

Appendix VI: Overview of Current State and Cooperative Federal Programs to Support Housing that are Available in the County

Ulster County Housing Strategies Report
Ulster County Housing Consortium
June 30, 2005

The following represents an inventory and overview of existing state and state-administered programs that assist in various aspects of the affordable work force and affordable housing issue. This section includes information that has been assembled (both paraphrased and “cut and pasted”) as an information resource (including live links for those reading this in electronic format) is intended to provide details and contact information for interested readers.

A. Inventory of Available Housing Programs in the State of New York and Ulster County

In this section of the study, research was conducted on existing housing programs available to potential homeowners and renters, and to developers and organizations involved in affordable housing activities in the county. These programs include a review of those initiatives available from the state of New York (including both state programs and those administered in cooperation with the federal government), as well as other non-state, non-federal programs that are currently available within the county. This inventory was completed for the purpose of identifying and describing existing programs available to county residents, non-profit organizations, and developers to expand the inventory of available housing. This research identified nearly a dozen significant programs on the state and county level. These programs (along with their corresponding websites where available) include:

1. The Fannie Mae Program
<http://www.fanniemae.com/aboutfm/index.jhtml?p=About+Fannie+Mae>
2. USDA – Rural Development Housing Programs
<http://www.rurdev.usda.gov/rhs/>
3. The Homeless Housing & Assistance Program (HHAP)
http://www.otda.state.ny.us/cgo/hhap/dec04/HHAP_RFP_29DEC04.htm
4. The Low–Income Housing Credit Compliance Monitoring (LIHC)
<http://www.dhcr.state.ny.us/ocd/pubs/html/lihcqap.htm>
5. New York State HOME Program
<http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-25.htm>

6. Low-Income Housing Trust Fund Program (HTF)
<http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-21.htm>
7. Residential Emergency Services to Offer (Home) Repairs to the Elderly (RESTORE)
<http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-27.htm>
8. Homes for Working Families (HWF)
<http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-26.htm>
9. Housing Development Fund (HDF)
<http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-22.htm>
10. New York State Low Income Housing Credit (SLIHC)
<http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-28.htm>
11. Rural Rental Assistance Program (RRAP)
<http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-23.htm>
12. The Mortgage Insurance Fund
<http://www.nyhomes.org/mif/aboutMif.html>
13. The State of New York Mortgage Agency (SONYA)
<http://www.nyhomes.org/sony/sonyma.html>
14. The New York State Affordable Housing Corporation
<http://www.nyhomes.org/ahc/aboutAhc.html>
15. The New York State Housing Finance Agency
<http://www.nyhomes.org/hfa/aboutHfa.html>
16. The New York Main Street (NYMS) Program
http://www.nyswaterfronts.com/news_storydisplay.asp?ID=26
17. The Rural Ulster Preservation Company (RUPCO)
<http://www.rupco.org/pages/homeown.html>
18. The Shandaken Revitalization Plan, Inc.,
<http://www.sharpcommittee.org>
19. The Strand Community Organization to Rehabilitate the Environment (SCORE) (No website listed)
20. The Section 8 Rental Assistance/ Housing Choice Voucher Program
<http://www.hud.gov/offices/pih/programs/hcv/index.cfm>

B. Short Description for Existing Housing Program Activities

1. The Fannie Mae Program

The Fannie Mae program makes it possible to buy a home with much less cash up front by providing a secondary market for lenders for low down-payment mortgages, removing a stumbling block that many homebuyers—particularly those with young and middle income families—often have with conventional mortgages and their corresponding down payment requirement. Fannie Mae also has programs designed to provide educational and other assistance to prospective homeowners, and to encourage employers to implement Employer-Assisted Housing (EAH) programs so that these companies can attract and retain employees in reasonably close commuting distance to their facility's location.

Since 2002, the Fannie Mae program indicates that it has served 1,164 county households, providing over \$244 million in purchase money for mortgages for middle income families that have less than or equal to 165% of the Area Median Income—or an estimated \$93,225 in household income per year for Ulster County. In Ulster County, over \$12 million in low down payment mortgages were purchased through the program representing a total of 79 loans in 2002. The program activity is ongoing.¹

2. USDA – Rural Development Housing Programs

USDA Rural Development administers a variety of loan and grant programs to assist very low and low-income individuals, State, local, private and nonprofit organizations to assist in creating homeownership opportunities in rural areas. Single-Family and Multi-Family Housing Programs are designed to finance and facilitate the development of housing in rural communities. The local office of Middletown Service Center based in Orange County, NY provides housing program services to Ulster County individuals and organizations.

