



RPP Rural Delivery

New York State Rural Housing Coalition, Inc.

February, 2005

Pain And Frustration Dominate Preservation Companies Hearing

The public hearing sponsored by Assembly Housing Chair Vito Lopez, and Assemblyman Steve Cymbrowitz on January 19th in Albany was billed as a forum to discuss changes and improvements to the Neighborhood and Rural Preservation Programs. The hearing instead brought out story after story from local agency staff describing the outstanding and innovative housing work going on in New York thanks to the

funding provided through the Preservation Program. Attending the hearing, in addition to Assemblyman Lopez, were Senator John Bonacic, Assemblyman Steve Cymbrowitz, Assemblyman Luis Diaz, Assemblywoman Catharine Young, Assemblywoman Karen Gunther and Assemblyman Alexander 'Pete' Grannis.

Non-profit housing agencies from across the state were represented at the hearing, and the human face of the programs supported by NPP/RPP dollars were represented by agency clients from Jamestown, Arkville, Geneva, and Albany. One client eloquently described how her community's Rural Preservation Program had, over the past 6-7 years, assisted her by providing shelter for herself and her children from a domestic violence situation, helped her find decent permanent housing that allowed her to complete her ed-

ucation and become economically self sufficient, and most recently, to become a homeowner just six months ago. Another client, through an interpreter, expressed her family's gratitude for the RPP assistance that made it possible for her migrant farmworker family to achieve the dream of homeownership.

In his opening remarks, Assemblyman Cymbrowitz referred to the Gov-

"The budget cuts are brutal and unconscionable." Senator Bonacic

ernor's 2005-06 budget proposal (released the day before) and roundly criticized him for continuing to put forth draconian 50% cuts to the program. Senator Bonacic castigated the cuts to the 2004 program. Assemblyman Lopez asked every speaker at the hearing to be sure to go back to their legislators and make sure that they know how important full restoration of the budget cut is to the ongoing viability of local housing programs.

Lopez repeatedly committed to sponsoring legislation to pay the Preservation Companies \$97,500 in the coming year, representing \$65,000 for the 2005-06 budget year and \$32,500 to replace the funding lost during the current budget year. He acknowledged that passage of the

legislation was not certain, but promised to make the effort nevertheless. A recent State Supreme Court decision, *Pataki v. Silver*, calls into question whether such legislation would even be constitutional, however.

Commissioner Calogero's remarks were met with considerable challenge from the legislators. Assemblyman Grannis queried Ms. Calogero on the degree to which DHCR advocated on

behalf of the programs during agency budget submissions for the 2005-06 Governor's budget proposal. In response to a legislator's question regarding the rationale behind the budget cuts, Ms. Calogero responded, "I concluded that NPP/RPP could withstand the cuts without harm." This comment was followed by an audible groan from the audience. She went on to cite one RPP that had a substantially large budget

"The mortar is the integrity that holds a concrete block foundation together. RPP is the mortar that holds the foundation of all of our housing programs together." Fred Hanss

and felt that cuts would make no fundamental impact on the agency's overall health. Ironically, the speaker following the Commissioner had received a call from a staff member of the cited agency several days earlier, saying that the staff person had been laid off due to the budget cuts.

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Rural Delivery

Rural Delivery is published by the New York State Rural Housing Coalition, Inc. a nonprofit membership organization. The Coalition is a statewide membership organization dedicated to strengthening and revitalizing rural New York by assisting housing and community development providers. Rural Delivery has a distribution of 255 copies per issue.

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Bits and Pieces...

In Deepest Sympathy

We want to extend our sympathies to the family, friends and coworkers of Mike Quaranta, who passed away on January 17th. Mike was the Director of Housing Services for Opportunities For Chenango in Norwich.

