



Kentucky Caucus Agenda
Wednesday, February 17, 2021, 9:00 am - 12:00 pm
Via ZOOM: <https://us02web.zoom.us/j/84321945429>
Password: 215055

- 1) Welcome Members and Recognize Guests** (*Cassie Hudson, Vonda Poynter*)
Adrienne Bush – HHCK; Curtis Stauffer, Kelli Reynolds, Wendy Smith – KHC; Judy Rose, Cassandra Larcarte - FHLB-CIN; Blaine Barnes, Barry Turner, Erika King – USDA-RD
- 2) Review Previous Minutes and Action Items** *pp. 3-10*
- 3) Message from Jim** **10-15 Minutes**
- 4) Caucus Member Conversation – “around the square”** **20 Minutes**
How is your production – overall sense of production capacity; are you fulfilling your commitments - struggles / successes; Estimate full operation for production by when?
- 5) Advocacy** (*Alex Dadok, Josh Stewart*) **20 minutes**
 - a. State priority update: KY AHTF funding increase - County Clerks conversations
 - b. Federal update: prospects for passage of legislation
 - c. Strength in Numbers
 - d. Hiring update from Advocacy Department
- 6) KHC Updates** (*Curtis Stauffer*) *p. 11* **10 minutes**
 - a. Covid-19 Update; ESG-CV and HOPWA-CV, Eviction Protection Program
 - b. HOME, AHTF – Application Status
 - c. KHC/HCA work load with Rental Assistance
- 7) USDA Updates** (*Blaine Barnes*) *pp. 12-17* **10 minutes**
 - a. New Administration, New staff
 - b. Money should be available
- 8) Federal Home Loan Bank Updates** (*Cassandra Larcarte*) *pp. 18-19* **10 Minutes**
 - a. Community Programs, AHP, CMPHF
 - b. Update on HPN sponsored discussion on CDFI within FHLB system
- 9) HHCK update** (*Adrienne Bush*) **10 Minutes**
 - a. Covid-19 Updates
 - b. State Legislature Updates
 - c. KY Legislature Affordable Housing Caucus

10) CDBG-CV Update– DLG has Utility assistance available; regular funding open **5 Min.**

11) Fahe Updates – Memo Attached *pp. 20-21* **20 Minutes**

- a. December Board Meeting, Board Member Report - Scott McReynolds, Seth Long
- b. Member Updates (*Vonda*)
 - Reporting – QE 12-31-20
 - Training for 2021; Member Training schedule; HUD Counseling 8/21; Feb. VTI
 - Carol M. Peterson Housing Funds (*Jackie Weiss*)
- c. Resource Plan (*Sara Morgan*)
- d. Lending
 - Community Lending
 - Just Choice Lending ***p. 22***

Next Caucus Meeting June 29, 2021; annual Caucus Chair election; reaffirm Nominating Cmte representative

Upcoming Events

- **2020 MIT Student Report/Review Webinar** coming soon
- **Thurs. Feb. 18** – 2 pm: Monthly Training Webinar – 502 Updates/Refresher
- **Thurs. Mar. 25** – 11am: Monthly Training Webinar – Fair Housing Workshop
- **April 21/22** - **Fahe Spring Retreat/Executive Director Symposium**
- **Thurs. May 27** – 11am: Monthly Training Webinar – TBD
- **Tues. June 29** – KY Caucus Meeting
- **Thurs. June 24** – 11am: Monthly Training Webinar – TBD
- **Sept. 21/22/23** – **Fahe Annual Meeting**
- **Tues. Oct. 19** - KY Caucus Meeting

Sept. 21-22-23 - SAVE THE DATES!!

2021 Fahe Annual Meeting, MeadowView Conference Center, Kingsport, TN

Sign up for Fahe's Member Newsletter here: www.fahemembers.com/signup

Sign up for Fahe's Blog here: www.fahe.org/signup

Attendance:

Organization	Name	Organization	Name
Beattyville Housing	Wilma Kelley	Guest - HHCK	Adrienne Bush
BWCAA		Guest - KHC	Keli Reynolds
Christian App. Project	Ken Stuber	Guest - KHC	Wendy Smith
COAP	Mike King	Guest - PNC	Renita Rosa
Comm. Ventures		Guest - USDA-RD	Turner, Barry
Frontier	Tom Manning-Beavin	Guest - USDA-RD	Erika King
Frontier	Stephanie Cooley	Fahe	Alex Dadok
HDA	Scott McReynolds	Fahe - AmeriCorps	Claire Silberman
HOMES	Seth Long	Fahe	Drew Pritchard
KCEOC	Michael Swafford	Fahe	Jackie Weiss
KHIC		Fahe	James Caudill
KMHDC	Katie Smith	Fahe	Jim King
KMHDC	Lindsay Westerfield	Fahe	Joshua Stewart
KRCC		Fahe	Katy Stigers
KRFDC	Jimmy Stone	Fahe	Sara Morgan
Partnership Hsng	Cassie Hudson	Fahe - AmeriCorps	Sarah Weintraub
PSHH	Dave Kreher	Fahe	Vanessa Haste
Guest - FHLB-CIN	Cassandra Larcarte	Fahe	Vonda Poynter
Guest - FHLB-CIN	Judy Rose	Fahe Fellow	John Niederman
Guest - FHLB-CIN	Conner Creaghead	PRT	Jose Quinonez
Guest - FHLB-CIN	Madison Temple		

11 of 15 Members Present = 73%

ACTION ITEMS FROM MEETING:

FOR MEMBERS:

ACTION ITEM	DEADLINE/Responsible Party
Impact Conversation with Katy Stigers via ZOOM	10/29 at 11am
Contact Angela Stephens: astephens@fahe.org to schedule an appt. to meet w/John Niederman	All
Contact Sara Ball: sball@fahe.org for more info on Fahe's Strategic Plan	All

FOR Fahe STAFF:

ACTION ITEM	DEADLINE/Responsible Party
Release revised Fahe Appalachian Home Fund Application	Vonda/Jackie
Schedule AHTF follow-up discussion	Vonda/Jackie/Advocacy

- Welcome Members and Recognize Guests** (Cassie Hudson, Vonda Poynter)
Adrienne Bush – HHCK; Keli Reynolds, Wendy Smith – KHC; Judy Rose, Madison Temple, Cassandra Larcarte and Conner Creaghead, FHLB-CIN; Barry Turner and Erika King – USDA-RD
- Review Previous Minutes and Action Items** – Tom Manning-Beavin moved to approve, seconded by Dave Kreher, minutes approved as presented.

