

WI-CARH/Rural Development Liaison Meeting
Wednesday, March 4, 2015
Rural Development Area Office
Stevens Point, WI

Those in attendance from Rural Development (RD) were Debbie Biga, Bob Hernandez, and Donna Huebner. Russ Kaney, Russ Endres, David Sheperd, and Laura Mason representing WI-CARH were in attendance. Mary Pavek and Cheryl Halvorson were unable to attend.

2015 Budget Effects on Programs: Donna reported that at their last budget call, the following programs and their appropriations were reviewed:

Rental Assistance - \$1.088B which is less than 2014 but will be enough to cover contracts. \$1.171 B is proposed for 2016 which fund an additional 254,000 units in high poverty areas which Wisconsin doesn't have much of.

515 - \$28M, same as 2014. \$32M requested for 2016.

538 - \$150M, same as 2014. \$200M requested for 2016. WHEDA is not a 538 lender at this time.

514/516 - \$32M. Same amount requested for 2016. There are currently only a couple of properties in the state of Wisconsin using these programs, but they'd like to see more.

Housing Vouchers - \$24 M (\$7M as vouchers, balance MPR). \$34M requested for 2016 (\$15M as vouchers, balance MPR).

533 - \$3.5M nationwide (Housing Preservation Grant). \$0 in 2016.

Budget for Wisconsin for training is extremely limited this year. Wisconsin requested a lot (more than normal) and then was funded last and didn't receive much. Now they don't have the money to do a lot of training. They are looking at creative ways to do team reviews to save on costs to reduce onsite time. They might have funding available for WHEDA and WI-CARH conferences in the fall.

Donna reported how the realignment was coming along. Currently, there are six areas. Presently, there are only two area directors with one position vacant. RD is not allowed to hire additional staff at this point because of the hiring moratorium.

The full-time equivalent (FTE) limit for Wisconsin went up to 82 from 78.5. They have two area directors covering the six offices. They are advertising for third area director, as well as, for openings in Dodgeville, Spooner, and Fond du Lac offices. They will also be adding some student interns in Shawano and at the state office.

Update CARH's Mid-Year Meeting: Russ Kaney provided a recap of the conference held in St. Pete Beach in Florida in January. Brian Hooper of the National office discussed the Preliminary Assessment Tool (PAT). This tool would allow developers to input their numbers and it would show them where the red flags are that they would need to be aware of. These are areas that they would need to be able to explain or provide documentation for. The National Office has put a lot of time into this in order to help speed up the process. It is not required and a red flag doesn't mean a deal won't happen.

Naturally occurring payoff of loans coming through more frequently. Rental assistance goes away when that happens. If you get through the pre-payment process and close prior to the

maturity date, the residents will still qualify for rental assistance. Rural Development office tries to notify one year in advance. The key is the maturity date, not the amortization.

Multi-Family Preservation and Revitalization (MPR) & 2015 Changes to Program:

National office indicated that every application moved forward to approval. There were 106 pre-applications for 247 properties. For Wisconsin, there were a total of seven.

Wisconsin has three outstanding MPR projects: 1) Burlington Housing Authority (just starting with the rehab); 2) Denmark Non-profit (85% through rehab); 3) Washington Island—waiting for deferral funds from National Office.

National office is working on getting out a new NOFA on the clearance approval process in mid-March.

It's a good program and they might be increasing it next year. When working through the application, it's important to not change the scope even though it's hard to plan for. The state office has become stricter.

Voucher Program Update: As of February 2nd, the National office said the Quadel could begin issuing vouchers. As of the end of February, there were 141 new vouchers obligated in Wisconsin for a total of \$517,000. Wisconsin is very active in vouchers.

It was noted that there are 5 to 6 projects that are in the process of prepaying currently in Wisconsin. In addition, foreclosure actions have been initiated on three projects.

Despite what happens to the property, tenants can take the voucher with them to another city or state. They must give notification that they are moving though.

Improper Payments Information Act (IPIA) Update and Overview: RD Service Center in St Louis is currently in the process of reviewing. Wisconsin only had one property, but it was found that the property wasn't in the program anymore. There are no results from last year, yet.

Preservation Set Aside for WHEDA Tax Credits: David Sheperd reported that out of the 51 Low Income Housing Tax Credit Applications submitted this year, there are 10 applications for preservation set-aside; seven applications for rural set-aside; three applications for supportive housing set-aside; twenty-four for general set-aside; and ten for not-for-profit set-aside. The decision date for the credits should be mid-April. There will be another HIPR (High Impact Project Reserve) in July.

USDA-RD Training for 2015/2016: The next webinar will be in the fall on Affirmative Fair Housing Marketing Plans. It will be step-by-step on how to fill out the forms. Civil Rights has regional offices. The office that covers Wisconsin is in South Dakota.

General Training Needs for Borrowers: Prepayments would be a good topic for training. We will look at adding it to the conference agenda.

Review April Training & Conference: Online registration is open for the Fair Housing Training scheduled for April 22, 2015 at the Holiday Inn Madison at The American Center. We

already have 50 people registered and could add an additional 20 seats to our current limit of 100 attendees, if necessary.

Based on feedback received from the annual conference this past fall, we are planning for our 2016 Spring Training to be on Compliance/Recertification. Planning for the 2015 Annual Conference is also well under way and is focused on the topics that were identified as being of most interest.

Lease & Amendment Review/Feedback: The WI-CARH office has not received any questions or comments about the lease this year from those that are currently using it.

a. Clarification on RD's position on check-in forms (Move-in Inspection)

At WI-CARH's board meeting in November, a question was brought up about Doug Buck's presentation on the lease and RD's position on check-in (move-in inspection) forms. Per RD, this form must be in the tenant file.

b. Smoke free addendum

Deborah Grayson of Smoke Free Housing contacted the WI-CARH office and asked if there was any language in the WI-CARH lease regarding smoke-free policies. If a property is Smoke Free, it does need to be in the lease and is accomplished through an addendum. Smoke Free Housing has an addendum that we will ask Doug Buck to review. We will also check with Deborah Grayson about including it as part of our lease package &/or providing a link to it on their website.

Other Topics & General Discussion:

Additional information from David at WHEDA--

- Section 11 - \$2.5M - \$300M in vouchers for tax credit properties with very low income.
- Applied for more RD preservation funds for PRLF money requested.
- They hope to get funds from the National Housing Trust Fund, but the budget needs to pass.
- If the budget passes in Wisconsin, WHEDA & WDC will be merged into Forward Wisconsin Authority in January 2016.

Additional information from Debbie with Rural Development--

- The passbook savings rate changed from 2% to .06% effective February 1.
- The national office has approved the use of iPads for the supervisory reviews. The national rollout will be in April.
- Concurrence with Tony Hernandez on Performance Based Management Fees. It will be based on performance & classification. There will be conference calls with people. It was indicated that it will be important for offices to clean up old records, so that they are accurate as the system will automatically make the determination.

Next Liaison Meeting: Our next liaison meeting is Tuesday, August 11, 2015.

Meeting Adjourned

Respectfully Submitted,
Russ Endres, Secretary