Webinar Logistics

If you haven’t registered, please register to receive the Webinar link at: http://tinyurl.com/CMS-USDA-Apr12-Webinar

• **Listen Online**: Please use the audio on the AdobeConnect Webinar room to listen through your computer’s speakers or headphones.

• **Questions Online**: Please type your questions into the AdobeConnect Webinar room’s Chat Pod at any time

• **If you cannot use the online audio, you may dial**:
  – Dial: 888-330-1716
  – Access Code: 3261087 #

If you have logistical issues or questions, please contact Anthony Oberg at: aoberg@neweditions.net, phone: 703-356-8035, ext. 118.
Agenda

• Welcome, Logistics

• Opening Comments:
  – John Sorensen, CMS, Moderator

• USDA & Multifamily Housing:
  – Gina Silva, USDA/RD, Washington, DC

• USDA Single Family Housing & Community Facilities:
  – Alisa Dahl, USDA/RD Area Director, North Dakota

• MFP Example:
  – Jake Reuter, MFP Project Director, North Dakota

• Questions & Discussion
Why Rural Housing Services?

• Every state in the U.S. has “Rural Areas” as defined by USDA.
• Rural America covers 80% of the U.S., and is home to 20% of the population.
• About 62 million people (1 in 5 Americans) live in rural areas.
CMS & Rural Housing Services

• CMS partners with states to provide long term services and supports (LTSS) to individuals who wish to return to or stay in their rural communities
  – CMS recognizes that affordable and accessible housing is a barrier for individuals in need of long-term services who wish to live in rural communities
  – CMS partners with U.S. Department of Agriculture (USDA) and U.S. Department of Housing and Urban Development (HUD) to increase housing capacity in rural communities
CMS - MFP TA Activities

• CMS technical assistance activities
  – MFP models in ND, TN, other rural states
  – MFP Rural Housing Toolkit
  – CMS-Housing Track session on Rural Housing at NASUAD HCBS Conference last September, 2015
  – Resources on MFP-Technical Assistance Center Website: www.mfp-tac.com
USDA RURAL DEVELOPMENT
MULTIFAMILY HOUSING
Rural Development’s Broad Base of Economic Development Programs

Rural Housing Service Programs
Affordable Home Ownership, Rental and Community Facilities Assistance

Presented by:
Gina Silva, Multi-Family Housing

United States Department of Agriculture

Committed to the Future of Rural Communities
http://www.rd.usda.gov
United States Department of Agriculture (USDA)
Seven Mission Areas

Secretary Tom Vilsack

- Farm & Foreign Agriculture Services
- Food Safety
- Natural Resources and Environment

- Food, Nutrition and Consumer Services
- Marketing & Regulatory Programs
- Research, Education and Economics

Rural Development

Committed to the Future of Rural Communities
http://www.rd.usda.gov
Rural Development Program Areas

- Electric Program
- Water & Environmental Programs
- Telecommunications and Broadband Programs
- Homeownership Loans
- Home Repair Loans & Grants
- Mutual Self-Help TA Grants
- Multi-Family Housing Loans
- Housing Preservation Grants
- Farm Labor Housing Loans & Grants
- Community Facilities Loans & Grants
- Business and Industry Guaranteed Loans
- Rural Community Development Grants
- Intermediary Relending Program
- Rural Energy for America Program
- Value Added Producer Grants
- Cooperative Development Assistance

Committed to the Future of Rural Communities
http://www.rd.usda.gov
Rural Utilities Service

- **Electric Program** - provides leadership and capital to maintain, expand, upgrade, and modernize America's vast rural electric infrastructure.

- **Water and Environmental Programs** - rural communities obtain the technical assistance and financing necessary to develop drinking water and waste disposal systems.

- **Telecommunication and Broadband** - promote broadband service to help revitalize small-town main streets and promote economic development.
Housing Programs

- Improving Quality of Life
- Strengthening Communities
- Building Ownership & Opportunity

Since 1949, USDA Rural Development’s Housing Programs have extended the dream of homeownership to more than 3.8 million rural Americans. This includes 2.1 million Direct loans, 1.3 million guarantees of approved lender loans, and nearly 400,000 Very Low income home repair loans and grants.

USDA’s Housing programs help rural communities and individuals by funding low-interest single family home loans, apartments for low-income persons or the elderly, housing for farm laborers, and much more!

