



RHD Rural Delivery

New York State Rural Housing Coalition, Inc.

October, 2004

Crowley Challenges Motives Of Tax Policy

By Sheila Crowley, President, National Low Income Housing Coalition

What do the “middle-class tax cuts” that the House and Senate passed last week and President Bush’s “ownership society” have to do with one another? They both are rhetorical camouflage for policies that will enrich the few at the expense of the many.

As Robert Greenstein details in his new paper “New ‘Middle-Class’ Tax Cut Bill Represents Cynical Policymaking,” (www.cbpp.org), 70% of the tax cut will go to people in the top fifth of income distribution and 47% will go those with incomes in top 10%. Only 9% of the benefits will go to people in the 20% of the income spectrum, the so-called middle class. What is worse, these tax cuts will cost \$200 billion over the next ten years with reduced revenue and increased interest costs on the national debt, adding to the latest CBO estimate of a \$4.4 trillion federal deficit for the next decade. Members of Con-

gress who know better voted for this tax cut despite its contribution to the deficit, because they were afraid to vote against a tax cut this close to the election. It seems a \$4.4 trillion deficit is too abstract a concept for the average voter to grasp.

Just as cynical is the exploitation of the American dream of home-ownership to “provide pseudo-populist cover to policies that are, in reality, highly elite,” to quote New York Times columnist Paul Krugman (August 12, 2004). Read the details of the Bush ownership society plan and you will see that is about much more than home-ownership and small businesses (www.whitehouse.gov/news/releases/2004/08). It includes health savings accounts, retirement savings accounts, life savings accounts, more and more tax cuts, and privatization of Social Security.

Ultimately, the ownership society is about replacement of the graduated in-

come tax with a flat tax. As John Cassidy writes in his article in the September 6, 2004 issue of *The New Yorker*, “despite a gaping budget deficit, (conservative economists who advise the President) are pressing (him) to continue down a route that will reverse almost a century of American history. Since the personal income tax was introduced in 1913, it has been based on two principles: the burden of taxation is distributed according to the ability to pay; and capital and labor carry their fair share. The Bush Administration appears set on undermining both of these principles” (p. 70).

[This] is about dismantling the systems of mutual aid that are the foundation of our social contract and creating a society of winners and losers. The mystery is how so many people can be duped into thinking they will be among the winners, when all evidence points to the contrary.

Evaluation Assistance Available Online

Innovation Network (InnoNet) provides online consulting, training, and coaching on program evaluation and organization development. Its free online Workstation is a site of evaluation and planning tools designed specifically for nonprofit program planning. The plans allow you to build a blueprint for designing, evaluating, and budgeting a successful program. Each plan has a corresponding work plan — a man-

agement tool to help you get the job done. The result is stronger programs with measurable results. The Workstation leads you through a series of interactive steps — a program plan (to help you define your goals and determine what activities you’ll need to carry out on the way to those goals), an evaluation plan (to let you integrate evaluation into your program from the very beginning), and a budget plan (to make sure

Sheila Crowley will provide the keynote address for the Rural Housing Coalition’s 25th Annual Affordable Housing & Community Development Conference, on the evening of Tuesday, October 5th.

you’ve got the financial resources you need). Information from these plans is then made available for your use in developing grant proposals. For more information, visit www.innonet.org/.

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Bits and Pieces...

Advocates Conference Scheduled

NYS Rural Advocates will hold their annual membership meeting to elect board members, fill expiring or vacant seats and continue efforts on legislative housing policy and their legislative agenda, in Cooperstown, NY at the Otesaga Hotel on November 16-November 17, 2004. All members are welcome to attend. For more information contact Nancy Berkowitz, 518-352-7787 or email nbek@frontiernet.net.

Grant Administration Manual Available

The 2004 Small Cities Grant Administration Manual will be available on the Governor's Office for Small Cities website on or about September 30, 2004. There will be a limited number of manuals available on compact disk or in hard copy. If you would like a disk or hard copy version, please contact the GOSC staff at (518) 474-2057.

Cutting Back?

The Wilder Foundation has published a guide of 185 cutback strategies for non-profits struggling with managing budget reductions. The guide is available online at the foundation's website at www.wilder.org/pubs/cutbacks/cutbacks_strategies_free.html.

SONYMA Offers Renovation/Purchase Loans

The Remodel New York Program has been created by SONYMA to provide low interest rate financing to qualified first-time homebuyers for the purchase and renovation of properties in need of improvements or renovations. SONYMA's Remodel New York mortgage loan will finance both the purchase and the renovation of the home. The program is intended to serve two purposes: it will revitalize New York's existing housing stock, and it will provide low interest rate financing to low and moderate income New Yorkers purchasing their first home. SONYMA has allocated \$15 million to the Remodel New York Program on a demonstration basis. These funds are being made available from the proceeds of the sale of tax-exempt mortgage revenue bonds. For this pilot program, M&T Mortgage Corporation will be the sole lender making these loans available.

