

Happy New Year!



New York State Rural Housing Coalition, Inc.

January, 2009

Governor's Budget Proposal Slashes Housing Support

On December 16th, Governor David Paterson issued his initial budget proposal for the 2009-2010 fiscal year. As expected, the budget proposal, crafted to address an ever-ballooning budget deficit caused by the Wall Street crisis, contained a great deal of pain for housing agencies across the state. Most painful are the proposed cuts to the Rural Preservation Program budget totaling \$2.57 million, or 41.7% of last year's budget figure. If implemented, this budget will reduce the average allocation to each Rural Preservation Company to approximately \$52,000. This drastic funding cut comes at the worst possible time,

with agency caseloads skyrocketing due to the mortgage foreclosure crisis and the economic downturn. The Neighborhood Preservation Program was also significantly cut in the budget, losing \$5.32 million.

The loss of this funding will greatly impact the flow of federal dollars into New York at this critical time. Many entitlement communities rely on preservation companies to administer housing programs such as CDBG and HOME dollars. Without adequate capacity to develop and preserve housing stock with those dollars, the entitlement communities and state government may be forced to turn back the funding

For Working Families program, as well as cuts to Public Housing Modernization and periodic subsidies.

The drastic cuts in capital investment at this time run counter to national calls for public works investment to create jobs in response to the recession. The construction trades are one of the fields most heavily impacted by the economic slowdown, and the capital programs of DHCR and the Housing Finance Agency clearly generate construction jobs.

A press release notes that the Governor's budget proposal calls for a spending plan that remains flat for the 2009-2010 year. In fact, the 'flat' spending plan calls for an actual increase of 1.1% for all spending, according to the Governor's press release found on the Housing Finance Agency website. This points out a serious concern why the essential housing programs of the state, those that are currently dealing with a social crisis of unimagined proportions, AND offers hope for the future of New York's economy, are the very programs that are targeted for such draconian cuts.

Please plan to become active in efforts to correct this budget error in coming months. See the box at left for info on how you can help.

Save The Dates!

Be a part of the lobbying effort to save state funding in the upcoming budget struggle. The 2009 housing lobby days have been scheduled in Albany:

February 24th- Legislative Action Day- a joint effort to support urban and rural housing programs. Sponsored by the Neighborhood Preservation Coalition of NYS (www.npcnys.org).

March 9th- Housing Lobby Day- support rural housing programs such as Rural Rental Assistance, RARP, RPC, Affordable Housing Corporation, and Main Street. Sponsored by the New York Rural Advocates (ruraladvocates@gmail.com).

for redistribution to other states.

The Governor also proposed drastic cuts to the State's capital funding, including a 44% reduction in AHC funding, a 51% reduction in funding for the Housing Trust Fund program, a \$2.6 million cut in the rural rental assistance program, a 58% decrease in the Homes

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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...

SuperNOFA Early Registration Announcement

On December 5th, HUD issued a Federal Register Notice encouraging all potential applicants for the 2009 SuperNOFA funding round to be sure to have their registration at the *Grants.gov* portal up to date and active. Do not wait until the deadline date for your funding proposal to make sure that you have proper access to *Grants.gov*- it generally takes several weeks following your setup of the account to become activated. The federal register notice can be found at www.hud.gov/offices/adm/grants/nofa09/earlyregistration.pdf.

DHCR Issues December, 2008 Capital Programs Manual

The Division of Housing and Community Renewal has posted a new edition of the Capital Programs Manual on the DHCR website. This manual should be consulted during the preparation of grant applications for the 2009 Unified Funding Round for any project applications (due February 11th). The manual can be found at: www.nysdhcr.gov/Publications/CapitalProgramsManual/CapitalProgramsManual_December08.pdf.