USDA Rural Development’s Community Programs assists rural communities in financing critical community facilities including schools, hospitals, day care centers, fire and police stations and much more!

Through its Community Programs, the Department of Agriculture is striving to ensure that such facilities are readily available to all rural communities.
Multi-Family Housing Programs

Committed to the Future of Rural Communities
http://www.rd.usda.gov
Multi-Family Housing’s Mission

Provide adequate, affordable, decent, safe, and sanitary rental housing for very low-, low-, and moderate-income households in rural areas
USDA Housing Locater

The housing locater can be used to locate USDA units for clients returning to a rural setting.

The locater includes

- Income limits
- Contact information
- Subsidy information
- Family/Senior living

http://rdmhfrentals.sc.egov.usda.gov/RDMFHRentals/select_state.jsp
The Multi-Family Housing Preservation and Revitalization Demonstration Loans and Grants Program (MPR)

- This program restructures loans for existing Rural Rental Housing and Off-Farm Labor Housing projects to help improve and preserve the availability of safe affordable rental housing for low income residents.

- Applicant Eligibility:
  - Current multi-family housing project owners with Rural Rental Housing and Off-Farm Labor Housing Loans.

Committed to the Future of Rural Communities
http://www.rd.usda.gov
How May the MPR Funds be Used?

Preserve and improve existing Rural Rental Housing and Off-Farm Labor Housing projects in order to extend their affordable use without displacing tenants through increased rents.
What Type of MPR Funding is Available?

- A variety of restructuring tools are available including:
  - Grants, limited to nonprofit applicants
  - Zero Interest Loans
  - Soft-Second Loans; and
  - Debt Deferral Loans
  - 515 Rehabilitation- provides competitive loan financing for affordable multi-family rental housing for low-income, elderly, or people with disabilities and their families
Guaranteed Rural Rental Housing Program

Overview of the Program

• Market Driven – Developer and lender determine affordable housing need.
• Affordability Features – 25-year term with 40-year amortization
• Compatible with other funding sources.
Guaranteed Rural Rental Housing Program

Market Driven – Developer and lender determine affordable housing need

- Lender and Developer negotiate interest rate and terms. Lender should discuss with RD State Office the deal specifics early in the process.

- Local market determines the project amenities which may include community space, recreation area, landscaping, etc.
Guaranteed Rural Rental Housing Program

Compatible with other Funding Sources

- Family income can’t exceed 115% of Area Median Income, well within tax credit requirements.

- Other funding sources include 9% tax credits, 4% bond financing, HOME funds, and AHP funds.

- Program allows funds to be used for land purchase and soft costs (developer’s fees, bond fees, legal fees, etc.)
USDA’s Rental Assistance (RA) Program

- RA is a rent subsidy program for the benefit of tenants in Rural Development-financed multifamily housing properties.

- When a developer applies for a Section 515 Rural Rental Housing Loan or a Farm Labor Housing loan, most times they will also request RA subsidy as well.

- RA can only be used in conjunction with these two loan programs. Once the mortgage is paid off, the RA ends and tenants no longer receive the benefit of the rent subsidy.
USDA’s Rental Assistance (RA) Program

Approximately 286,000 tenants receive the benefit of RA. RA pays the difference between the basic rent and the tenant’s contribution to rent, which is usually 30% of the tenant’s income, adjusted for medical, child care, and elderly and handicapped deductions.

Example:
Apartment rent: $600
Tenant’s contribution: - $200
USDA pays to landlord: $400

USDA has a RA contract with the landlord to provide RA funding. RA is used at a different rate by each tenant each month as tenants move in and out of properties, have income changes, and as rents increase.

All these variables impact the rate at which RA is used for individual tenants. Consequently, some contracts last longer than others and some use money faster. This creates a very dynamic budgeting environment.
For more information, including locations and contact numbers for USDA Rural Development offices, regulations and Administrative Notices, visit our web site at:

http://www.rd.usda.gov

For local contact information including State and Regional offices, visit your state website which can be found at the following link:

http://www.rd.usda.gov/contact-us/state-offices/
It takes a partnership of willing community leaders, residents, bankers, visionaries

AND

USDA Rural Development to revitalize our rural communities. The possibilities are endless.
USDA RURAL DEVELOPMENT
SINGLE FAMILY HOUSING &
COMMUNITY FACILITIES
Rural Development
Committed to the future of rural communities.