3. Homeless Housing & Assistance Program (HHAP)

The Homeless Housing and Assistance Program (as enacted by Chapter 61 of the Laws of 1983), authorizes state financial assistance to provide grants or loans to acquire, construct or rehabilitate housing in order to expand the supply of housing for low income persons who are, or would otherwise be, homeless. In November of 2000, Governor Pataki announced \$38.9 million in HHAP funding to help 41 community groups across New York provide housing and support services to homeless individuals and individuals with AIDS or HIV related illness. RUPCO has a total of three programs funded by HHAP. The Family of

¹ Personal Contact with Fannie Mae Program.

Woodstock, Inc. in Ulster County received \$841,350 from the total HHAP funding in the year 2000. The project activity is ongoing.²

4. Low–Income Housing Credit Compliance Monitoring (LIHC)

Through the Tax Reform Act of 1986, the federal government established the Low-Income Housing Credit Program to promote investment in the production and retention of affordable low income rental housing. The program provides a dollar-for-dollar reduction in federal income tax liability for project owners in direct relation to the number of affordable housing units they produce. In 1999, Low Income Housing Credit Program provided \$213,797 for the Two Plus Four Construction Co. Inc. to create or rehabilitate housing units for low- income seniors, families, disabled individuals and first-time home buyers.

5. New York State HOME Program

HOME programs use federal funds to expand and preserve the supply of safe and affordable housing within the State of New York. Through partnerships with counties, towns, cities, villages, private developers and local community development corporations, the programs help fund the acquisition, construction and rehabilitation of affordable housing and provide assistance to eligible home buyers and renters. In 1999, Ulster County, as part of the Hudson Valley region, received \$175,000 funding under the HOME program for Strand Community Organization to Rehabilitate the Environment. In 2001, Shandaken Revitalization Plane Committee Inc and RUPCO each have received \$400,000 for construction of 22 and 25 units of housing. In 2002, local HOME program funded RUPCO, Ulster County to receive \$245,000. In 2004, RUPCO and the village of Ellenville (RUPCO) received funding of \$1,000,000 and \$400,000.

6. Low-Income Housing Trust Fund Program (HTF)

The Low-Income Housing Trust Fund Program (HTF) provides affordable housing for seniors, families and individuals. The program constructs new housing to rehabilitate vacant or under- utilized residential properties and to convert vacant non-residential properties to residential use. The program can permanently finance construction costs, predevelopment costs and working capital projects for low-income occupants. In 2002, HTF funded Ulster County to receive \$1,208,436 for Kerhonkson Housing Group Limited Partnership and \$698,945 for Marlborough Associates II, LLC. In 2004, Ulster County received \$1,400,000 HTF funding for construction of 60 units housing project.

7. Residential Emergency Services to Offer (Home) Repairs to the Elderly (RESTORE)

² Personal contact with Family of Woodstock, Inc. Finance Department.

The RESTORE program helps pay for the costs of emergency repairs in home owned and occupied by seniors, when they cannot afford to make the repairs themselves. The program follows the same rules and regulations as Housing Trust Fund Corporation. In 2001, RESTORE funded Ulster County \$50,000 for Strand Community Organization to Rehabilitate the Environment.

8. Homes for Working Families (HWF)

HWF is a housing development program that provides financial assistance to Housing Trust Fund Corporation (HTFC) for project use such as senior rental projects or new construction/rehabilitation of family rental housing. Since more than 50% of the project cost can be financed with tax-exempt bonds from the state, the program actually enables the project to receive an allocation of 4% in Low-Income Housing Credit (LIHC). However, as a requirement, 100% of project units must follow LIHC rent restriction rules and regulations. No reported program activities were found in Ulster County.

9. The Housing Development Fund (HDF)

HDF provides loans to not-for-profit and charitable corporations that are interested in constructing or rehabilitating housing projects for low-income occupants. HDF offers temporary, interest free loans that are divided into three categories of predevelopment phase, acquisition and construction and could last up to three years. Besides rehabilitation or construction projects, HDF loan can also be used for purchase of the project site. All areas in New York state are eligible HDF financing. No reported program activities were found in Ulster County.