DV Survivors Workshop

The Supportive Housing Network of NY will hold a workshop on February 4th- *Understanding the DV Shelter System & Working with DV Clients/Tenants*. Presenters will be Catherine Shugrue Dos Santos, of Sanctuary for Families and Jill Stein, of New Destiny Housing. The workshop will cover: Barriers to housing for domestic violence survivors; Housing options for domestic violence survivors; and Domestic Violence 101. The workshop will run from 10:00AM - Noon, at the Muhlenberg, 510 Atlantic Avenue, Brooklyn, NY. Directions: Take any train to Atlantic Ave. or Pacific St. stations and walk south towards 3rd Ave. (On the corner of 3rd Ave. and Atlantic Ave. across the street from the YWCA). RSVP to Amy Glover at aglover@shnny.org or leave a clear message at (212)870-3303 ext. 7. Refreshments will be served. This workshop is sponsored by HUD.

HUD Acknowledges Efforts To Reduce Affordability Barriers

HUD is accepting nominations and intends to recognize 10 local governments for their outstanding work to encourage the production of homes affordable to working families. The Affordable Communities Awards Program encourages the creation of more jobs and expansion of homeownership opportunities for lower income families living in transitioning communities. Applications are due March 15, 2005. For more information, visit www.hud.gov/initiatives/affordablecom.cfm.

GAO Suggests Changing RHS 'Rural' Definition

The General Accounting Office issued a report in December suggesting that the Rural Housing Service's definition of 'rural' communities is in need of updating. The report concludes with the suggestion that the current definition be scrapped in favor of Census Bureau's definition of urban areas and urban clusters. To read the complete report, visit www.gao.gov and enter GAO-05-110 in the search function.

Pain And Frustration

Continued from page 1

The Commissioner insisted in her remarks that the Division of Housing has made it possible for Preservation Companies to make up the RPP/NPP shortfall through other income streams, and referred specifically to developers fees from development projects as such a source of operating income. As if anticipating her comments, preceding speakers had already talked about how developers fees weren't a program-wide solution to the problem, particularly in places like western New York, where, as some communities have vacancy rates of 10% or more, it does not make sense to develop more new housing until the existing stock is rehabilitated and put back into service. Other testifiers discussed how the developer fee strategy doesn't work simply because of how late in the development process that the developers fee becomes available to cover administrative expenses of the agency. The Commissioner tried to explain that equity in a tax credit deal could be paid-in earlier in the deal, although it was not clear to those in the audience how this issue

connected with the developers fee argument. Assemblyman Grannis pointedly asked the Commissioner if, during the preparation of the Governor's 2005 budget, there had been any advocacy by the Division for restoration of funding for the Preservation Programs, and she said no, she had been given a directive that was followed.

Following the Commissioner's presentation, numerous agency directors filed forward to testify. One NPC director limited her remarks to calling the remarks of the Commissioner 'disingenuous'. Kevin O'Connor, of RUPCO, picking up on Assemblyman Lopez' funding increase suggestion, proposed bumper stickers bearing the slogan **\$97K in '05!** Fred Hanss from St. Lawrence County then described metaphorically how critical the RPP funding is to carrying out ALL other housing activities within a nonprofit agency (see Page 1 quote).

The hearing closed after 6 long hours of testimony. Anyone who was unable to attend either of the hearings may still submit written comments to Assemblyman Lopez through early February.

ConPlan Changes Proposed

HUD has proposed a rule change on December 30th that would amend the consolidated plan regulations of state and local governments to make clarifying and streamlining changes that are expected to make the consolidated plan of state and local jurisdictions more results-oriented and useful to communities in assessing their own progress toward addressing the problems of low-income areas. The proposed rule would eliminate some obsolete and redundant provisions and make other changes that would conform the consolidated plan regulations with HUD's public housing regulations that govern the Public Housing Agency (PHA) Plan. The general

view of the groups participating in the Consolidated Plan Improvement Initiative was that the consolidated plan should be a concise, action-oriented management tool that would be more understandable to the public and more useful to decision makers in the community. In accordance with this view, various citations of Section 91 are modified to emphasize the format of the descriptions should be a concise summary, not a detailed narrative. The deadline for comments was January 31st, however the content of the rule change may be reviewed online. For more information, visit www.regulations.gov/freddocs/04-28430.htm.