Presenter: Alisa Dahl, Area Director, North Dakota
Rural Development

Our Mission

To Increase Economic Activity and Improve the Quality of Life for All Rural Americans.
Rural Development Programs

- Housing Programs
- Community Programs
- Business & Cooperative Programs
- Water and Utility Programs
HOUSING PROGRAMS
Multi-Family

IMPORTANT TIDBITS . . .
• Rental Assistance
• Reasonable Accommodations
• Waiting Lists
• Ineligible Determinations
• Accessible Units
HOUSING PROGRAMS
Single Family
Rural Development
Single Family Guaranteed Loan

Purpose:

• To provide home ownership opportunities to rural families with moderate incomes.

• Loans may be used to buy, build, improve, or repair rural homes.
Rural Development
Single Family **Guaranteed** Loan

Why Rural Development?

- Processed through lender of your choice.
- No loan limit.
- No down payment.
- No Mortgage Insurance.
- Loans can include guarantee fee above market value.
Rural Development
Single Family Guaranteed Loan

Who is Eligible?

- Have adequate and dependable income.
- Meet income limit guidelines for moderate.
- Have reasonable credit history.
- Be a U.S. citizen or legally admitted.
- Proposed total debt ratio $\leq 41\%$
- Proposed PITI ratio $\leq 29\%$
- Must occupy the dwelling.
Rural Development
Single Family Direct Loan

Purpose:
• To provide home ownership opportunities to rural families with very low to low incomes
  • Very low income = below 50% of the area median income (AMI)
  • Low income = between 50% and 80% of AMI
• Loans may be used to buy, build, improve, or repair rural homes.
Rural Development
Single Family **Direct Loan**

**Why Rural Development?**

- Low income requirement.
- Loan limits vary by state and county.
- No down payment.
- No mortgage insurance.
- Payment assistance available.
Rural Development
Single Family **Direct Loan**

**Who is Eligible?**

- Have adequate and dependable income.
- Unable to obtain credit from another source (including RD guarantee).
- Have reasonable credit history.
- Be a U.S. citizen or legally admitted.
- Proposed total debt ratio ≤ 41%
- Proposed PITI ratio ≤ 29% or 33% depending upon income level.
Rural Development
Single Family Direct Loan

What types of Homes are Eligible?

• Located in areas of less than 35,000 population.
• New or existing single family.
• Structurally sound and in good repair. Must pass a whole house inspection (which includes USDA Housing Quality Standards) completed by a state registered home inspector hired by applicant.
Rural Development
Single Family Direct Loan

What types of Homes are Eligible?

- Homes built prior to 1978 may need to be inspected for lead-based paint surfaces.
- 1800 Square Feet or smaller in size.
- Lot size – minimum home site.
- Manufactured homes must be NEW, on permanent foundation, meet HUD HB 4930.3.
Rural Development
Single Family Direct Loan

Terms:

• 33 year repayment @ current interest rate
• Loan value based on market value appraisal.
• 12 month home insurance policy paid up front.
• Must occupy dwelling.
• Payment assistance based on household income and subject to recapture.
Rural Development
Single Family Direct Loan

Process:

• Applicant contacts RD and requests a prequalification or application.

• Prequalification provides potential loan amount and identifies any credit issues based on unverified income and debt data.

• RD underwrites and processes loan if applicant eligible.
Rural Development

**Home Repair Loan and Grant**

**Purpose:**

- Provide loans and grants to **very low** income homeowners to repair, improve, or modernize their dwellings or to remove health and safety hazards.
- Provide accessibility for household members with disability.
Why Rural Development?

- Assists very low income homeowners.
- 1% interest up to $20,000 loan limit.
- Grant limit of $7500 (must be 62 or older).
Rural Development

Home Repair Loan and Grant

Who is Eligible?