3) Member Updates – Cassie asked if Members would share any way that Fahe or the other Members could assist your organization - particularly through the pandemic.

- PSHH – Dave – Good Morning – not been shy about asking for help from Fahe staff when needed – now and before the pandemic. In February, Brittney Murphy, Fahe CFO came up and reviewed the financial policies and practices of PSHH and homework before coming – PSHH's bookkeeping has been improved. Work proceeding as normal.

- Frontier - Tom MB – looking forward to a thorough unveiling of Fahe's mortgage origination options as Frontier tries to grow their mortgage origination and there is a sufficient channel for products. Updates – 3 houses under construction, and self-help. 515 Conversion with LIHTaxCredits in Robertson County should close in 30 days – additional work moving further into the tax credit world. 2 people that have passed the counseling exam; 2 staff with mortgage originator licenses!

- Wilma, Beattyville Housing Dev. – Fahe has been responsive – when working on the shelter, they received the needed assistance to get it going. Production update – one set-up for NC, rehabs underway, one left to finish for CMP; CDBG application pending for expansion of subdivision.

- Ken Stuber, CAP – Pandemic has hurt volunteers with no groups this summer, not as many jobs done as they could've completed with volunteers. Couple of AHTF inspections on the work currently underway. Full-time volunteers are down but continuing on. They are moving to work inside with masks and distancing from homeowners. Fahe is there when they have asked for assistance.

- Lindsey, KMHDC – appreciate partnership with Fahe, been responsive. Good now, no immediate needs, but will ask for help! Plugging along with construction. Have had some land issues and the pandemic has put some delays on work. Finishing a FHLB project and looking for the new AHP announcements. HPG project finishing up and looking forward to next year's HPG. Elderly apartments being rehabbed. Audit is completed. Things are getting done.

- Mike, COAP – Staying busy – 30 days from multi-family project completion which is the May Street project – 4 duplexes for elderly. The Sunshine Project is next – environmental complete and with HUD for review as required for moving forward. Pending acquisition on Phase I and at the completion in several years, this should result in 35 homes. 7 new homes and a couple of rehabs to be submitted to KHC to get started; 504 USDA rehabs as well as an AHTF home repair under way. Completing 1100 SF roof on a motel – some of the roofing work is keeping COAP busy.

- Michael, KCEOC – one project under construction, two waiting to close and start; 3 rehabs; 5 set-ups pending. Something new – Flood disaster dollars being set up. Fighting the cost of material problems and keep moving forward.

- Seth – HOMES – comments on Fahe assistance, they have stayed on task and kept us together even if little boxes on Zoom. Glad we did the annual meeting. Glad for assistance in technology that has helped with internal and other meetings for HOMES. HOMES busier than ever – trying to keep up with all the stuff going on. Volunteer model has changed – replacing the volunteer facilities with a lease with Addiction Recovery Care for men in recovery and working on a training program for the Men coming out of recovery – the trainees will replace the volunteers that HOMES previously worked with. Using a building constructed in 1990 with AHTF and HOME – will have a clinical area for outpatients; redoing the volunteer kitchen to upgrade to a commercial kitchen with energy efficiency and installing solar – the first solo HOMES solar project. Able to put solar on their first rehab which will reduce the electrical cost for the homeowner. Seamless guttering machine – cost savings as the subcontractor was in Hazard and now that service can be offered in the community. Tanglewood Trail work with Whitesburg in the community and doing a building renovation for an outdoor sitting area in Whitesburg. Housing and rehabs like crazy – keep it going in the right direction.

- Scott, HDA – getting lots of requests from the community for smaller elderly homes – would like to talk with some folks about that. 2 hard situations with people living on less than \$1000/month – it is hard to house these folks – anyone have any creative solutions? Busy is the theme – more rehab done this year than in other years – over \$800,000 in rehab and more to do before the end of the

year. Did some advertising for HPG, more than 75 inquiries. 150 people called for rehab that they haven't connected with yet. NC need is strong – 15 unit subdivision getting started – 10 lots pre-sold – Curtis at KHC very helpful with EA process. Want to get footers in the ground. KHC will be receiving a bunch of set-ups!

- Jimmy – KRFDC – works a lot with Fahe and other members (made a note to check with someone later); this afternoon, 44 food boxes to deliver to some of their homebuyers and renters (Fahe had something to do with that) and working on assistance with utilities. HO programs hard as they are not meeting face-to-face. Two 504 rehabs complete. NC starts pending. Two new 504s pending start. KRFDC totally revamped their Weatherization Program – more than last year and will be hiring another new person – on the right track – KHC allowed KRFDC to keep the Weatherization program – appreciate Keli's work.

- PH, Cassie – busier than ever with the pandemic. Have picked up exterior work through the pandemic and we are now finishing up CMP, 9 of 10 were exterior only. Finished the duplex project with KHC 2 3bed, 2 bath units. They are leasing up. Rental waiting list – 60 applicants – the housing stock is very limited. Homebuyer – 90% complete, footers on another project in 30 days – still open, thriving and still going.

4) Caucus Conversation - Material Prices/Supply issues – local concerns on moratoriums, financial issues - What else?

Updates: Dave appreciates what KHC did with AHTF, increased limits and a contingency line item, hope for permanent, but glad that the changes are in place. Cassie and Jimmy added appreciation for the quick work of KHC and the way they shared out the information. Jimmy noted that window costs will impact the way they put the next HOME application in – Wendy noted that KHC (she, Curtis and Keli) are aware that there may need to be some allowances for this in the new application round coming up.