Administration Urged To Release Supplemental HEAP Funds

Senators and Representatives are being urged to contact President Bush to release the remaining FY 2005 Low Income Home Energy Assistance Program contingency funds. Close to \$200 million remains in that account. Senators Susan Collins (R-ME), Mark Pryor (D-AR) and Jack Reed (D-RI) are sponsoring a sign on letter urging quick action to provide LIHEAP assistance to needy families across the country. Heating costs this year have risen dramatically over last heating season, particularly in New England. A gallon of home heating oil averages just over \$2.00 in New Hampshire this winter, and the average price per gallon in New England is \$1.95, or 50 cents more than in December, 2003. Nationally, the price for a gallon of propane is up nearly 40 cents over a year ago, and twenty natural gas utilities across the country have rate hike requests pending, some in excess of 15 per cent. Families living on Social Security or SSI, that received only a 2.1% cost of living adjustment in the past year, will be particularly hard hit by these cost increases.

Senate staffers can contact Kris Sarri, of the Northeast-Midwest Senate Coalition at (202) 224-0606 to sign on to the letter, or for more information.

It is possible to make your reservations now for hotel accommodations for the Rural Housing Coalition's annual conference, October 17-19th. Call the Sheraton University Hotel in Syracuse at (800) 395-2105 and be sure to mention that you are attending the NYS Rural Housing Coalition conference.

HUD Announces Higher FHA Home Loan Limits

WASHINGTON - Housing and Urban Development Secretary Alphonso Jackson recently announced that the Federal Housing Administration (FHA) has increased its single-family home mortgage limits by over seven percent.

Effective January 1, 2005, FHA will insure single-family home mortgages up to \$172,632 in low cost areas and up to \$312,895 in high cost areas. The loan limits for two-, three- and four-unit dwellings also increased. The FHA is sending letters to thousands of mortgage lenders and brokers to make them aware of the higher rates that can help families.

"These higher loan limits will help the FHA mortgage insurance program keep pace with the strong housing market while contributing to the Bush Administration's commitment to create 5.5 million new minority homeowners by the end of the decade," said Jackson. "The new limits will help create more construction, more jobs, and more economic growth, while increasing homeownership."

Last year, the loan limits were \$160,176 in low cost areas and \$290,319 in high cost areas. Five years ago, the limits ranged from just \$121,296 to \$219,849. These levels were below the cost of many homes in many communities. As a result, families

who needed FHA mortgage insurance to qualify to buy a home were effectively locked out of the process.

Low-income and first time homebuyers are attracted to FHA-insured loans because the agency requires only a three-percent down payment.

The new loan limits are part of an annual adjustment HUD makes to account for rising home prices. Under federal law, loan limits are tied to the conforming loan limits of Freddie Mac and Fannie Mae, federally chartered corporations that buy and package mortgages.

Higher FHA loan limits don't cost the government any money, because the FHA Insurance Fund is fully supported by premiums paid by borrowers who receive FHA insurance.

The increases will also benefit senior citizens who qualify for FHA-insured reverse mortgages. Reverse mortgages allow homeowners age 62 and older to borrow against the value of their homes without selling them. Homeowners can select a lump-sum payment, monthly payments or tap into a line of credit. No repayment is required as long as a homeowner lives in a home with a reverse mortgage. The reverse mortgage is repaid, with interest, when a homeowner sells the home or dies.

Consumer \$marts Training Offered On-site

For those who missed the conference workshop on starting a Consumer Smarts program in your local high schools, the New York State Office of the Attorney General is offering to assist non-profit housing counseling agencies who are interested in developing the program in their community. This training will prepare the organization's staff to teach the Consumer Smarts financial literacy program in their local high schools. The staff at the Attorney General's office will arrange to meet with your agency staff to walk you through the program.