HUD Issues Emergency Repair NOFA

HUD has issued a Federal Register notice of funding availability for approximately \$9.5 million in emergency repair funds for senior housing rental projects funded under the 202, 515, 221 d(3), 226, and Section 8 Project-based rental assistance for projects closed prior to January 1, 1999. The deadline for application submittal is October 1, 2009, but applications will be accepted at any time until all funds are committed. The maximum grant is \$500,000. For more information, visit www.hud.gov/offices/adm/nofa08/other/ecrpnofa.pdf.

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.

Highlights Of Housing Trust Fund Meeting

A number of important items were announced at the December 16th Housing Trust Fund Board meeting in Albany:

- Joseph Rabito announced that the Office of Community Renewal expected to release the NOFA for the 2009 round of Small Cities CDBG funding on January 28th. This funding round would include funding for the Main Street program, which is now administered by OCR. The application deadline is expected to be April 24th. Mr. Rabito also presented resolutions to authorize Economic Development awards for two projects, in Plattsburg and Watervliet, respectively.
- Al Smith announced that the Section 8 Home Ownership Initiative has successfully completed 240 closings around the state.
- Mr. Smith also announced that a Section 8 effort has been underway in Jefferson and St. Lawrence counties to move families off the lengthy voucher waiting lists and see if any can be matched with available vacancies in housing projects with Section 8 Project-based assistance. To date, 11 families have been successfully moved into available housing through this effort, reducing the waiting lists, and helping the rental projects to fill vacancies.
- Gary Hallock announced that 6 projects approved in the special round of Summer '08 funding (representing roughly \$15 million in funding) are moving to

wards closing. The HTF staff expects to bring the remaining funding recommendations to the Board for approval at the next Board meeting.

- Mr. Hallock also noted that his office expected to issue a NOFA for Local Program Administrator funding (including HOME) during January, with the deadline scheduled to allow implementation in the late spring, if possible.
- Lori Harris presented resolutions authorizing Subprime Mortgage Foreclosure Mitigation awards to eight agencies in the Bronx, Queens, Monroe County, Niagara County, the Capital District, Nassau/Suffolk, and Wyoming County. The total amount awarded was \$2.8 million, and awards ranged in size from a low of \$68,000 to \$700,000.
- Ms. Harris also reported on the latest round of RESTORE funding. A second round NOFA issued in August was targeted to 19 counties that were unserved by previous awards. 32 applications were received in response to the NOFA, and HTF staff recommended funding awards for 28 of those proposals. The new awards will cover 18 of the 19 unserved counties, and complete 502 units. Ms. Harris singled out the proposal of the Housing Assistance Program of Essex County, which will use their funds to install pellet stoves in the homes of seniors as a way of offsetting high energy costs.

ENERGY STAR in Affordable Housing

Lower income families typically spend a greater percentage of their household income on utility bills than families in higher income brackets. EPA is working with affordable housing stakeholders, such as housing finance agencies, public housing authorities, developers, and building owners, to help them incorporate energy efficiency practices into new and existing housing policies and funding programs. Through this partnership, EPA provides lower income families with greater access to energy savings. Stakeholders can utilize ENERGY STAR practices in their housing to cost-effectively reduce the energy burden on lower income families. Visit ENERGY STAR's Affordable Housing Web page at www.energystar.gov/homes for tools, resources, and success stories.

OFN Announces 2008 Wachovia NEXT Awards

The Philadelphia-based Opportunity Finance Network has announced prizes totaling \$8.25 million to the winners of the 2008 Wachovia NEXT Awards for Opportunity Finance.

Created and funded in partnership with the Wachovia and the John D. and Catherine T. MacArthur foundations, the awards recognize top performing community development financial institutions (CDFIs) for lending programs directly benefiting low- and moderate-income communities. Award amounts are based on each organization's asset size — \$5.5 million for CDFIs with assets of more than \$50 million and

Continued on Page 6, Col. 1

A public hearing will be held on January 5, 2009 from 11 AM to 1 PM at the DHCR central and regional offices to solicit comment on the proposed Weatherization Program State Plan for 2009. Written comments will be accepted through January 16th. See www.dhcr.state.ny.us/General/Notices/WAPPlan.htm for more information.