5) Advocacy (Alex Dadok, Josh Stewart)

b. Report on Federal activities - what Members should be paying attention to, relationship with FHA and HUD. Discussed FHA Title 1 loans Regulation changes would make them more attractive – do Members have suggestions? Tom MB says to ask Laura for JCL on barriers. Tom noted the Members don't have a channel to do work with FHA – not enough volume to generate deals, threshold to play with FHA is too high for most Members. Sara shared that JCL can offer FHA loans, but not enough volume for the test cases required. FHA loans are not the best loans. USDA Guarantee -. FHA straps the borrower with PMI for the life of the loan – we want something better than FHA. FHA credit standards have gotten much steeper with CV-19 (from 620 to 680); Laura can provide feedback to share with FHA.

a. State priority – KY legislation in 2019 increased the amount of funds from the County Clerk transactions but did not include an AHTF increase. There were some conversations initiated but pandemic stopped that work. To change the legislation now, it may be that the county clerks will see that as taking something away from them. Advocacy wants to know what the Caucus wants to push on – we will need to start working now as the 2021 session starts in January, 2021. Do you want to continue to work on AHTF and if not, what do you want to focus on? Member comments: Dave agreed that we missed our chance last year – Adrienne shared that lots of things lost steam last session. Tiffany Marthaler, KY Affordable Housing Coalition, is focusing on the state tax credit legislation in 2021. Lots of the House and ½ the KY Senate is up for re-election – hard to move when the players may change. KyHFH is interested in pursuing the AHTF fee change schedule. County Clerks – Assoc. director is Bill May and there hasn't been any response from him.

Wendy shared that KHC just received their last AHTF 2 quarterly payment transfers from Finance to KHC – Q4 is usually around \$1.2M, it was \$20,000 (trying to backtrack on that number) for the quarter ending 6-30-20. It would seem that the Courthouses being closed

from April to June delayed closings and decreased those funds. In a recent Interim Joint Committee, the Realtors Association said that everything is moving wonderfully! Seth suggested that we table the AHTF – his concern is that there will be a lot of state budget issues arising this year – it may be smarter to let the CV-19 dust settle before we pick this back up – thinking that if we call attention to the money, it might get absorbed in the Kentucky Budget issues.

Cassie noted that organizations are asking for more money than KHC is offering. KHC says that there is no possibility that they would receive more \$ than what they could put out. If increased AHTF, it would be used. Between multi-family and single-family and home repair demand, they will use all the AHTF dollars they receive... Cassie – AHTF for \$300,000 for smaller rental project development is needed.

Dave – AHTF repairs is all granted out to the KY Caucus nonprofits, but if people could pay back a little, the funds could be re-used. Previously AHTF was loaned out and the payments were utilized by the NPs for additional work/funding. Wendy asked Dave to send that proposal in writing. It would generate AHTF program income, but AHTF is flexible.

Josh asked for comments from the other Members. Dave suggested keep pushing.

Adrienne noted when Interim Joint Committee met and the KY Assoc. of Realtors identified everything is great, the representative did report that affordability remains an issue.... May be an opportunity with AHTF to address affordability. Is there a way of not reopening the legislation but continue to work? Adrienne noted that AHTF needs an overhaul – and include admin for it. It is easier to do a clean-up bill – not throwing out the baby with the bath water. This was the plan in March to introduce a clean-up bill Josh had written. Single-Family homeownership folks are interested in this – and those organizations are on this call – and KY Habitat for Humanity wants to pursue; HHCK will work with us but will not pursue without the partnership of Fahe Members. We would be competing with: State Tax Credit, improving landlord tenant laws.

Josh will work with Cassie, Vonda on how to come back to this for a Member discussion.

Alex noted we want to work it out so we are on the same page and have a consensus of the Members.

- Alex – Fahe is responding to interest seen in bringing someone into an organization to keep things going at a certain level – think succession. Advocacy wants active Fahe Members that keeps things moving in improving our communities in Appalachia. Thinking about creating a small fellowship type of program to bring in folks for support – using State Programs – partner up with NWA to provide stable program over years – market it. Talking to some state based groups (TN, WV, will talk with HHCK). Is that of interest to your organization? Would you be willing to offer housing during their 2 year term? Goal would be having them stay involved – either with your organization or in the network or in the community. This service person doesn't have to be young, but want people interested in investing in the community and in our Members.
- Dave Kreher in favor; would provide in-kind housing support. Folks have not showed an interest in living here (Walmart 30 miles away).
- Tom MB asked for more about level of expertise we want to attract? Not akin to AmeriCorps but something targeted at a different level of the organization. Alex noted a communications or finance person or a deputy director – what we see is that in the smaller organizations, it is hard to find the “right” person to take over the organization with a mentorship built in. Groups that might look at in-kind housing plus \$30,000/\$40,000 per year for a 2 year commitment. Members with the hardest issue to bring in that type of person on their own could/would join a Fahe cohort that would keep evolving with different Members participating.
- Cassie noted that she considers the AmeriCorps is one of the best way to find full-time employees – a two year on-ramp and being able to vet the employee.

- Alex will take this as positive feedback and come back with more information/detail on what this could look like – please send follow-up thoughts. This would have to work for the members – not just a good idea from Fahe. Target to have the plan in place by fall, 2021 for people to be placed by summer, 2022. Candidates from the region and nationally.
- c. Working Groups – Income Eligibility and Big Picture Policy Committee

Josh noted National advocacy points in the newsletter that came out today.