Housing agencies struggle daily to assist families who have made poor choices regarding credit cards and other consumer debt. Many of these families developed the financial habits that prevent them from realizing the American Dream right out of high school or in their college years. This "training for trainers" is designed to enable high school students to keep their credit ratings in good standing as young adults, and prevent the types of financial distress that are so routinely seen by housing counselors. For more information call the Coalition at (518) 458-8696 ext. 15 or Roseann Caraccio, (212) 416-8839, at the Office of the Attorney General.

AMEX Foundation Grants Due

The American Express Foundation is accepting applications through March 4th for the Economic Independence Fund. This program can support financial literacy and counseling programs for the underserved, and teach financial management skills. For more information, visit www.nefe.org/amexeconfundrfp/aeef2005rfp.html.

Supportive Providers To Meet

A Capital District Supportive Housing Providers' Kick-Off Meeting will be held on Tuesday, February 22, 2005 from 10:00 AM to 1:00 PM at CARES, Inc. 85 Watervliet Ave., Albany. Refreshments will be served! The Capital District Supportive Housing Providers Meetings will hold forums on a quarterly basis to help Network members and others share best practices on property management, support services, as-

sisting different populations, different clinical modalities, housing models, NIMBY issues, finance and development, management, advocacy and other relevant issues important to housing and homeless providers. Please join us to help shape what these meetings will look like in 2005 and beyond!

Please RSVP by February 18th to Stephen Piasecki at spiasecki@shnny.org or call (518) 465-3233.

Career Opportunities

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.

Account Clerk

Better Housing for Tompkins County, Inc. is in search of a Part-time ACCOUNT CLERK to join a team that works to provide affordable housing options to low- and moderate- income Tompkins County Residents. Duties are to assist with management of business affairs of the non-profit agency. Process A/P and A/R. Reconcile bank statements. Data entry, filing, share reception function. Knowledge of bookkeeping principles, Windows/Office required. Knowledge of computerized bookkeeping systems preferred. Associates Degree, two years relevant experience desired. Hours are flexible, within office hours, M-F 8:30 -4:30. Send cover letter and resume to: AC Search, Better Housing for Tompkins County, 225 S. Fulton St., Ithaca, NY 14850. Please, no phone calls or faxes. Better Housing is an equal opportunity employer.

Main Street Awards Announced

Governor George E. Pataki has announced nearly \$11 million worth of awards under the New York Main Street Program's first funding round. The innovative State program is designed to stimulate downtown revitalization in communities across New York State by providing funding for building renovations, streetscape enhancements and downtown business or cultural anchors.

"New York's downtown business districts represent the lifeblood of its cities, towns and villages," Governor Pataki said. "These awards will provide additional resources to reinvigorate our Main Streets and generate pride, progress and prosperity in communities all across our great State. The response to this program has been overwhelming and I want to congratulate the recipients for their vision and determination to bring our Main Streets back."

The New York Main Street Program provides matching grants for facade and interior building renovations, streetscape enhancement to improve lighting, landscaping and signage and to install street furniture, and for communities to establish a business or cultural anchor in their downtown. The program is being administered by the Division of Housing and Community Renewal (DHCR) and the Housing Trust Fund Corporation, and was launched by the Governor in June with an initial investment of \$20 million.

The initial Main Street awards are: Albany LDC \$200,000; ACCORD Corp. \$200,000; First Ward Action Council, Inc. \$110,000; Rural Revitalization Corp. \$200,000; Union Springs/Springport Chamber of Commerce \$200,000; Auburn Downtown Partnership, Inc. \$200,000; Jamestown LDC \$200,000; Elmira Downtown Development, Inc. \$200,000; Partnership for Community Development Chenango \$200,000 Cortland Housing Assistance