The basic requirements of the Remodel New York Program are generally the same as those for SONYMA's Low Interest Rate Program. For more information, visit www.nyhomes.org/sony/RemodelNY.htm.

Online Webcast To Address Inclusionary Zoning

The Department of Housing and Urban Development, LISC, and KnowledgePlex will co-sponsor a webcast on October 20th from 2:00-3:30 PM on *Inclusionary Zoning* and and HUD's *Regulatory Barriers Clearinghouse*. The webcast will provide background on the information available to planners and builders in the clearinghouse to help overcome barriers to affordable housing. For more information on taking part in the webcast, visit www.lisc.org/resources/2004/10/clearinghouse/7303output.asp.shtml.

Dyson Foundation Offers Mini-Grants

The Dyson Foundation is accepting applications for their mini-grant program to assist non-profit boards and staff to develop new skills by supporting the cost of consultants and defraying professional development costs. The mini-grant program requires a match of at least 20% of the project cost. The maximum grant available under this program is \$10,000.

Eligibility for this funding is limited to 501 (c)3 organizations located in the Hudson Valley counties of Columbia, Dutchess, Putnam, Orange, Ulster and Greene. Preference for funding is given to organizations with annual budgets of less than \$1 million, that are less than 10 years old, or are experiencing significant growth or change.

Application materials are available on the Dyson Foundation website. For more information, contact Michele Speight, Dyson Foundation, 25 Halcyon Road, Millbrook, New York 12545-9611, (845)677-0644, or visit the Foundation's website at www.dysonfoundation.org.

Small Cities FY 05 Application Workshops Slated

The Governor's Office For Small Cities (GOSC) has announced a tentative schedule for application and implementation workshops for the FY 2005 competition for Small Cities CDBG funding. The application workshops are held each year to explain any changes in the application requirements for the current year and allow communities to discuss with GOSC staff their plans for their 2005 application. The implementation workshops will help communities learn how to implement recently awarded grants.

The workshop schedule as of press time is:

Friday, November 5th: Olympic Center, 218 Main Street, Lake Placid.

Monday, November 8th: John D.

Costello Transportation Center, Freedom Drive (off Route 46), Oneida.

Wednesday, November 10th: Meeting Room 5, Empire State Plaza, Albany.

Wednesday, November 17th: Room 165, Hornell State Office Building, Hornell.

Friday, November 19th: Sullivan County Community College, 112 College Road, Loch Sheldrake.

Tuesday, November 30th: Warren M. Anderson Community Room, 18th Floor, Binghamton State Office Building, 44 Hawley Street, Binghamton.

Go to www.nysmallcities.com for the latest information on the workshop schedule, including additional locations and times.

HUD Makes Lead Hazard Funding Awards

Thousands of children and families in 28 states and the District of Columbia will live in healthier homes because of nearly \$168 million in grants recently announced by Housing and Urban Development Secretary Alphonso Jackson. The grants, provided through seven HUD programs, will help 72 local projects around the country to conduct a wide range of activities to improve the conditions of families living in lower income housing, including:

- To remove potentially dangerous lead from lower income homes;
- To stimulate private sector investment in lead hazard control;
- To educate the public about the dangers of lead-based paint;
- To fund model programs promoting healthier and safer home environments;
- and,
- To support scientific research into innovative methods of identifying and eliminating health hazards in housing.

These funds are provided through HUD's *Lead-Based Paint Hazard Control* and the *Lead Hazard Reduc-*

tion Demonstration grant programs. In addition, HUD's *Operation LEAP (Lead Elimination Action Program)* will stimulate private sector contributions that will enable children to grow up in homes that are free from lead-based paint hazards.

HUD will also fund Lead Outreach grants to support public education campaigns on the hazards of lead-based paint to protect children. HUD funding will assist local research institutions to study ways to drive down the cost and increase the effectiveness of lead hazard identification and control.

The programs awarded in New York State are:

City of Albany LHC	\$3,000,000
City of Albany LHRD	\$4,000,000
City of Buffalo LHRD	\$1,495,884
Environmental Education Associates, Erie LEAP	\$1,245,642
New York City LOR	\$500,000
New York City LHRD	\$4,000,000
City of Rochester LHRD	\$2,499,310
City of Syracuse LHC	\$3,000,000
Onondaga County LHC	\$3,000,000

NCRC Raises Alarm on FDIC's Watered Down Version of CRA

Despite protests and Congressional testimony by community groups, including the National Community Reinvestment Coalition (NCRC), opposing increasing the benchmark for "small institutions", the FDIC is entertaining following the Office of Thrift Supervision's lead in raising the threshold for savings associations from \$250 million to \$1 billion.