10. The New York State Low Income Housing Credit (SLIHC)

SLIHC follows same manners as LIHC program. That is providing dollar-to dollar reduction in certain New York State income taxes. Over 10-year period the taxes receive a reduction in order for eligible tenants to build and maintain affordable housing for at least 15 years. The difference between LIHC and SLIHC is that while LIHC serves tenants that have an income level of up to 60% of area median income, the SLIHC serves to tenants that have an income level of up 90% of area median income. In addition to that, SLIHC can also assist households with income between 60% and 90% of area median income if there is a scoring preference. No reported program activities were found in Ulster County.

11. The Rural Rental Assistance Program (RRAP)

RRAP provides month rent subsidies for eligible occupants who are residing in projects constructed or rehabilitated with mortgage financing under the Section 515 Rural Rental Housing Program. Section 515 provides direct loans to sponsors of multi-family rental housing for occupants of low- and moderate-income families. RRA program subsidy can last up 15 or 25 year period. No reported program activities were found in Ulster County.

12. SONYMA Mortgage Insurance Fund

SONYMA's Mortgage Insurance Fund ("MIF") promotes the preservation and revitalization of neighborhoods throughout the State of New York by insuring mortgage loans and thereby encourages the investment of mortgage capital by commercial and public lenders. MIF was created in 1978 to address housing and development needs in areas of New York State.

The Policy and Planning Department of SONYMA's MIF and HFA Programs indicates that from 1999 to 2005 to-date, SONYMA's Mortgage Insurance Fund insured a total of 5 projects in the county, totaling \$4,970,000 of total loans impacting 210 units county-wide.

13. State of New York Mortgage Agency (SONYA)

The SONYMA's Low Interest Rate Mortgage Program provides below market interest rate mortgages to qualified low- and moderate-income first-time homebuyers with low down payment mortgage (up to 97% of the value of the property³) financing on one- to four- family dwellings and cooperative apartments. The program is financed by SONYMA through the sale of tax-exempt bonds and has purchase price limits. Ulster Savings originated 55 SONYMA loans for \$4.3 million in 1997, 62 loans for \$4.5 million in 1998, and 16 loans for 1.2 million in the first quarter of 1999. In 1999, 2000 and first half of 2001, the bank originated a total of 86 loans for \$6.3 million, 76 loans for \$5.4 million and 33 loans for \$2.5 million. In 2002, 2003 and 2004 Ulster Savings originated 85 SONYMA loans for 7.7 million, 35 loans for 2.9 million and 97 loans for 11 million.⁴

14. New York State Affordable Housing Corporation

The AHC provides financial assistance, as a part of a package of other private and public investment, for the construction, acquisition, rehabilitation, and improvement of owner-occupied housing.

The Policy and Planning Department of SONYMA's MIF and HFA Programs reported that since 1999, AHC have awarded 3 projects in Ulster County totaling

³ Thus, the potential buyer has only a 3% down-payment requirement (plus closing costs).

⁴ Telephone interview with Mr. Jeffrey Woods of Ulster Savings Bank (845) 338-6322.

\$930,000 in AHC award funds. These funds impacted a total of 48 units in the county.

15. New York State Housing Finance Agency (NYHFA)

The New York State Housing Finance Agency was created to assist in the financing of low income housing by raising funds through the issuance of municipal securities and the making of mortgage loans raised in that manner available to eligible borrowers. The NYHFA is authorized to issue bonds to reimburse the State for appropriated expenditures for various housing programs. More recently, the Agency's mission has been focused exclusively on creating and preserving affordable housing.

The SOMYMA's Department of Policy and Planning indicates that the MIF and HFA Programs between 1999 and so far through 2005 financed 1 project in the county. This project impacted 89 units with a \$1,000,000 mortgage and \$880,000 of Low Income Housing Tax Credits.

16. New York Main Street Program (NYMS)

According to Citizen Participation Plan of New York State's Action Plan for Program Year 2005, the Division of Housing and Community Renewal (DHCR) and State agencies are designed to assist Ulster County (and other counties) with resources to: (1) expand home ownership, (2) provide affordable housing for seniors and families, and (3) rehabilitate existing housing stock. However, local governments and developers must submit competitive applications for resources to assist in these efforts.

The NYMS Program provides grants to stimulate reinvestment in mixed-use (commercial/civic and residential) "main street" buildings in order to address issues of code compliance, energy conservation, accessibility, and to provide affordable housing and job opportunities. The Housing Trust Fund Corporation (HTFC) objective is for the NYMS program to be a catalyst of creating of new affordable housing opportunities within these mixed-use centers.