IRS Announces Expedited Home Lien Subordination

The Internal Revenue Service announced on December 16th an expedited process that will make it easier for financially distressed home owners to avoid having a federal tax lien block refinancing of mortgages or the sale of a home.

Taxpayers or their representatives, such as their lenders, may request that the IRS make a tax lien secondary to the lien by the lending institution that is refinancing or restructuring a loan. Taxpayers or their representatives may request that the IRS discharge its claim if the home is being sold for less than the amount of the mortgage lien under certain circumstances.

The process to request a discharge or a subordination of a tax lien takes approximately 30 days after the submission of the completed application, but the IRS will work to speed those requests in wake of the economic downturn.

In some cases, a federal tax lien can be made secondary to another lien, such as a lending institution's, if the IRS determines that taking a secondary position ultimately will help with collection of the tax debt. That process is called subordination. Taxpayers or their representatives may apply for a subordination of a federal tax lien if they are refinancing or restructuring their mortgage. Without lien subordination, taxpayers may be unable to borrow funds or reduce their payments. Lending institutions generally want their lien to have priority on the home being used as collateral. For more information, visit: www.irs.gov/newsroom/article/0,,id=201343,00.html.

Foreclosure Training

DHCR is underwriting training for housing counseling professionals in Albany from January 12th-16th. The course is flexible - choose only the courses that best fit your training needs. Tuition will be covered by the Division of Housing and Community Renewal (pay only for travel and lodging). Training will be provided by the NeighborWorks Center for Homeownership Education and Counseling, the courses are part of the nationally recognized NeighborWorks Training Institute. The course offerings are:

Monday – Friday HO345rq: Foreclosure Intervention and Default Counseling Certification, Part 1.

Monday – Tuesday HO307: Advanced Foreclosure Case Study Practicum *OR* HO252: Effective Group and Telephone Foreclosure Counseling.

Wednesday – Thursday HO211: Credit Counseling for Maximum Results *OR* HO307: Advanced Foreclosure Case Study Practicum.

The application deadline is January 7, 2009. Register online at NeighborWorks Place Based Training Online Registration and use Invitation Code DHCR9PBT. (Please do not submit a registration without first receiving approval from your supervisor.). To apply, visit www.nw.org/scholarships. Look through the list of training events and find the Albany event. Page over to the right and click on "Learn More". Read the page and click on "Apply to this Scholarship". If you have a profile with Neighborworks, you can apply immediately; if not, you'll first have to set up an online username and password. When you come to the point of application, please insert scholarship code DHCR9PBT.

Grant Writing Training

The Grantsmanship Center's signature Grantsmanship Training Program is coming to Binghamton, New York, March 2-6, 2009. The program will be hosted by the Cornell Cooperative Extension of Broome County.

The Grantsmanship Training Program is a comprehensive, hands-on workshop that covers the complete grant development process, from researching funding sources to writing and reviewing grant proposals. This is a five-day workshop, supplemented with a full year of membership support services.

During the workshop, participants learn The Grantsmanship Center's proposal-writing format, the most widely used in the world. In addition to practicing advanced techniques for pursuing government, foundation, and corporate grants, participants work in small teams to develop and then review real grant proposals.

Participants exit the class equipped with new skills, new professional connections, and follow-up services for one year, including professional proposal review, access to The Grantsmanship Center's exclusive online funding databases, and an array of other benefits. Many also leave with proposals that are ready to polish and submit. Tuition for the Grantsmanship Training Program is \$895 (\$845 for each additional registrant from the same organization).

To ensure personalized attention, class size is limited to 30 participants. For more information or to learn about scholarship opportunities for qualifying organizations or to register call (800) 421-9512.