"NCRC is sounding the alarm on this action," declared John Taylor, President and CEO of NCRC. "NCRC will do everything in its power to oppose raising the "small bank" threshold. FDIC's proposed actions will allow 96% of all FDIC-regulated banks to receive this watered down CRA exam. These lenders have more than \$754 billion in assets and own 18,811 branches. This is unacceptable."

This new proposal comes only one month after the OTS independently quadrupled the threshold for small bank exams to include thrifts with up to \$1 billion in assets. The OCC and the

Federal Reserve Board, in turn, altogether withdrew their proposal to increase the small bank definition to \$500 million.

"Chairman Powell has never been a friend of CRA and now he is forcing this issue on the other regulatory agencies – in this election year. Congress and the two other regulating agencies must join community groups in presenting a united stand fighting the FDIC and the OTS," states David Berenbaum, Senior VP for NCRC.

Continued community activism is needed to save CRA from being watered down. While the FDIC may wish to put off the concerns of underserved populations until after the November elections, NCRC members will raise their voices to preserve CRA services and investments in underseved communities.

The deadline for public comment on this issue has been extended to October 20th. For more information, visit the NCRC website at www.ncrc.org/.

DHCR Anticipates 2nd Round of Main Street Program Funding

DHCR Commissioner Judith Calogero announced at the Small Cities Conference in Lake Placid on September 27th that the first round of Main Street Program funding awards are expected later this fall.

Interest in the Main Street program has been very strong. 140 applications for program and project support were

received by the initial deadline in September. Over 600 people attended the application workshops.

Ms. Calogero announced that the NOFA for the second half of the FY 2004 funding for this program would likely be announced in November, with applications for that funding due during this coming winter.

Enterprise Launches Green Initiative

More than 2.5 million families live in substandard housing, in homes that are unhealthy, inefficient and poorly sited. No one fares worse in these conditions than low-income individuals who struggle just to keep a roof over their heads. Green Communities is a five-year \$550 million initiative developed through a partnership between The Enterprise Foundation/ Enterprise Social Investment Corporation (ESIC) and the Natural Resources Defense Council (NRDC), along with leading corporate, financial, professional and philanthropic organizations to ensure smarter, healthier homes for Americans with limited incomes.

Green Communities will provide financing to developers for more than 8,500 rental and for-sale homes that promote health, conserve energy and natural resources, and enhance access to jobs, schools and services. The Green Communities Initiative offers grants to help cover the costs of planning and implementing green components of affordable housing projects, as well as tracking their costs and benefits. The Enterprise Housing Financial Services, Inc., is making available both pre-development and acquisition loans to support the development of affordable rental and homeownership housing that adheres to the Green Communities Underwriting Criteria. The Enterprise Social Investment Corporation is offering competitively priced equity for new construction and rehab of affordable rental and homeownership housing that adheres to the Green Communities Underwriting Criteria. Detailed grant guidelines will be released around November 1, 2004. In the meantime, Enterprise is accepting letters of inquiry. For more information, see www.enterprisefoundation.org/resources/green/index.asp.

The annual meeting of the Rural Housing Coalition will be held on Tuesday, October 5th, at the Binghamton Regency Hotel, Binghamton, NY, during the Annual Affordable Housing and Community Development Conference. All interested persons are welcome to attend.

Please Note:
The Offices of the Rural Housing Coalition will be closed during the week of October 4th-8th, due to the Annual Conference. The offices will re-open on Monday, October 11th.

DHCR Solicits Comments On Consolidated Plan and Action Plan

The State of New York must prepare an annual Action Plan for submission to the U.S. Department of Housing and Urban Development in order to participate in certain federal community development and housing programs. The State will provide opportunities for citizens to comment on the Draft Action Plan and will conduct a series of public hearings to obtain the views of citizens, public agencies, local governments and other interested parties prior to finalizing the Action Plan.

The Draft Action Plan describes, for one Program Year, the State's proposed use of available federal and other resources to address the priority needs and specific objectives identified in the Consolidated Plan; the State's method for distributing funds to local governments and non-profit organizations; and the geographic areas of the State to which it will direct assistance.

The Action Plan will describe New York State's planned use of approximately \$102 million in federal fiscal year 2005 funds for: the Community Development Block Grant Small Cities Program (approximately \$57 million); the HOME Investment Partnerships Program (approximately \$40 million); the Housing Opportunities for Persons with AIDS (HOPWA) Program (\$1.8 million); and the Emergency Shelter Grants Program (approximately \$3.2 million).

The hearings will be held during a public comment period, beginning September 29, 2004, and ending October 28, 2004. The dates, times, and locations of the hearings can be found at the end of this notice.