• Must own home (or long-term lease).
• Unable to obtain credit elsewhere.
• Meet very low income guidelines.
• Need to make repairs and improvements.
• 62 or over and unable to pay on loan - grant.
Rural Development

Home Repair Loan and Grant

Terms:

- Loans up to 20 years @1% interest rate.
- For loans over $7500, mortgage required.
- Grant funds used only to remove health and safety hazards and provide accessibility features.
- Grants paid back if house sold within 3 years.
- Grant/loan combination possible.
Rural Development

Home Repair Loan and Grant

Process:

• Complete RD application including budget.
• RD verifies income and debt.
• Free credit report ordered for loans.
• RD inspects home for required and requested repairs and provides list of repairs needed to applicant.
Rural Development

Home Repair Loan and Grant

Process:

• Applicant obtains 3 bids for work (if older than 1978, lead-based paint must be addressed).
• Determine if bids are under approval amount and minimum repair work to be completed.
• Loan and/or grant approved and closed.
• Contract awarded and work begins.
• RD inspects work and provides payment.
Rural Development

Home Repair Loan and Grant

“I’m 73 and I need a loan for a new roof and to put in a ramp and accessible bathroom but I can’t afford a bank loan.”

$ 7,500 - Grant
$ 4,000 - Loan (based on budget)
$ 3,000 - Other resources

$14,500 PROJECT TOTAL

20 years @ 1% = $33 monthly payment
http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do
United States Department of Agriculture

Rural Development Single Family Housing Direct Loan Program

For Income limits - Click on state.
Find the applicable County, size household.

Very low - 504 program; Low – 502 program

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<th>3 PERSON</th>
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* ADD 8% OF 4 PERSON LIMIT FOR EACH PERSON IN EXCESS OF 8 EXCEPT FOR MODERATE INCOME FAMILIES, FOR WHICH $55000 SHOULD BE ADDED TO THE RESPECTIVE LOW-INCOME LIMIT FOR 8+ PERSON FAMILIES
** RH ADJ. MEDIAN INCOME SHOWN EQUAL TWICE THE RESPECTIVE VERY LOW-INCOME LIMIT
COMMUNITY PROGRAMS
Rural Development
Community Facility Funding

- Applicants are Public Body, Non-Profit Organization, Native American Tribe
- No limit on loans
- Guarantees – up to 90%
- Grants – up to 75%, if eligible
- Communities up to 20,000 population
- Use for assisted living, clinics, hospitals, senior centers, ambulances, firehalls, accessibility features.
- Contact local RD office.
Heart of America Library
Rugby, ND

Installed elevator and accessible bathroom with loan ($100,000) and grant ($40,000) funds.
Northland Community Clinic
Ray, ND
(Population 592)

Tioga Clinic
Tioga, ND
(Population 1230)
Ashley Senior Citizens
Ashley, ND
(Population 749)

Received grant to upgrade heating system and install air conditioning system in senior citizen center.
Other Resources:

USDA-RD Website:  
http://www.rd.usda.gov/

Website on income and property eligibility:  
http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do

Videos on 502 and 504 program:  http://www.rd.usda.gov/programs-services/all-programs/single-family-housing-programs

MFH Rental Properties:  
http://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select_state.jsp
Rural Development is committed to the future of rural communities.

www.rd.usda.gov
NORTH DAKOTA MFP
Rural Housing Assistance and Community Programs

North Dakota Money Follows the Person Housing Initiative

Jake Reuter, ND MFP
The ND MFP Housing Initiative

1. Tasked with finding affordable and accessible housing for persons working to transition out of institutions and back into the community

2. Assist with housing search for individuals at risk of institutionalization

3. Facilitate Collaboration:
   - State/Federal Housing Agencies
   - Housing Development Organizations
   - Advocacy Groups
   - Governments Entities
   - Community Representatives
USDA Rural Development

Accomplishments

- Development of Service Provider Listing for Property Managers/Landlords
- Developed Housing 101 Document for Social Service Providers
- Creation and Continuation of a State Tax Credit Program to Fund Housing Development
Contact Information & Resources

Jake Reuter, Money Follows the Person Program
Administrator Email: jwreuter@nd.gov

ND MFP Housing Initiative:
Cheryl Merck, Housing Facilitator
cheryl.merck@minotstateu.edu

ND MFP Housing Initiative Website and Database:
http://www.ndcpd.org/mfp/
QUESTIONS?
Please type your question in the Webinar Questions Pod.
Additional Questions/Information

John Sorensen, DCST/DEHPG/CMCS/CMS
John.Sorensen@cms.hhs.gov
Gina Silva, USDA/RD/RHS, Washington, DC
Gina.Silva@wdc.usda.gov

Stephanie Mensh, New Editions Consulting, Inc.
Smensh@neweditions.net

For reference materials and additional information:
MFP Technical Assistance Website: http://mfp-tac.com
E-Mail: mfp-ta@neweditions.net