Council Inc. \$200,000; The Catskill Center For Conservation & Development, Inc. \$64,000; Western Catskills Community Revitalization Council, Inc. \$200,000; Hudson River Housing, Inc. \$200,000; Forever Elmwood Corp. \$92,000; Lackawanna Community Development Corp. \$200,000; Pride of Ticonderoga, Inc. \$164,875; Adirondack North Country Association \$200,000; LeRoy Business Council \$200,000; Catskill Mountain Housing Development Corp., Inc. \$200,000; Mohawk Valley Heritage Corridor Commission \$200,000; Carthage Industrial Development Corp. \$200,000; Clayton Improvement Association Ltd. \$200,000; Myrtle Avenue Revitalization Project LDC \$105,000; Neighbors Helping Neighbors, Inc. \$145,000; Ridgewood Bushwick Senior Citizens Council, Inc. \$197,500; Snow Belt Housing Company, Inc. \$200,000; Group 14621 Community Association, Inc. \$125,000; South Wedge Planning Committee, Inc. \$200,000; Industries For Amsterdam, Inc. \$200,000; Cooper Square CD Committee & Businessmen's Assoc. \$125,000; Greater Lockport Development Corporation \$50,000; Center City Neighborhood Development Corporation \$200,000; Boonville Area Merchants Association \$199,895; Growest, Inc. \$200,000; NEHDA Inc. \$200,000; Geneva BID \$200,000; City of Newburgh LDC \$200,000; Otsego Rural Housing Assistance, Inc. \$200,000; Putnam Economic Development \$200,000; Greater Jamaica Development Corp. \$65,000; Civic and Cultural Restoration Corporation Rensselaer \$200,000; HOGAR \$200,000; Saratoga EDC \$200,000; Saratoga Springs Preservation Foundation, Inc. \$190,000; Downtown Schenectady Improvement \$200,000; St Lawrence County Housing Council, Inc. \$200,000; Corning

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Rural Development Announces 515-Eligible Communities For Next Funding Round

The New York State Office of USDA Rural Development has released the list of communities in rural New York that are eligible to submit applications for Section 515 Rural Rental Housing Projects. The list includes the following 89 towns across the state:

Albany County: Voorheesville

Broome County: Whitney Point; Windsor

Cattaraugus County: Olean

Cayuga County: Melrose Park

Chemung County: Wellsburg

Cortland County: Marathon; McGraw; Virgil/Munson Corners

Columbia County: Valatie/Kinderhook/Niverville

Delaware County: Margaretville

Dutchess County: Millbrook; Millerton; Pawling; Red Hook; Rhinebeck;Tivoli

Erie County: Akron; Boston; Clarence; Lancaster

Fulton County: Northville

Hamilton County: Long Lake

Livingston County: Avon

Monroe County: Hamlin; Hilton; Scottsville; Spencerport

Montgomery County: Tribes Hill

Oneida County: Oneida Castle; Sherrill; Waterville

Onondaga County: Skaneateles

Ontario County: Holcomb/E. Bloomfield; Victor

Orange County: Beaversdam Lake/Salisbury; Chester; Florida; Ft. Montgomery; Montgomery; Pine Bush; Otisville

Oswego County: Constantia/Cleveland

Putnam County: Brewster; Cold Spring/Nelsonville

Otsego County: Cooperstown; Otego
Rensselaer County: Averill Park; Castleton-on-Hudson; Nassau; West Sand Lake

Saratoga County: Ballston Spa/N. Ballston Spa; Round Lake

Schuyler County: Watkins Glen

Seneca County: Interlaken

Suffolk County: Aquebogue; Bridgehampton; Calverton; Cutchogue; Greenport/Greenport W.; Jamesport; Laurel; Mattituck; Montauk; North Haven; North Sea; Noyack; Peconic; Riverhead/Pine Valley/Flanders/Riverside; Shelter Island/Dering Harbor/Shelter Island Hts; Southold; Springs; Watermill

Sullivan County: Bloomingburg; Grahamsville; Jeffersonville; Narrowsburg; Roscoe; Wurtsboro

Ulster County: Clintondale; Saugerties/Saugerties S.; Woodstock/Zena/W. Hurley

St. Lawrence County: Massena; Ogdensburg

Washington County: Greenwich

Wayne County: Newark

Yates County: Dresden; Dundee

Green Building Grants

On January 24, 2005 the Housing Assistance Council announced a new small grants program for nonprofits involved in green building/healthy homes. Supported by the Home Depot Foundation, the competition was announced via the HAC web site. Visit www.ruralhome.org for more information and an application. Applications are due to HAC by March 15, 2005. For more information, please contact Joe Belden at HAC, joe@ruralhome.org or 202-842-8600.