On or about September 29, 2004, copies of the Draft Action Plan will be available at various county government offices as well as other locations. The Draft Action Plan will also be available at www.dhcr.state.ny.us. In addition,

copies can be requested by e-mail (DHCRConPln@dhcr.state.ny.us) or by calling 1-866-ASK-DHCR (275-3427).

The public hearing date/locations are: *Tuesday, October 5, 2004, 3:30 - 4:30 PM, Central New York Developmental Services Office, Auditorium - 3rd Floor, 800 South Wilbur Avenue, Syracuse.*

Thursday, October 7, 2004, 5:30 - 6:30 PM, NYS DHCR, Room 510 - 5th Floor, 25 Beaver Street New York City.

Wednesday, October 13, 2004, 12:30 - 1:30 PM, H. Lee Dennison Building Media Room - 1st Floor, 100 Veterans' Highway (Route 454), Hauppauge.

Thursday, October 14, 2004, 1:00 - 2:00 PM, NYS DHCR, Hampton Plaza Ballroom, 38-40 State Street, Albany.

Tuesday, October 19, 2004, 2:00 - 3:00 PM, Walter J. Mahoney State Office Building, 65 Court Street - Hearing Room Part 1, Buffalo.

If needed, more time will be made available at each public hearing. Accommodations for persons with disabilities will be made at the public hearings. Signers will be made available upon request. Interpreters will also be available upon request to meet the needs of non-English speaking residents. Individuals who wish to present testimony or seek additional information regarding the hearings are urged to call 1-866-ASK-DHCR (275-3427). All speakers are urged to provide a written copy of their testimony. Written comments may be submitted to NYS DHCR, Attention: Ronald Agnese, 25 Beaver Street, New York, New York 10004 or via e-mail to DHCRConPln@dhcr.state.ny.us. Comments are due by October 28, 2004.

USDA Program Supports Community Facilities

USDA Community Program provides grants to assist in the development of essential community facilities in rural areas and towns of up to 20,000 in population. Grants are authorized on a graduated scale. Applicants located in small communities with low populations and low incomes will receive a higher percentage of grants. Grants are available to public entities such as municipalities, counties, and special-purpose districts, as well as non-profit corporations and tribal governments. In addition, applicants must have the legal authority necessary for construction, operation, and maintenance of the proposed facility and also be unable to obtain needed funds from commercial sources at reasonable rates and terms.

Grant funds may be used to assist in the development of essential community facilities. Grant funds can be used to construct, enlarge, or improve community facilities for health care, public safety, and community and public services. This can include the purchase of equipment required for a facility's operation. A grant may be made in combination with other CF financial assistance such as a direct or guaranteed loan, applicant contributions, or loans and grants from other sources.

The amount of grant assistance for project costs depends upon the median household income and the population in the community where the project is located and the availability of grant funds. In most instances, projects which receive grant assistance have a high priority and are highly leveraged with other loan and grant awards. Grant assistance may be available for up to 75% of project costs. Grant funding limitations are based on population and income, economic feasibility, and availability of funds.

Continued on Page 6, column 3

GOSC Solicits Technical Assistance Proposals

The Governor's Office for Small Cities will be accepting proposals until October 18th for the 2004 round of Technical Assistance grants. CDBG technical assistance grants of up to \$25,000 are available to assist Small Cities-eligible communities to develop strategic plans that address specific goals and objectives in a downtown/Main Street area or other similarly defined areas such as Central Business Districts.

Applications will receive funding based upon the criteria detailed in the application kit. The application materials are available on the GOSC website at www.nysmallcities.com, or in hard copy from GOSC at Agency Building 4, 6th Floor, Empire State Plaza, Albany, NY 12223-1350. Phone requests

for applications should be directed to (518) 474-2057.

Eligible communities for TA grants include non-entitlement villages, towns and counties that are eligible to participate in the Small Cities CDBG program. At the recent Small Cities Conference in Lake Placid, TA grant awardees from prior funding rounds described how the grant funding enabled them to secure consulting or staff services to develop multi-year, implementable strategies for an array of housing, facilities, and economic development projects that will result in dramatic revitalization of their communities. The TA grants supported community participation efforts as well as community design and planning work by consultant professionals.

Continued from Page 5

Projects will be selected based on a priority point system. Projects that will receive priority are those that:

- Serve small communities - with the highest priority going to projects located in a community with a population of 5,000 or less.
- Serve low-income communities - with the highest priority going to projects serving communities with median household incomes below the higher of the poverty line or 60% of the State non-metropolitan median household income.
- Provide healthcare, public safety, or public and community services.

Applications are filed with the USDA Rural Development field offices. For more information, contact Rural Development at (315) 477-6429.

Visit our website at www.ruralhousing.org