Career Opportunities

Executive Director

St. Lawrence County Housing Council (SLCHC), the North Country's award-winning development corporation specializing in housing rehab, property management, home ownership and other projects, seeks Executive Director with 5-7 years managerial and financial leadership experience to oversee a 13-member staff in project analysis, planning and implementation. Executive emphasis will be fund-raising and revenue diversification to build sustainability, navigate growth, and reward valued professional skills. Must enjoy managing people, pursuing multiple funds and grantwriting, external relations; interpersonal, writing, and presentation skills are essential. A related Master's degree is ideal; a Bachelors degree and solid experience will be strongly considered. SLCHC offers a competitive salary and comprehensive benefits package. Please e-mail a letter, resume, and salary requirement now to susanm@nonprofitjobs.org. EEO/AA employer. Learn about SLCHC and the North Country at www.slchc.org and <http://northcountrynow.com>. Review additional job detail by searching state of NY at www.nonprofitjobs.org.

Senior Loan Officer

The Housing Assistance Council seeks a Senior Loan Officer for the Washington, DC office. The position provides oversight and supervision to a team that perform a series of lending activities – loan underwriting, marketing, and research and product development -- in the Housing Assistance Council's (HAC's) Loan Fund Division. Develops, organizes, coordinates, recommends, and implements systems to ensure that appropriate loan underwriting due diligence is completed. Performs a variety of tasks including, but not limited to, monitoring loan commitments, conceptualizing lending policies and procedures, and providing technical assistance and training. Under the direction of the Loan Fund Director, works collaboratively with the Servicing staff, SHOP Program Manager, other HAC divisions, Management Team, and Loan Committee.

Required qualifications include:

- Bachelor's degree and/or five years related work experience in a financial lending or community development entity.

- Significant experience in and/or knowledge of affordable housing development processes, with emphasis in loan underwriting, deal structuring, project feasibility, and analysis of real estate loans for single- and multi family housing, rehabilitation, and preservation.

- Comprehensive knowledge and experience with standard principles related to real estate transactions, property transfers, appraisals, and collateral/security.

To apply, send a cover letter along with salary history/requirements and resume to: Karin M. Klusmann, Loan Fund Director, Housing Assistance Council, 1025 Vermont Avenue, NW, Suite 606, Washington, DC 20005. EOE

Housing/Land Trust Program Director

Housing Assistance Program of Essex County, Inc. is hiring a Housing/Land Trust Program Director. HAPEC is an innovative, creative, energetic and successful community-based housing organization. The ideal candidate is enthusiastic, dependable, eager to learn, and has broad-based experience in community development, housing and management. HAPEC offers a competitive benefit package, flexible hours and collaborative work envi-

ronment. Salary is \$39,000 DOE.

For more information about HAPEC see www.hapec.org. Please send cover letter, resume and writing samples to:

Housing Assistance Program of Essex County, Inc., 103 Hand Avenue, PO Box 157, Elizabethtown, NY 12932.

Position is open until filled. Please send application materials at your earliest convenience.

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.

Wachovia NEXT Awards, Cont.

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\$2.75 million for those with assets from \$10 million to \$50 million — and are a combination of grants and low-cost loans.

This year, Chicago-based IFF will receive \$5.5 million for its planned expansion across a five-state region to provide nonprofits that operate child care centers, health clinics, and other community facilities access to affordable financing and real estate development assistance. Also, Santa Fe-based Homewise will receive \$2.75 million for its ongoing efforts to enhance its customer-focused Home Smart program, which helps low- and moderate-income families purchase, maintain, and improve their homes by providing them with education, loans, and other services.

“The services provided by community development financial institutions are especially critical today, as the country struggles with the economic crisis and access to capital is constrained,” said MacArthur president Jonathan Fanton. “The IFF and Homewise have excellent track records of bringing their expertise and their capital to individuals and communities most in need. We hope these awards will help more policy makers and investors appreciate the pivotal role that CDFIs play in improving our financial system and the valuable contributions they are poised to make in the years ahead.”

For more information on the NEXT Awards, visit www.nextawards.org/.

For assistance in developing your RPC needs assessment and strategic plan, please call Anne Patnode soon at (518) 458-8696, ext. 15.