6) KHC Updates

- a. Covid-19 Update; ESG-CV and HOPWA-CV, Eviction Protection Program
Wendy shared that the ESG CARES Act funding was not received until August (expected sooner) – Emergency Shelter; rapid rehousing (HOME TBRA, Section 8) \$8.7 million for eviction prevention. CDC eviction moratorium makes ESG ineligible. Grants to homeless providers for \$ to help folks with eviction prevention. Grant agreements out across the state.
State-wide eviction Relief program. Site closed yesterday – based on estimates – may be overcommitted but will use KHC Admin – there is still a ton of work to get the funds out. (big effort on KHC's part in 6 weeks to commit \$15M – kudos)
- b. HOME, AHTF
Keli – appreciate the request from the Fahe Caucus and they are seeing similar conversations around the country on construction costs. Will keep admin at 7.5%; retroactive to July 1st, do revised set-ups with the new templates, effective until 6-30-21. Contingency cost – use it, but the project costs cannot exceed \$20,000. Homebuyer development – larger development gap – template has been updated – also can send in revised on new templates (yes, transfer your numbers manually so be careful).
- c. Multi-Family – non-credit/LIHTC
Wendy – opening in mid-November: Single-Family Homebuyer development, AHTF Home Repair, Multi-family non-credit. Optimize HOME and AHTF across SF development and MF development – trying to balance subsidy across the funding rounds. You can apply for both SF and MF; it may be that KHC can only fund one – will call and ask which one you want.
Nov. 16 application opens; closes mid-January; Awards end of February

Tom MB: Glad apps are not due at Christmas!

7) USDA Updates (Barry Turner, Erika King)

- a. Covid-19 – Update - 502/504 – Any anticipated timeline on staff in offices
Erika: Operating under CR until December; Eligible applicants that have a purchase contract, asking for 60 days extension to get RD process completed.
Moratorium on occupied properties being sold. Can sell vacant properties. 504 packager, there is a \$750 packaging fee - \$350 for USDA 502??
Jimmy, KRFDC, is there a potential to increase the 504 grant amount for elderly. Limit is currently \$10,000 –
Barry – share that with other USDA staff if you have the opportunity – advocate for that. Expressed appreciation for the work of the Members in their communities and helping USDA spend money.
Cassie – any updates on income limits pending? Barry noted they were under review. Timelines for moving paperwork, continued flexibility

8) Federal Home Loan Bank Updates (Cassandra Larcarte)

- a. Community Programs, AHP, CMPHF
Deadline for CMPHF is December 1st at 5pm; \$1 outstanding on funding
AHP closed 7-31-20; awards 11-19-20 after 2 pm. Sponsor or Member has to call; a newsletter comes out the next week. Reviewed award process. Any TA on your application is available in January, 2021.

AHP disbursements – ownership only projects via the member portal – let them know if you have issues. Pre approvals aren't required but recommended.

Changes on regulations – IP in January, 2021, all changes included. Homebuyers that have to sell within 5 year retention period and pay-back pro-rated amount, but any home improvements done (HVAC, carpet) in the retention period, those are taken into account as to how much \$ is owed to FHLB – keep receipts.

Let them know if training needed on programs.

Ribbon-cuttings/ground-breakings – let them know. Virtual or in person.

b. Update on HPN sponsored discussion on CDFI within FHLB system

9) HHCK update (Adrienne Bush)

Utilities – 15M for CAA's moratorium – public utilities rate increase has been submitted. Housing insecurity story banking – have rec'd some funds to do that work. Share your challenges/opportunities, someone who has successfully become a homeowner.

Vonda – Vice Chair for the upcoming year – thank you!

Vonda – shared members, have enjoyed participating, Sonya Redmond (HUD) very forthcoming at recent meeting. Not getting a lot of guidance from HUD – upstream State/Federal. She has shared her concerns, they are struggling internally because of the lack of info. Travis - TN have not touched theirs - same as KHC is doing.

10) CDBG-CV – DLG – has received HUD guidance; emphasis is broadband and waterlines. The people using the broadband and waterlines need homes to live in. What is the Caucus interest here?

Per KY DLG, Travis Weber pushing to get the CRF \$300,000M to local governments out – applications have to be in by Nov. 1st – may check to see if your local government is applying. Recovery funding of \$2.8M (\$200,000 per Recovery center) approved. Waiting on guidance from HUD on utility assistance. Heard from Sonia Redmond at HUD that things are moving slow. (footnote that TN has not yet used CDBG-CV).

11) Annual Meeting – 40th Anniversary Celebration – Debrief

Looking to the survey for your comments or can take them hear. Shared a few things we have heard – the afternoons were long; the time was much better than an all-day virtual meeting. Noted that we have heard lots of people were scrambling to do “something” this fall and we were glad we were planning for some type of event to have for the Annual Meeting – felt like we should be together to celebrate as best we could.

We will catch Jim when he gets returns to the meeting.

12) Fahe updates

a. Board Members Report/Update (Scott McReynolds, Seth Long)

Scott shared the board conducted Jim's review – he is doing a good job – and have passed the Fahe budget for FY2021. Seth noted he is impressed with the evaluation process for Jim's review as his board doesn't do that and feedback is good to have; Seth is also impressed with Jim. Jose noted the PRT Presentation at the Board Meeting *Interested in knowing more about the new FY 2022-2026 Strategic Plan? Contact Sara Ball at sball@fahe.org*

b. Fundraising Report (Sara Morgan)

-CARES Act – some small success in TN and still watching other states.

-Pending an allocation of CDFI \$ - to be used to increase lending in AL where we are expanding.

-A funder not yet named for investment in the Promise Zone – there will be some \$ to assist in building out an education strategy.

-Before CV-19, HPN network brought their Members (Fahe is one) together the FHLBs across the nation (presidents and staff) to talk about strategy. Fahe presented to FHLB in February and now some follow-up on this in the last couple of weeks. Laura has been in contact with Damon Allen – want to find a way for FHLB to capitalize loans – but they don't take losses.

Fahe Network's portfolio isn't what they are looking for. Looking at models for cross-collateralization.

-Noted Fahe has some Program Income we want to get out the door – we'd like to grant it to the Members – if there are suggestions on how Members can best use these funds, we would like to hear them.

Jim King shared about where we are coming out of the Annual Meeting. Had a pretty good event done virtually – have to work hard to celebrate – lots of excuses not to do something, but good to be together if virtual. Relationships will carry Fahe Network – powerful intentionality in being connected to each other and sharing at Caucus meetings – food, fellowship, good for the relationship.