Fannie Mae Grants Due

Grant applications for funding from the Fannie Mae Foundation are due March 31, 2005. The application form and grant information are scheduled to be available on the Fannie Mae Foundation website beginning March 1st. The Fannie Mae Foundation's funding priorities include increasing the affordable housing supply, and increasing sustainable home ownership and building individual and community wealth.

The Foundation dedicates the majority of its competitive grants to providing general operating support to non-profit organizations to help build their capacity, increase their impact, and make their organizations more efficient and effective. To access the Foundation's website, visit www.fanniemaefoundation.org.

Continuum of Care Awards Announced

HUD released the awards for the 2004 Continuum of Care applications on January 26th. Over \$139 million was awarded to New York projects. Details of the award announcement can be found at www.hud.gov/offices/cpd/homeless/budget/2004/ny/totals.xls.

Main Street Awards, Cont.

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Intown District Management Association \$200,000; Port Jefferson BID \$200,000; Riverhead BID \$200,000; Partnership for Economic Development \$200,000; Tioga County LDC \$200,000 Ithaca Downtown Partnership \$196,800; SHARP Committee,

Inc. \$200,000; RUPCO \$200,000; Greater Glens Falls Development Corporation \$200,000; The Cambridge Valley CD & Preservation Partnership, Inc. \$200,000; New Rochelle BID \$200,000; Westhab, Inc. \$200,000; **TOTAL \$10,630,070.**

Housing Finance Agency Seeks TA Providers

Request for Qualifications

The New York State Housing Finance Agency (the "Agency") invites proposals from firms or individuals interested in being included on a pre-qualified list of Technical Services and Assistance Providers ("TAP") to work with eligible applicants of the Agency's Manufactured Home Cooperative Fund Program ("MHCFP") as well as to be available for contracted services. TAPs perform services for applicants for MHCFP financing (i.e., residents of the manufactured home park) in two phases. In the first phase, the TAP shall prepare a preliminary assessment of the feasibility of the conversion of a manufactured home park into a manufactured home park cooperative. Services in this phase include an assessment of the following: 1) the ability of existing or potential resident organizations at the park to meet the criteria for an eligible borrower under the MHCFP; 2) the availability of alternative financing sources for the acquisition and cooperative conversion of the park; and 3) a preliminary value analysis of the park prepared by a licensed real estate appraiser.

If authorized to proceed with a second phase, the TAP will enter into a contract with the applicant and the Agency. Upon approval of a work plan, the TAP must be able to provide development services including, but not limited to, providing information and education on cooperative ownership; organize and assist in the development of a resident's association; review appraisal and engineering reports; assist in the negotiation

arrange for the preparation of legal documentation such as by-laws, rules and regulations and an offering statement; prepare a financing plan; devise a marketing strategy and analyze and propose alternative sites for construction of new parks. The TAP must also be able to provide training to management staff and oversee the setting and implementing of policy and procedures by the cooperative and provide management consultation services during a two-year period after co-op formation.

Interested firms or individuals must contact the Agency for a copy of the "Request for Qualification" which further describes the scope of the engagement and the desired content of the proposal. The TAP will be required to submit a description of knowledge, experience, a detailed qualification statement, references, resumes, technical services to be provided, including the use of subcontractors, information on fees and information regarding affirmative action/equal employment opportunity policies and practices.

Six copies of the proposal must be received by the Agency no later than close of business on Monday, February 28, 2005, envelope should be marked RFQ RESPONSE, directed to: Contact: Herbert L. Sussman, Program Manager, Special Projects Unit, New York State Housing Finance Agency, 641 Lexington Ave., New York, NY 10022, (212) 688-4000 ext. 518, Fax (212) 872-0518, E-mail herb@nyhomes.org.