In January of 2005, Governor Pataki announced nearly \$11 million in awards under the New York Main Street Program's first funding round. These funds are to be used to stimulate downtown revitalization in communities across New York State by providing funding for building renovations, streetscape enhancements and downtown business or cultural anchors. In the county, RUPCO was awarded \$200,000 in first round funding and has a \$400,000 program application pending. In addition, the Shandaken Revitalization Plan Committee, Inc. was an award recipient in this round of funding receiving \$200,000.

17. Rural Ulster Preservation Company (RUPCO)

RUPCO's Neighbor Works Home Ownership Center offers homeownership programs "to assist low/moderate income households in Ulster County achieve the dream of homeownership." The program provides educational, down payment, and closing cost assistance to qualifying constituent households. In 2004, RUPCO assisted over 200 families in Ulster County obtain the "American Dream of Homeownership" and have assisted more than 60 others with necessary rehabilitation. In August of 2004, RUPCO received \$1 million to create homeownership housing in Ulster County through the HOME program. RUPCO is using the \$1 million in HOME LPA funds to assist in building 40 new units of single family homes for sale to low-to moderate-income families.

18. Shandaken Revitalization Plan Committee, Inc.,

The Shandaken Revitalization Project (SHARP) Committee, Inc. also known as Shandaken Housing Association to Rehabilitate Phoenicia (SHARP) is a Rural Preservation Company that develops and maintains affordable housing for the low- and moderate-income residents in three towns of Ulster County: Olive, Woodstock and Shandaken. The Committee also assists these same communities with economic revitalization projects.

In May of 2001, Governor Pataki announced \$23.5 million in support to provide affordable rental and home ownership opportunities to families and disabled New Yorkers, and to low income families and seniors. The awards were made by the State Housing Trust Fund Corporation to municipalities and nonprofit groups for the administration of local programs. The Shandaken Revitalization Project Committee, Inc was a recipient of these HOME program funds to expand and preserve the supply of safe and affordable housing within the State of New York, including Ulster County (see above).

In addition to the NYMS program funds, the committee also received a total of \$400,000 in Home funds as well to assist in the provision of 22 safe and affordable units in the county in 2001. The Committee also operates a referral service for eligible households under Section 8 housing vouchers program

In 1999, Governor Pataki announced that \$74 million would be awarded to create or rehabilitate more than 3,748 housing units for low- income seniors, families, and disabled New Yorkers. The funding would also help in assisting elderly homeowners with the cost of emergency repair and 395 first-time home buyers. The Low Income Housing Credit Program funded Shandaken Revitalization Plan Committee to receive \$300,000.

19. Strand Community Organization to Rehabilitate the Environment (SCORE)

SCORE, Inc. provides affordable housing to low-income families in Ulster County. SCORE also works on new construction development plans to provide home ownership opportunities to low- and moderate-income residents. In 1999,

as it was mentioned above SCORE have received \$175,000 to create or rehabilitate housing units for low- income seniors, families and disabled individuals as well as first-time home buyers. In May of 2001, Governor Pataki announced \$23.5 million in support to provide affordable rental and home ownership opportunities to families and disabled New Yorkers, and to low income families and seniors. Ulster County received a total of \$50,000 from this program to assist in the restoration of 15 units of affordable housing in that year.

20. Section 8 Rental Assistance/ Housing Choice Voucher Program

New York State Division of Housing and Rural Community’s Housing Choice Voucher (HCV) Program (the Section 8 Voucher program) provides rental assistance and home ownership option to extremely low, very low and low income households in New York State. The program also provides assistance to senior citizens and disabled persons on fixed incomes, displaced families, and homeless individuals with disabilities. Currently Ulster County is registered in three municipalities that carry out Section 8 Voucher Program: the town of Kingston, Wawarsing and the town of Saugerties. RUPCO provides Section 8 Voucher Program on the county level.

Currently, the number of Section 8 vouchers administered in the county totals just over 1,500 units administered by RUPCO, the Kingston CDA, the Saugerties PHA, and the Town of Wawarsing as follows:

Name and Contact Information	# of Section 8 Vouchers
<u>RUPCO (Ulster County)</u> Phone: (845)331-2140	1,152
<u>Kingston CDA</u> Phone: (845)334-3926	237
<u>Wawarsing</u> Phone: (845)647-8686 Fax: (845)647-1442	144
<u>Saugerties P H A</u> Phone: (845)246-2800 Fax: (845)246-4740	180

B. Detailed Description of New York State and Federal-State Cooperative Programs

The first area presents an inventory of state or federal-state cooperative programs. These run a wide range of programs, and include all of the types of state and cooperative federal-state programs that would be expected in a regional housing market.