HUD Launches Financial Literacy Website

On December 2nd, the US Department of Housing and Urban Development launched a comprehensive website to assist Americans with improving financial literacy, sustaining healthy homeownership and achieving financial security. The My Money, My Home, My Future website provides a range of interactive resources to inform users about the importance of financial literacy, including a Self-Assessment Tool, online games and informative classes.

“It is imperative that Americans are better educated about their finances and understand what it takes to be a responsible homeowner,” said HUD Secretary Steve Preston. “The resources on the website allow families to plan ahead to make smart choices about their finances and homebuying decisions.”

The new site provides a wide-range of information about all avenues needed to be successful on the road to greater financial education, including:

- Building a Financial Foundation;
- Sustaining Healthy Homeownership; and

- Achieving Financial Security.

One of the most unique features of this website is the Self-Assessment Tool. The Self-Assessment Tool provides an extensive guide to help users learn more about personalized options for purchasing and/or refinancing their home. Users will be prompted to answer a few questions. Based on the answers given, the Self-Assessment Tool lists numerous links to visit on-line to learn more about the necessary and correct steps to own a home, refinance a home, enhance their financial skills, and much more.

Some of the other links on My Money, My Home, My Future give detailed information about:

- 9 Steps to Buying a Home
- Housing Counselors and Lenders
- Banking, Credit and Building Wealth
- Foreclosure Process and Alternatives
- Refinancing Loans and FHA Insured Loans

This new site is located on both www.HUD.gov and www.FHA.gov in easy to find locations on the main web pages.

Donovan Named HUD Secretary

President-elect Barack Obama has named Shaun Donovan, New York City’s Commissioner of Housing Preservation and Development, to be the next Secretary HUD. Donovan was appointed Commissioner of HPD in March 2004. Prior to his 2004 appointment to the NYC HPD, Donovan worked at Prudential Mortgage Capital Company as managing director of its FHA lending and affordable housing investments. He was a visiting scholar at New York University, where he researched and wrote about the preservation of federally-assisted housing, and a consultant to the Millennial Housing Commission on strategies for increasing the production of multifamily housing.

Outgoing HUD Secretary Steve Preston said “I congratulate Commissioner Donovan on his nomination to be the next HUD Secretary. HUD and Commissioner Donovan’s team at the New York City Department of Housing Preservation and Development have worked very closely to build and preserve affordable housing in New York.”

NYSHFA Issues NOFA For Neighborhood Stabilization Funds

The New York State Housing Finance Agency (HFA) issued a Request for Proposals on December 17th to enable local governments, nonprofits and other providers to apply for \$64.5 million in State and Federal funds to buy, renovate and then resell or rent foreclosed and abandoned properties.

The funds, provided under the Neighborhood Stabilization Program (NSP), are aimed at helping neighborhoods hardest hit by the foreclosure and subprime crisis. More than \$54.5 million will come from Federal funds authorized by the Housing and Economic Recovery Act of 2008 passed by Congress in July. Another \$10 million in State funds will be made available by the New York State Affordable Housing Corporation (AHC), a subsidiary of HFA. HFA is overseeing the distribution of NSP funds in New York State.

Proposals must be submitted to HFA by February 10th. A copy of the RFP is available at the agency's

website at www.nyhomes.org.

It is expected that most of the NSP funds will be used to purchase and rehabilitate foreclosed and abandoned residential properties, as well as to redevelop vacant sites. A limited portion of the funds will be used for demolition and to create local land banks. However, these uses must be part of comprehensive plans for revitalization or redevelopment of the sites for affordable housing.

Under Federal guidelines, priority will be given to areas with the greatest percentage of home foreclosures, areas with the highest percentage of homes financed with subprime mortgages, areas with the greatest amount of vacant homes, and areas likely to face a significant increase in the rate of home foreclosures.

The guidelines, issued by the US Department of Housing and Urban Development require that one-quarter of the funds will be set aside to assist households at or below 50% of area median income.