Mattel Domestic Grant Applications

For the first time in 5 years, the Mattel Children's Foundation is accepting unsolicited applications for the Domestic Grants Program. Grants range from \$5,000 to \$25,000 for programs that directly serve children in need, depending on the program, organization,

and community need.

Grant applications for this funding cycle will be accepted through April 8th. For more information, visit the Foundation's website at www.mattel/about_us/Comm_Involvement/ci_mcf_philanthropy_grantmaking.asp.

3 RPC's Receive Grants In Latest FHLB-NY Awards

Three Rural Preservation Companies were among the recipients of a total of \$6.9 million in grant subsidies announced by the Federal Home Loan Bank of New York on January 10th. FHLB-NY notes that the \$6.9 million in subsidy will be leveraged by \$161 million in other funds, and result in the creation of a total of 1,212 housing units in the New York/New Jersey territory covered by the Bank.

The rural New York recipients of FHLB funding in this round are:

Catskill Mountain Housing Development Corp.: The Birches at Saugerties, Saugerties, NY (Ulster County)

Bank Sponsor: Ulster Savings Bank
Funds Awarded: \$425,000
60 units.

Chautauqua Opportunities, Inc.: Scattered Sites Homeownership Program IV (Chautauqua County)

Bank Sponsor: HSBC Bank USA
Funds Awarded: \$200,000
40 Units

Community Services Program/Hudson Valley Housing Development Fund, Inc.: DiMarco Place II Senior Citizen Residence, Wappingers Falls (Dutchess County)

Bank Sponsor: Ulster Savings Bank
Funds awarded: \$96,000
32 units.

Our congratulations to Larry Krajewski, Roberta Keller and Peg O'Leary on receiving these awards!

Relocation Rules Revised

The January 4th Federal Register (pp.589-638) contained revisions to the Uniform Relocation and Real Property Acquisition Policies Act. Contact (202) 366-2529 for more information.

Proposed Changes At HUD Could Gut ConPlan Benefits

A recent story in the *Washington Post* detailed the Administration's proposed changes at HUD that could have substantial negative consequences for a variety of community development programs and efforts across the country. The proposal, if allowed by Congress, would transfer the Community Development Block Grant to the Department of Commerce. The CDBG program would be transferred after undergoing a 50% cut. The Youthbuild Program would be transferred to the Department of Labor. Brownfields Economic Development would move to the Department of Commerce. The Rural Housing and Economic Development Program would be eliminated, and the Empowerment Zones/Renewal Communities programs would be moved to Commerce. The federal budget just released contains no funding for

RHED, indicating that these proposed changes are very real.

"The purpose of the exercise has nothing to do with achieving or not achieving savings," said one official quoted in the *Washington Post* article. \$260 Million in economic development projects is at risk under the proposal, and HUD could lose 25% of its total budget (currently \$31 billion).

HUD would continue to administer the HOME program, as well as Housing Opportunities for People With AIDS. HUD employees would expect to stay on for some time to administer outstanding grant funds, but the 817 Community Planning and Development staff at HUD are preparing for the worst.

Representative Barney Frank (D-MA) has called the proposal "just appalling." The suggested changes in

Washington do not promise to play well locally, either. Richard Scalera, the Mayor of Hudson (Columbia County), New York, has vowed to fight the proposed changes. He was quoted in the January 25th issue of *The Independent*, a local weekly newspaper, as promising to call Senators Schumer and Clinton to protest the proposal.

Linda Glassman, Executive Director of CARES, Inc. notes that even communities that do not receive CDBG funds should be concerned about the proposed changes. The Consolidated Planning process on which the distribution of CDBG funding is based has been a powerful tool for holding communities accountable for ensuring that homeless and special needs housing is provided. CARES will be working with national and local coalitions to fend off this misguided cut.

Visit our website at www.ruralhousing.org