1. Increasing amount of investment – what \$ can we bring to the region. Research, per capita, the region doesn't keep pace with the rest of the country. \$6B over the next 10 years.
2. Expanding capacity – Members – does the investment get directed to Fahe Members as leaders in your communities? Would like to see that capacity doubled.... New members, stronger organization, succession, new leaders, - big goal to reach 250,000/people/year (currently at 75-80,000/year)
3. New narrative - building the American Dream – it matters because every person would like to have a good job, good education, own a home, take care of myself and the people I love but that is not available to people equally. Opportunities may not be there (race, income, education). This matters in Appalachia. Fahe's voice is representative of people everywhere that would like to see that happen.
4. Strength in numbers goal – proverb – if you want to go fast, go alone, if you want to go far, go with friends (JK picked up from Nelson Mandela) – we have to have relationships. Building the kind of network and culture that would be inviting and to bring other people in to our tent. Grow our voice by 100 fold – its bold, don't know exactly how. What we do is powerful, special – we need to increase the number of people that know that and want to be on the team.

Impact matters, the power that we can advocate for the people in our region as well as other that are not dissimilar. Our economy and political system is not doing this.

We understand what it takes to go after the funding and how to best get the funding in the Members' hand - scaling up work we already do. Communication team is being overhauled and being deliberate on how we want to hire around that. Other changes are possible, if we need a rocket to go to the moon, we have to quit building the airplane.

Add a position in the advocacy team to be out with the Members to help organize in your community. Doing some intentional work with Members and being active in reaching out to funders and active in the political system to see what it will take – from national philanthropy and from the political administration – we are talking with both parties.

c. Fahe Member Updates (Vonda)

- **Reporting** – QE 6-30-20

– reporting for June was 87%; reporting for 9-30-20 is pending – reporting ties to the conversation we will have with Katy on Impact Planning as a Member training – the impact framework will tie to Jim's long-term goals for Fahe. We have to have the Members participate in the planning as our impact is the Members.

- Training for 2021; HUD Counseling; Reimbursements for Training, Fannie Mae

-This is important for future HUD funding – contact Jackie for information on training

- Rural Studio Opportunity follow-up – a couple of Members in KY have talked with Rural Studios, a couple in TN, one in VA. Seth asked about Rural Studio via chat.

d. John Niederman – Fahe Fellow – John introduced himself as he has just retired from Pathfinders after 35 years and had talked with Jim about sharing with Fahe during his sabbatical. John has met with eleven Fahe Members and would like schedule an hour to an hour and ½ with the other Executive Directors to talk about Social Enterprise, his experience and learnings. Please contact Angela to schedule time with John
astephens@fahe.org

e. Impact Planning (Katy Stigers)

Katy shared that she hoped folks would take time to read over the information in the packet and be prepared for a good discussion next Thursday morning. The Members drive the impact of Fahe and must be in the planning discussion. Looking forward to doing this work with the Members.

f. Fundraising (Sara M.) - *earlier*

g. Lending – Sara noted JCL has a Members only DPA, give her a call; Dwain has some specific programs – contact Dwain for CL products.

- Community Lending
- Just Choice Lending

Follow-up to Seth's question on **Rural Studio** – architecture/design educational group associated with Auburn University. Did a \$20,000 house; lots of energy efficiency; they are dreamers; need to be connected to groups that do the work on the ground and they are looking for partners to help them reach 100 houses in 2 years.

Jim shared some items he thinks will be BIG:

1-Housing counseling – counseling will be a big deal over the next few years;

2-refinance will be a big deal on mortgages; consider how to make a little money with your staff – talk with JCL;

3-CDFIs - National Press has been talking a lot about CDFIs – in both campaign platforms – if you have thought about being certified, now is the time. Compete for those funds as an opportunity – multi-billion dollar increase in the CDFI fund.

Watch those three things.

-Alex noted 2 other items to watch:

1-repair/energy efficiency money

2-recovery/opioid funds

Cassie closed the Caucus Meeting.

Next Caucus Meetings to be scheduled (February, 2021)

Upcoming Events

- 2020 MIT Student Report/Review Webinar coming soon
- Thurs. Oct. 29 – 11am: Monthly Training Webinar – Continuing Conversation on Impact Planning with Katy Stigers! – Appointment to follow!
- Nov. 9-13 – ReFrame Conference – Virtual: <https://reframeconference2020.sched.com/>
- Thurs. Nov. 19 – 11am: Monthly Training Webinar – Quarterly Reporting – updates for Federal FY2021, help for new reporters, answers to common questions, etc.
- Thurs. Dec. 17 – 11 am: Monthly Training Webinar – Communications Training
- Wed., Jan. 15 - Quarterly Reporting Due Quarter Ending 12/31/20
- Thurs. Jan. 28 – 11am: Monthly Training Webinar – Managing Rental Assets
- Thurs. Feb. 25 – 11am: Monthly Training Webinar – 502 Refresher
- Thurs. Mar. 25 – 11am: Monthly Training Webinar – Fair Housing Workshop
- April 22/23 – Fahe Spring Retreat
- Thurs. May 27 – 11am: Monthly Training Webinar – TBD
- Thurs. June 24 – 11am: Monthly Training Webinar – TBD
- Sept. 21-22-23 - SAVE THE DATE!! 2021 Fahe Annual Meeting, MeadowView Conference Center, Kingsport

Extension of the Increase in HOME/AHTF Limits

In response to a request from the KY Caucus, KHC is made the following interim program changes to address the escalation of construction costs:

- Single-Family Homebuyer Development: KHC increased the per-unit Development Gap Subsidy from a max of \$25K to \$35K.
- AHTF Home Repair: KHC increased the per-unit AHTF maximum from \$15K to \$20K.

These changes are currently in effect from June 2020 through June 2021. KHC plans to extend this period and will make that announcement soon.