1. Fannie Mae Program (Federal-State)

Fannie Mae Corporation

Website: <http://www.fanniemae.com/aboutfm/index.jhtml?p=About+Fannie+Mae>

Program Purpose:

The Fannie Mae Corporation is a large public company that buys and sells mortgages on the secondary market. That means that Fannie Mae does not deal directly with people looking for a mortgage loan, but instead works to make more money available to lending institutions (e.g. leverages funds of those lending institutions), so that those institutions are able to write more mortgage loans than would be the case without this secondary market mechanism. Fannie Mae agrees to finance mortgage loans that a bank makes to customers, and sets preferred interest rates and down payment requirements to assist in increasing the affordability of those mortgages to those lending institutions' mortgage customers.

As part of its corporate mission, Fannie Mae is committed to making homeownership affordable to more people. In order to make homeownership more affordable for low-, moderate- and middle-income families, Fannie Mae has developed a number of specialized mortgage and other products. These products include mortgages with lower down payment requirements or more flexible standards, Employer-Assisted-Housing (EAH) programs, and home-buyer education programs.

Fannie Mae also offers a number of products and services that target those with special housing needs. Sample populations include:

1. Seniors
2. Residents of rural housing areas
3. Native Americans
4. People with disabilities

Fannie Mae also has programs that are designed to help companies and organizations who are struggling to attract and retain the type of talented workers that are needed for the county to thrive economically. These programs, known as the Fannie Mae Employer-Assisted-Housing (EAH) programs, strive to address

the dynamic employment needs of businesses and other non-profit organizations in a region, while expanding home-buying opportunities for employees so that they may find affordable housing within a reasonable commuting distance of their primary place of employment. In these EAH programs, Fannie Mae works with a variety of employers. These include the full range of employers in the county:

1. Private employers
2. Nonprofit organizations
3. Universities
4. Hospitals
5. Public employers

Fannie Mae's educational programs are designed to assist families, but particularly low-, moderate-, and middle-income families with the financial and other tools needed to be successful homeowners – considering homeownership's benefits and responsibilities.

While Fannie Mae programs tend to support access to housing in the average to below average family income range. Taken together with other initiatives to address families with access to other components of the pricing spectrum, Fannie Mae can be an effect part of a portfolio of policies designed to increase access and inventory expansion in all parts of the regional housing price spectrum.

Overall, Fannie Mae's inventory of Community Lending mortgage products and options are designed to help borrowers overcome the two primary barriers to homeownership: (1) lack of down payment funds and (2) qualifying income. Community Lending mortgage products and options have special affordability features, including:

- Lower cash requirements for down payment and closing costs
- Reduced income requirements to qualify
- Higher debt allowances and loan-to-value ratios than required for traditional conventional mortgages

Target Populations-Projects:

- Low-, moderate-, and middle-income families
- Private sector, public sector, and non-profit sector employees
- Seniors
- Households with special needs
- Residents of rural areas

Program Activity in Ulster County:

In addition to the leverage of mortgage lending funds in the region, the Fannie Mae's EAH programs have received significantly more attention in the county,

including significant effort by U.S. Senator Charles Schumer to draw attention to the housing price situation in the entire Hudson Valley region. the Senator pointed to EAH programs are designed to assist county employers to retain employees and their families who may have experienced increasing difficulties in the area of housing as prices have recently risen sharply.

In addition, such EAH programs can also be important to assist the economic development community with the recruitment of new members of the county's workforce with the skill sets needed by regional employers to grow and prosper. Fannie Mae's six initiatives include:

1. Periodic Issuance of Subordinated Debt -- Fannie Mae issues publicly traded and externally rated subordinated debt in an amount that, together with core capital, equals or exceeds four percent of on-balance sheet assets.
2. Liquidity Management and Contingency Planning -- Fannie Mae maintains at least three months of liquidity to ensure the company can meet all of its obligations in any period of time in which it does not have access to the debt markets. Fannie Mae also complies with the Basel Committee on Banking Supervision's 14 principles for sound liquidity management.
3. Interim Risk-Based Capital Stress Test -- Pending the Office of Federal Housing Enterprise Oversight's (OFHEO) publication of a final risk-based capital rule, Fannie Mae implements and discloses the results of a risk-based capital stress test based on the standards in the 1992 Act.
4. New Interest Rate Risk Disclosures -- Fannie Mae discloses monthly the effect on its mortgage portfolio of a 50 basis point change in interest rates and a 25 basis point change in the slope of the yield curve, and enhance existing disclosures consistent with Basel Committee guidance.
5. New Credit Risk Disclosures -- Fannie Mae discloses quarterly the financial impact of an immediate five percent decline in U.S. home prices, and enhance existing disclosures consistent with Basel Committee guidance.
6. Public Disclosure of an Annual Rating -- Fannie Mae obtains and discloses annually a rating that will assess the risk to the government or the independent financial strength of Fannie Mae.