The following criteria will be among those used to award allocations:

- Assist at least 10 units;
- Include a strategy for neighborhood stabilization, including addressing factors that could contribute to future foreclosures;
- Include high-quality pre-purchase homeowner counseling;
- Leverage substantial additional resources;
- Assist multiple municipalities and multiple locations;
- Demonstrate experience in supervising and administering block grant programs;
- Incorporate "green" building and energy efficiency improvements;
- Include long-term affordability;
- Include supportive housing to help homeless persons live independently.

For more information on the NSP contact nsp@nyhomes.org. A fact sheet on using the NSP in rural areas of NY is available by emailing colin@ruralhousing.org.

Rental Project Opens In Dexter

Frontier Housing recently celebrated the opening of The Kirby Street Apartments in the Village of Dexter. The 6-unit project will provide housing for very-low income households and for persons with disabilities. Funding was provided through HOME, RARP, Weatherization, Northern NY Community Foundation and developer equity. Key Bank and the Development Authority of the North Country (DANC) provided construction financing.

Congratulations to Jill Evans, Executive Director of Frontier, and her Board of Directors on completing this project!

Lead Safe Work Practices Training Slated

DHCR has scheduled a series of lead safe work practices trainings. The sessions will be held in Watertown on January 8th, January 20th in Schenectady, January 21st in Kingston, January 29th in Elmira, and February 26th in Pomona.

The training will be conducted by The Training Network, Inc. To register for this training, visit the DHCR website at www.nysdhcr.gov/General/Training/ or go to www.lead safetraining.org.

GVRPC Opens 515 In Nunda

Genesee Valley RPC held a ribbon cutting for the Hillside Village complex in Nunda on November 14th. The project contains 24 units, including both apartments and townhomes. The project was designed for intergenerational occupancy serving both elderly and family tenants. Financing for the project was provided by USDA and the Housing Trust Fund Corporation along with private financing. Construction financing was provided by the Bank of Castile.

We want to congratulate Jill Alcorn and everyone at GVRPC on completing their 10th project in western New York!

2007 Tax Law Changes Benefit Foreclosed Homeowners

Homeowners dealing with the trauma of foreclosure can at least look forward to some tax relief this year. A change in IRS law last year will provide some tax relief to those homeowners whose primary residence was sold for less than the value of the outstanding mortgage.

Normally, debt forgiveness results in taxable income. But under the Mortgage Forgiveness Debt Relief Act of 2007, home owners may be able to exclude from tax up to \$2 million of debt forgiven on your principal residence. The limit is \$1 million for a married person filing a separate return.

Debt reduced through mortgage restructuring, as well as mortgage debt forgiven in connection with a foreclosure, may qualify for this relief. The debt must have been

used to buy, build or substantially improve the principal residence and must have been secured by that residence. Debt used to refinance qualifying debt is also eligible for the exclusion, but only up to the amount of the old mortgage principal, just before the refinancing.

Debt forgiven on second homes, rental property, business property, credit cards or car loans does not qualify for the new tax-relief provision. In some cases, however, other kinds of tax relief, based on insolvency, for example, may be available. See IRS Form 982 for details.

If a home owner's debt is reduced or eliminated they will receive a year-end statement (Form 1099-C) from the lender. By law, this form must show the amount

of debt forgiven and the fair market value of any property given up through foreclosure.

For more information about the Mortgage Forgiveness Debt Relief Act of 2007, visit the IRS Web site at www.irs.gov. A good resource is IRS Publication 4681, Canceled Debts, Foreclosures, Repossessions and Abandonments. This publication and Form 982 can be downloaded from the IRS website or by calling (800)829-3676.

The IRS is urging consumers to use the official IRS website (www.irs.gov) for information on tax issues this year. That is the website address ending in **.gov**. The IRS is concerned that citizens needing accurate information will be confused by similar web addresses ending in **.com**, **.net**, and **.org**.

Visit our website at www.ruralhousing.org

NEW ADDRESS!!

79 North Pearl Street
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