HOME CHDO Operating Grants

Operating grants will double: KHC has doubled its allocation for CHDO operating grants (from \$200K in FY20 to \$400K for FY21). CHDOs will receive a grant that is double last year's amount. This is likely a one-time increase, and our aim is to support CHDOs primarily via developer fees, construction management costs, and CHDO proceeds.

KHC will get grant agreements out in the coming month: KHC is still waiting on funds from HUD, but we can reallocate some existing funds in order to go ahead and get the grants out to our CHDOs.

Current Application/Funding Rounds

KHC recently closed the application period for 3 funding rounds:

1. Single-Family Homebuyer Development (HOME & AHTF)
2. AHTF Home Repair (AHTF)
3. Multifamily Non-Credit Projects (HOME, AHTF, and SMAL)

KHC's aim is to optimize HOME & AHTF funding across all three project types. We expect to make award announcements in late February/early March. Here's where we are with available funding:

FY21 Available Funds by Project Type*

HOME	
Homeownership Production/CHDO Projects	\$4,261,701
Rental Production (credit and non-credit)	\$2,878,555
AHTF	
Homeownership Production	\$1,840,104
AHTF Home Repair	\$2,056,500
Rental Production (credit and non-credit)	\$910,000
TOTAL	\$11,946,860
Funding for Single Family Projects	
SF Homeownership Production	\$6,101,805
AHTF Owner-Occupied Repair	\$2,056,500
TOTAL	\$8,158,305

*Excludes funds already committed to approved projects.

KENTUCKY USDA-RD UPDATES

We have received a portion of our funding allocation for FY2021 in both the direct and guaranteed loan programs. Funding for both of these programs is available. We also have 504 loan funds readily available. We have not received a lot of 504 grant funding at this time and those funds are currently unavailable for all intents and purposes. We are not sure at this time when additional 504 grant funds will be available.

All of our Field Offices are processing all applications received, both 502 direct loan and 504 loan/grant.

Our foreclosure servicing moratorium has been extended through March 31, 2021. It is expected that this will be extended again, but we have not received any official word at this time. We are able to service and sell vacant foreclosure properties under the moratorium.

Specific 502 Guaranteed Loan Program Updates:

IMPORTANT GUS CONVERSION DATES:

- February 26, 2021 – At the close of business on this day, Legacy GUS will no longer be available for editing or processing applications. Legacy GUS will be available to users in a view only capacity so that historical data is accessible for up to one year.
- February 27-28, 2021 – All Single-Family Housing Guaranteed Loan Program (SFHGLP) systems will be unavailable to facilitate the transition to New GUS.
- March 1, 2021 – New GUS goes live. Existing applications in Legacy GUS that have not received a Conditional Commitment will require the application to be reentered into New GUS for consideration by USDA.



APPLICATION PACKAGER LOAN NARRATIVE

During Kentucky's 2020 Internal Compliance Review, a deficient process was identified pertaining to Loan Narratives submitted by our application packagers. The review found that Loan Narratives did not meet the minimum requirements. The following is part of our Corrective Action Plan and intended to remedy the issue.

The purpose of the loan narrative is to explain why the packager thinks that the application would be a good fit for the 502 or 504 Direct Program.

The narrative should be detailed enough to give the loan processor an idea of the potential eligibility of the application, highlight any circumstances that may be outside ordinary loan standards, and address why the loan packager believes that waivers or exceptions could be made in the applicants' case.

The narrative must cover the following:

- Overall application recommendation
- Creditworthiness including derogatory and/or alternative credit when applicable
- Review of income eligibility, stability, and dependability
- Repayment ability
- Payment shock
- Explanation of any exceptions being requested
- Any additional information relative to understanding the file
- Preferred contact information including time and method

Any narratives received that do not cover the minimum requirement will be returned to the packager for correction.

Please direct any questions to your RD Field Staff partners.



December 7, 2020

Rural Development

Elizabeth Green
Acting Administrator

Rural Housing Service
1400 Independence Ave, SW
Room 5014-S
Washington, D.C. 20250

Telephone: (202) 692-0268

TO: State Directors
Rural Development

ATTN: Program Directors
Single Family Housing

FROM: Elizabeth Green /s/ **Elizabeth Green**
Acting Administrator
Rural Housing Service

SUBJECT: Temporary Authorization for Fiscal Year 2021
Single Family Housing Direct Programs

PURPOSE:

This memorandum provides temporary authorization to accept appraisals obtained by self-help grantees, certified loan application packagers, and Agency-approved intermediaries. This temporary authorization is needed given the record-high market demand for purchase appraisals and the timeliness issue this demand can cause.

This temporary authorization is effective as of the date of this memorandum and expires on September 30, 2021.

BACKGROUND:

In general, appraisals for the direct programs are ordered under the nationwide contract with Appraisal Management Companies (AMCs). Given the demand for appraisals and the remoteness of some rural homes, the authorized third parties (self-help grantees, certified packagers, and Agency-approved intermediaries) may be able to work with local appraisers to obtain acceptable appraisals more timely than the contracted AMCs.

IMPLEMENTATION RESPONSIBILITIES:

The Agency will temporarily accept appraisals ordered by self-help grantees, certified loan application packagers, and Agency-approved intermediaries
PROVIDED:

EXPIRATION DATE:
September 30, 2021

FILING INSTRUCTIONS:
Housing Programs

- Once a property has been identified, but prior to the submission of the Attachment 3-A of HB-1-3550 Phase 2 cover letter property documentation, the authorized third party:
 - Notifies the Rural Development (RD) processing office of their intent to order the appraisal and the cost of the appraisal (though it will not be ordered at this time).
 - Within three business days of receiving this notification, RD will issue the applicant a Loan Estimate (LE) tailored for this temporary authorization along with a tailored Handbook Letter 5. This LE has an applicant signature line and can be found on the [SFH Direct SharePoint](#) site along with the letter.
 - RD will list the cost of the appraisal as provided by the third party (which may exceed the Agency's prevailing appraisal fee).
 - Orders the appraisal **only** after:
 - Receiving notification from the RD processing office that the applicant has signed the LE.
 - Explaining to the applicant that they are ordering the appraisal on the applicant's behalf and that the applicant will have to cover the fee, out-of-pocket, if the loan does not close.
- The authorized third party provides the RD processing office with a copy of the paid invoice for the appraisal along with a copy of the appraisal that:
 - Meets the Uniform Standards of Professional Appraisal Practice and Agency appraisal standards.
 - Lists Rural Development as an "intended user".
- The appraisal is reviewed for acceptability by the Agency.
 - Field staff must enter information on the usage of this temporary authorization into the SFH Direct SharePoint (LINK) for tracking purposes.
 - The RD processing office completes Form RD 1922-15, "Administrative Appraisal Review for Single Family Housing."
 - At a minimum, the first five appraisals obtained by a third party will receive a pre-closing technical review.
 - All appraisals submitted by third parties, which are subject to a technical pre-closing review, must be entered into the [Appraisal Hub on SharePoint](#) to assist with the monitoring of performance and compliance. When completing the appraisal review request, select "Third Party Section 502 Direct UL" in the "Program Name" field and upload the appraisal report and the completed Administrative Appraisal Review form.
 - RD staff appraisers should complete their review within 3 business days. At the discretion of the appraisal staff, additional revisions or reviews may be required.
 - When additional revisions are needed, they will be addressed by RD staff appraisers, in coordination with the loan specialist, and the third party.
- Once the Administrative Appraisal Review (and any applicable technical pre-closing review) determines the appraisal is acceptable, the RD processing office must ensure the applicant is promptly provided a copy of the appraisal, which must be at least three business days prior to closing.

- The SFH Direct Loan Division and the Appraisal Services Branch will coordinate and assess the performance of this temporary authorization on an ongoing basis.

Loan funds may be used to reimburse the payor of the appraisal fee at loan closing. The amount of reimbursement for the appraisal can exceed the Agency's standard appraisal fee. The RD processing office will send the paid invoice for the appraisal and instructions for "paid outside of closing" reimbursement to the closing agent for proper disclosure and settlement.

State Offices and authorized third parties with questions regarding this memorandum can contact Jeremy.Anderson@usda.gov with appraisal related questions and Andria.Hively@usda.gov with TRID related questions.

Housing Preservation Grants

What does this program do?

It provides grants to sponsoring organizations for the repair or rehabilitation of housing occupied by low- and very-low-income (1) people.

Who may apply for this program?

- **Most State and local governmental entities**
- **Nonprofit organizations**
- **Federally recognized Tribes**
- **Individual homeowners are not eligible**

What is an eligible area?

Areas that may be served include:

- Rural areas and towns with 20,000 or fewer people – Check eligible addresses
- Federally recognized Tribal lands

How may funds be used?

- Applicants provide grants or low-interest loans to repair or rehabilitate housing for low- and very low-income (1) homeowners
- Rental property owners may also receive assistance if they agree to make units available to low- and very low-income (1) families
- Eligible expenses include:
 - Repairing or replacing electrical wiring, foundations, roofs, insulation, heating systems, and water/waste disposal systems
 - Handicap accessibility features
 - Labor and materials
 - Administrative expenses
 - For a complete list, see Code of Federal Regulations (CFR) 1944.664

How do we get started?

Applications are accepted on an annual basis through a Notice of Funding Availability (NOFA) in the Federal Register.

Who can answer questions?

Contact your RD State office.

What governs this program?

- Code of Federal Regulation, 7 CFR 1944-N
- RD Instruction 1944-N
- RD Instruction 1940-L, Methodology and Formulas for Allocation of Loan and Grant Program Funds
- RD Instruction 1940-G, Environmental Program
- RD Instruction 1901-E, Civil Rights Compliance Requirements
- This program is authorized by Title V of the Housing Act of 1949

NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled “What Governs This Program?” You may also contact your local office for assistance. You will find additional forms, resources, and program information at rd.usda.gov. USDA is an equal opportunity provider, employer, and lender.

Fahe Caucus

FHLB CINCINNATI HCI PROGRAM UPDATE

AHP Application

- The application will open on May 31, 2021 and closing on July 30, 2021.
- Live AHP workshops will not be held this year, however, webinars will be available on website prior to the application opening.
- TA calls to discuss 2020 application can now be scheduled.
- Notable changes for this year
 - Member participation capped points increased from 5 to 6.
 - First-time homebuyer points increased from 5 to 6.
 - Headstart, preschool, and after-school programs are now eligible under Daycare Services scoring criterion.
 - Project sponsorship capped points, for eligible sponsors, was increased from 5 to 7.
 - Removed scoring categories for utilization of vacant/foreclosed property and adaptive reuse.
 - Increased the TPC/unit feasibility guideline from \$200,000 to \$215,000.
 - Increased developer fee allowed for owner-occupied rehab projects from 10 to 15 percent.
- All AHP application changes and criteria for 2021 can be found in the implementation plan on our website.

AHP Disbursements

- FHLB will no longer accept pre-approvals for owner-occupied rehab projects. Pre-approvals are optional for all other ownership projects. Training is available on approval requirements if needed.
- Disbursement live webinars will be conducted in March. Sponsors will receive an email for dates and registration information.
- Third-party verification documentation for AHP disbursements are no longer required to be dated within 180 of submission to the FHLB. All verifications should be dated within the year of the owner application for the AHP unit.
- Utilize the most recent request forms and retention language for all disbursements. Forms can be found at <https://www.fhlbcin.com/housing-programs/affordable-housing-program/>.

AHP Compliance

- Periodic Progress Reports were forwarded to Sponsors for all open projects on February 1, 2021, and were due February 10, 2021. If this has not been submitted, please do so ASAP.

Welcome Home Program

- Program will open on March 1, 2021 with all disbursements required by December 1. Funds are first-come, first served.
- Eligible households must be at or below 80 % of the Mortgage Revenue Bond (MRB) for the county in which the home is being purchased.
- Grants are offered up to \$5,000, or \$7,500 for military households for down payment and closing cost.
- Webinars and all required documents are currently available on the website.