With respect to secondary market activity in the region, the Fannie Mae program indicates that since 2002 it has served 1,164 county households, providing over \$244 million in purchase money for mortgages for middle income families that have less than or equal to 165% of the Area Median Income—or an estimated \$93,225 in household income per year for Ulster County. In Ulster County, over \$12 million (representing a total of 79 loans) in low down payment mortgages were purchased through the program over that time frame.

2. USDA – Rural Development Housing Programs

Website:

<http://www.rurdev.usda.gov/rhs/>

Program Purpose:

USDA Rural Development administers a variety of loan and grant programs to assist low-income individuals, State, local, private and nonprofit organizations with economic opportunity that creates affordable housing in rural areas. Single-Family and Multi-Family Housing Programs are designed to finance and facilitate the development of housing in rural communities. The local office of Middletown Service Center based in Orange County, NY provides housing program services to Ulster County individuals and organizations. These housing programs are listed as following:

Single – Family Housing Programs

Section 502 – provides assistance to low income individuals and households in rural areas to purchase homes. The loan can also be used in building, renovating, relocating homes or providing water and sewage facilities and purchasing and preparing sites for new or existing housing.

Eligibility: Families must be without adequate housing, however, they must qualify to afford the mortgage payments, including taxes and insurance. The median income limits for applicants may not accede 115%. The limit for Ulster County is listed bellow.

Ulster C. Program	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Low Income	\$33,600	\$38,400	\$43,200	\$48,000	\$51,850	\$55,700	\$59,500	\$63,350
Mod. Inc-Guar. Loan	\$48,300	\$55,200	\$61,200	\$69,000	\$74,500	\$80,050	\$85,550	\$91,100

Data Source: Adjusted Ulster County Income Limits, USDA 2005

Terms: Loans are for 30 years and interest rate is set by lender.

Standards: Housing must be modest in design and cost. All manufactured housing must meet requirements set by HUD, RHS thermal and site standards. Houses that are constructed rehabilitated or purchased must meet the voluntary national model building code adopted by the state and RHS thermal and site standards.

Rural Housing Direct Loans – directly funded by the Government to low and moderate low-income households to be able to afford homeownership. The mortgage payment is based on the adjusted household income limits same as for the 502 Section. Funds can be used in building, repairing, relocating renovating homes or purchasing and preparing sites and providing water and sewage facilities.

Eligibility: Applicants must fall under the income category below 50% of the area median income; between 50 and 80%: or moderate income between 80 to 1900% of AMI. Applicants must be without adequate housing, however, being able to afford mortgage payments. Down the line, payment subsidy will be available to enhance repayment ability of the applicants.

Terms: Loans are for up to 33 years. If the family income is below 60% of AMI than the term of the loan payments can be extended to 38 years. The loan for manufactured homes is 30 years.

Standard: Same as in Section 502

Rural Housing Repair and Rehabilitation Grant and Loan - provides loans and grants to repair, improve housing or modernize their dwelling or to remove health and safety hazards housing for low-income homeowners. The grants and loans directly funded by the government to owners/occupants who are 62 years of age and older and cannot repay Section 504 loan. The grant amount is maximum \$7,500.

Eligibility: The applicant must have very low income below 50% of the area median income (AMI) and must be unable to obtain affordable credit elsewhere. Must also be 62 years and older.

Terms: Loans of up to \$20,000 and grants of up to \$7,500 available. Applicant must pay only 1% interest on loans for up to 20 years. Grant funds may be used only to pay for repairs and improvement resulted from health and safety hazards.

Standards: Must meet code requirements of RHS in installation of water and waste system.

Rural Housing Site Loan – provides opportunity for low- and moderate-income families to purchase housing through public or private not for profit organization that will directly receive funding from the government to buy and develop building sites, including the construction of streets, utilities and access roads.

