund Corporation (HTFC) / Division of Housing and Community Renewal, in consultation with the NYS Banking Department and the Office of Court Administration.

The Program will make grants available to not-for-profit companies statewide to provide financial counseling, mediation, legal representation, negotiation, and other support services to borrowers who face default or foreclosure. Collaborative proposals by multiple not-for-profit organizations are strongly encouraged to achieve coverage of all necessary services in an efficient manner that decreases duplication and maximizes the impact of public resources.

Funding will also be available to provide credit counseling and homeownership assistance training and support for housing counselors, mediators and lawyers who are assisting residents with subprime or unconventional mortgages.

HTFC, with the assistance of the NYS Banking Department, Office of Court Administration, and SO-NYMA, has developed a continuous open window RFP for nonprofits seeking funds under the program. Proposals will be accepted starting on June 18, 2008 on a continuous basis until all funding has been awarded or until discontinued by HTFC. For more information, visit www.dhcr.state.ny.us/Programs/ForeclosurePrevention/.

FHLB-Pittsburgh Announces 2nd AHP Funding Round

A second round of Affordable Housing Program (AHP) funds from the Federal Home Loan Bank of Pittsburgh will be made available to member banks and project sponsors in September 2008. The application deadline for the 2008B funding round is Thursday, September 25, 2008. The amount of funding available for AHP 2008B is approximately \$9.5 million. For the recently concluded 2008A AHP round, FHLBank awarded \$10.96 million in funds to support 1,084 units of affordable housing in Pennsylvania, Delaware, West Virginia and New York.

Interested project sponsors are encouraged to visit the FHLBank Web site (www.fhlb-pgh.com), follow the links for Housing and Community in the left hand margin, click on the Affordable Housing Program and review the application information provided. Everything needed for a competitive application is available online. In addition, technical assistance is available from the Community Investment representatives listed below.

If you would like more information regarding the Affordable Housing Program, please contact: Amy K. Herlehy, New York State Director, Community Development, Citizens Bank, 235 East Main Street, Rochester, NY 14604, (585)423-7288.

DHCR To Relaunch Affordable Housing Directory Website

DHCR expects to relaunch their website directing low income apartment seekers to available units within the next couple of months, according to a report delivered by Lori Pizzola at the NAHA/PAC meeting in Albany on July 24th. The previous website was targeted to low income tenants needing accessible apartments. The new website will be open to landlords of any apartment, with the hope that the landlord can be encouraged to make the unit(s) accessible eventually. A new website name has been secured to reflect the broader audience sought. The new URL is www.ny-housingsearch.org. Unlike the old site, the new website will be able to show which listed units are vacant, and the information is expected to be refreshed every ten days. This is a great opportunity to broaden the marketing of the vacant units in your projects.

Survey, cont'

that you do, and the types of activities that you hope to undertake in the near future. This survey will help the Coalition staff to identify training and technical assistance resources to better serve our members. The survey can be found at www.surveymonkey.com/sr.aspx?sm=wzzhYUV4gznrX5WZrNDsAtmS14EEDITstOztSj4Jhks_3d.

HTFC Second NOFA, cont'

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This change in the rules should greatly increase the number of buildings in New York that can be rehabilitated with HTFC dollars. Agencies interested in applying for this funding should check the DHCR website frequently for the NOFA release.

Second Round of HTFC Funding Anticipated

A second round of 2008 Housing Trust Fund Corporation grants is expected to be announced in August. According to our sources, this NOFA is expected to have a very short turnaround time before applications are due, so this will be the opportune time to submit a project proposal that has already been significantly developed. This second round of funding will be for stand-alone HTFC financing: no low income housing tax credits are expected to be available. This second round will also be able to take advantage of an expected change in the HTFC rules that no longer require buildings assisted with Trust Fund dollars to be 60% or more vacant at the time of application.

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RARP Applications Sought

DHCR has issued an ongoing NOFA for the Rural Area Revitalization Program. Applications for funding will be accepted on a continuous basis contingent on funding availability.

The Rural Area Revitalization Projects program expects to have approximately \$6,000,000 available. Rural Area Revitalization Project funds are awarded for the revitalization and improvement of housing and local commercial and service facilities, and for related community renewal activities in a geographically defined neighborhood.

The HTFC reserves the right to award all, a portion of, or none of the program funds based upon funding availability, the feasibility of the applications received and the appli-

cant's ability to meet HTFC criteria for funding.

RARP awards will not exceed \$200,000 and will only be made to projects located in cities, towns and villages with populations of 25,000 or less as determined by the 2000 US Census, subject to availability of appropriations. For all RARP projects in which over \$100,000 is requested for construction costs, HTFC requires contractors and awardees, in accordance with Section 312 of Article 15A of the Executive Law, to make affirmative efforts to ensure that New York State certified Minority and Women Owned Business Enterprises have opportunities for meaningful participation in awarded projects. For more information on this program, visit www.dhcr.state.ny.us/Funding/nofas/RARP_UI_nofa.htm.

Visit our website at www.ruralhousing.org