OTHER

- Contact Cassandra Larcarte at **larcartecl@fhlbcin.com**, or Connor Creaghead at **creagheadcb@fhlbcin.com** if an organization in which you are involved would like group training on any of the HCI programs.
- If celebrating a ribbon cutting, ground breaking, or other event involving FHLB Cincinnati funds from any HCI program, please contact us. We would love to participate virtually, and if possible, at in person events. Contact Brooke Smith at **SmithB@fhlbcin.com**, or HCI staff.

HCI RESOURCES

Information on all programs offered, as well as manuals, forms, and recorded webinars, can be found on the FHLB website at www.fhlbcin.com/housing-programs/.

Contact FHLB directly using one of the following:

- **Welcomehome@fhlbcin.com** for welcome home and Subsidy payoff questions
- **AHPApplication@fhlbcin.com** for application questions (the AHP online application also communicates from this address)
- **AHPDisbursement@fhlbcin.com** for disbursement questions
- **AHPmonitoring@fhlbcin.com** for compliance questions



Fahe Updates!

QUARTERLY REPORTING – 12/31/2020

State	Org Name	
KY	Beattyville Housing and Development (BHD)	Reports sent - 1/12 - Wilma K
	Bell Whitley Community Action Agency (BWCAA)	
	Christian Appalachian Project (CAP/SV)	Reports Sent - 1/14 - Jamie C. Sonya B
	Christian Outreach with Appalachian People (COAP)	Reports Sent. -1/17 - Donna Noe
	KY River Foothills Development Council (KRFDC)	Reports Sent - 1/4 - Georganna K
	Housing Development Alliance (HDA)	Reports Sent - 1/6 - Cyndi M
	Housing Oriented Ministries Est. for Services Inc (HOMES)	Reports sent - 1/18 - Michelle S
	KCEOC	Nothing to Report - 11/22 - Jennifer S
	Kentucky Mountain Housing Development (KMHDC)	Reports sent - 1/14- Linsday W
	KY River Community Care (KRCC)	Nothing to report - 1/5 - Lottie H
	People's Self-Help Housing (PSHH)	Reports Sent - 1/20 - Brenda C
	Kentucky Highlands Investment Corp. (KHIC)	Reports sent - 1/11 - Genia H
	Partnership Housing (PH)	Reports sent - 1/5 - Rachael Y

All Caucuses:

Without NWOs			With NWOs		
Total Organizations	43		Total Organizations	51	
Turned in by 7/10	8	18.60%	Turned in by 7/10	16	31.37%
Turned in by 7/15	20	46.51%	Turned in by 7/15	28	54.90%
Turned in by 7/25	32	74.42%	Turned in by 7/25	40	78.43%

KY Members:

KY Organizations	13		KY Organizations	15	
Turned in by 7/10	4	30.77%	Turned in by 7/10	6	40.00%
Turned in by 7/15	8	61.54%	Turned in by 7/15	10	66.67%
Turned in by 7/25	12	92.31%	Turned in by 7/25	14	93.33%

Totals reported to NWA – (without production from Members that are NWOs.) This includes a new section of Emergency services that we are filling out for NWA:

Projects: 271

People Served: 1618

Investment: \$13,339,570.30

Carol M. Peterson Housing Fund – nothing yet published on FHLB-CIN website but please be thinking about whether you want to submit your projects with Fahe as your Member Bank. **We will be asking in April/May to see if you want to partner with us this year.**

Passed along by Brittney Murphy, Fahe CFO: Here is a good resource for learning about the **Employee Retention Credit** and a spreadsheet to see if you qualify. It was provided by RSM, out of Cincinnati.

Are you taking advantage of the Employee Retention Credit of up to \$19K per employee? You may have initially thought you were ineligible, but there are benefits that are not widely known.

The Consolidated Appropriations Act (CAA) (the additional COVID-19 stimulus package passed by Congress at the end of 2020) has a provision that may benefit you. Prior to the CAA, if you received a Paycheck Protection Program (PPP) loan, you were not eligible for the Employee Retention Credit (ERC). The CAA retroactively allows an employer with a PPP loan to apply for the ERC if the company's facts support use of the credit. The ERC is generally provided as a payroll tax refund from the IRS.

You cannot double-dip, that is, use the same wages for both the PPP and the ERC. However, you may have additional wages that may qualify for a credit for 2020 if the wages you paid to employees in 2020 exceed your PPP forgiveness amount.

You may also qualify for the ERC through June 30, 2021. There were some favorable changes which can be found on this video: [Game-changing updates to the Employee Retention Tax Credit](#). You should look at the potential 2020 credit first because that information should already be available.

IF:

- 1) You were fully or partially affected by a government shutdown order, or
- 2) Your gross receipts for quarters two, three or four of calendar 2020 were 50% or less than your gross receipts in the corresponding quarter of calendar 2019 you should take a look.

You can use [this worksheet](#) to see if your organization would qualify.



Welcome Home

JustChoice Lending and the Federal Home Loan Bank of Cincinnati have partnered to offer a \$5000 grant for down payment and closing cost assistance to qualified buyers.

- Applicants must contribute no less than \$500 towards the closing but up to \$300 of that may be a gift
- Applicants need not be a 1st time homebuyer; 1st time buyers must complete a Homebuyers Education Course
- 5 year deed restriction
- Allow 4–6 weeks for approval
- Subject to restrictions and funds availability

Must be under the following limits to be eligible:

County	1-2 person household	3 or more person household
Madison	\$53,184	\$62,048
Laurel	\$42,400	\$48,760
Rockcastle & Pulaski	\$50,880	\$59,360

For more information, contact David Brock, Mortgage Loan Originator - #NMLS 51115, at 866.367.0855 x2111 or 859.779.3404, or visit us at 444 Chestnut Street in Berea.

Brought to you by:

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Do Better for Your Community



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