Eligibility:

Section 523 provides loans only for housing to be constructed by the self-help method, where as Section 524 loans are made to assist any low- or moderate-income families.

Terms: Loans are for two years. Section 523 loans bear 3% interest where as Section 524 loans bear the market rate of interest.

Standards: Look into FmHA Instruction 1924-A and 1924-C

The Mutual Self-Help Loan – Primarily used to assist very low- and low-income households to construct their own homes. Approximately, 65% of the construction labor must be done by the owners under qualified supervision.

Eligibility: Must have very low or low incomes, below 50% of the area median income; or between 50 and 80% of AMI. Low and very low income families that live in substandard housing are given the first priority.

Terms: Up to 33 years and for those who are below 60% of the AMI. The amount of subsidy is also determined by applicant's percent income of AMI. Those applicants that are below 60% of the AMI are given first priority.

Standards: Constructed houses must meet the voluntary national model building code adopted by the state and RHS thermal and site standards.

Multi-Family Housing Programs

Rental Assistance Program – Projects on rental assistance can be used in both existing and newly constructed Rural Rental Housing (Section 515) or Farm Labor Housing (Section 514) financed projects. Person with very low and low incomes including the elderly and persons with disabilities are also eligible to get assistance in paying for the monthly rent if they are unable to pay themselves.

Rural Rental Housing – The program loans up to \$15,000,000 can be made to individuals, trusts, associations, partnership, limited partnerships, state or local public agencies, not for profit corporations or for profit and consumer cooperatives. Eligible applicants are:

- Ownership – individuals, partnerships, limited partnerships, for-profit corporations, nonprofit organizations, limited equity cooperatives and other public agencies that are eligible to apply must be unable to obtain credit elsewhere that will allow to charge for affordable rental housing to low income tenants.
- Tenancy – Very low-, low-, and moderate-income families

Target Population-Projects:

- Low-to moderate-low income individuals
- State housing agency
- Local and Private Organizations
- Not for profit Organizations

Program Activity in Ulster County:

Information pending (Phone call not yet returned as of 6/17/05).

3. Homeless Housing and Assistance Program (HHAP)

Homeless Housing and Assistance Corporation (HHAC) and the New York State Office of Temporary and Disability Assistance (OTDA)

Website:

http://www.otda.state.ny.us/cgo/hhap/dec04/HHAP_RFP_29DEC04.htm

Program Purpose:

The Homeless Housing and Assistance Program, authorizes a program of State financial assistance to provide grants or loans to acquire, construct or rehabilitate housing for low income persons who are, or would otherwise be, homeless. Not-for-profit corporations and their subsidiaries, charitable organizations, municipalities and public corporations are eligible to be funded.

Under the program, applicants are required to provide current, quantifiable and verifiable data in order to demonstrate the need for the proposed project and the population to be served. Sources of such information include, but are not limited to: the local department of social services, shelter utilization statistics, domestic violence program census, local Consolidated Plans, local Continuum of Care Plans or other reports, task force reports, or recent studies that document homelessness. Although funds will be targeted to areas of high need, there is a recognition that such need is relative to local and geographic demographics.

Target Population-Projects:

If projects propose to house both homeless and non-homeless populations, HHAP funds can be awarded for only that portion of the project which will serve the homeless. The development of mixed income housing is also reviewed favorably during the review process.

Projects may serve either a mixed population of the homeless, or an identified sub-population of the homeless. Specific sub-populations of the homeless include, but are not limited to:

- Families, including those in receipt of TANF;
- Single adults;
- The elderly;
- Physically disabled persons;
- Persons with HIV illness/Acquired Immune Deficiency Syndrome (AIDS);
- Youth, including pregnant and parenting teenagers and adolescents "aging out" of foster care;
- Victims of domestic violence;
- Veterans;

- Mentally disabled persons; and,
- Individuals with history of chemical dependency.

Program Activity in Ulster County:

In 2000, Governor Pataki announced \$38.9 million of HHAP funding that would help to create 586 units of housing with 1,070 beds for families and single individuals in the 12 counties—with Ulster County included in that list of counties. The program provides capital grants and loans to not-for-profit corporations, charitable and religious organizations, municipalities, and public corporations to acquire, construct or rehabilitate housing for persons who are homeless or unable to secure adequate housing without special assistance. Family of Woodstock, Inc. received \$841,350 for providing services to the homeless, non-residential services to victims of domestic violence, providing groups and case management to those infected with the virus, caregivers, and those grieving the loss of loved ones to the disease. The goal of Family of Woodstock Inc.'s programs is to enable people to achieve self-sufficiency and self-respect.

4. Low-Income Housing Credit (LIHC) Compliance Monitoring

New York State Division of Housing and Community Renewal

Website: <http://www.dhcr.state.ny.us/ocd/pubs/html/lihcqap.htm>

Program Purpose:

Federal government established the Low-Income Housing Credit Program to promote investment in the production and retention of affordable low income rental housing by providing tax credits to developers and/or owners of low-income housing. The Department of Housing and Community Renewal (DHCR) was designated the lead agency in New York State responsible for allocating tax credits in accordance with a Qualified Allocation Plan (QAP). Final regulations were issued on September 2, 1992 requiring allocating agencies to develop procedures to monitor compliance with the program requirements. The monitoring requirement applies to all tax credit projects placed in service. The mission of the Low-Income Housing Credit Monitoring Program is:

- a. To ensure compliance with the monitoring requirements of Section 42 of the Internal Revenue Code and the Low-Income Housing Credit Regulatory Agreement;
- b. And to ensure that limited housing resources are used for the purpose which they were originally funded and benefit the population they were intended to serve.

The primary components of the Low-Income Housing Credit Monitoring Program are:

- Annual certification by project owners and certification compliance review by DHCR
- Collection and processing of compliance monitoring fees
- On-site compliance monitoring of each project-every three years
- Resolution and reporting of all non-compliance issues
- Provide technical assistance to project owners.

Target Populations-Projects:

- Low- and moderate-income families
- Low- and moderate-income seniors
- Individuals with special needs
- Individuals with children

Program Activity in Ulster County:

In August of 2004, Governor George E. Pataki announced that affordable housing projects and programs in Dutchess, Orange, Putnam, Sullivan, Rockland, Ulster and Westchester counties received more than \$21.3 million in State funding that would leverage in excess of \$96.4 million in private equity and other sources. The goal of this funding support was to produce nearly 850 affordable housing and home ownership opportunities in the greater Hudson Valley region, while adding construction jobs and stimulating local economies. Ulster County, as part of the Hudson Valley region, received funding under the Federal Low-Income Housing Credit program (LIHC). Funding consisted of \$656,043 for The Birches at Saugerties Limited Partnership in construction of 60 units and for Kingston Limited Partnership in construction of 122 units of housing. As of earlier in 1999, Two Plus Four Construction Co Inc received \$213,797 in capital award.

AWARDEE	County	Program Award	Amount	Units
The Birches At Saugerties LP	Ulster	LIHC	\$656,043	60
Kingston LP	Ulster	LIHC	\$646,369	122

CAPITAL AWARD

Low Income Housing Credit (LIHC) (1999)

Applicant	County	LIHC Award
Two Plus Four Construction Co Inc	Ulster	\$213,797

1. New York State HOME Program

New York State Division of Housing and Community Renewal

Website: <http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-25.htm>

Program Purpose:

HOME programs provide loans and grants to expand and preserve the supply of safe and affordable housing within the State of New York. The program helps eligible occupants with acquisition, construction and rehabilitation of affordable housing and provides assistance to eligible home buyers and renters. Three project types that are listed under this program include: Rental projects, Homeownership Assistance projects and Tenant-Based Rental Assistance (TBRA) projects. Listed above project types must benefit low-income households below 80% of the area median income. HOME program is administered directly by New York State Housing Trust Fund Corporation, although HTFC's degree of involvement varies depending on the type of activity proposed. Minimum 15 percent of HOME funds are required to reserve for locally based non-profit entities that can be qualified as Community Housing Development Organization

Target Populations-Projects:

- low income home buyers
- low-income tenants
- non-profit organizations
- municipalities

Program Activity in Ulster County:

In 1999, Ulster County, as part of the Hudson Valley region, received \$175,000 funding under the HOME program for Strand Community Organization to Rehabilitate the Environment. In 2001, Shandaken Revitalization Plane Committee Inc and RUPCO each have received \$400,000 for construction of 22 and 25 units of housing. In 2002, local HOME program funded RUPCO, Ulster County to receive \$245,000. In 2004, RUPCO and the village of Ellenville (RUPCO) received funding of \$1,000,000 and \$400,000.

HOME PROGRAM AWARD (1999)

Applicant	County	Awards
Strand Comm. Organization To Rehabilitate The Environment	Ulster	\$175,000

HOME PROGRAM AWARD (2001)

Rural Ulster Preservation Company Inc	Ulster	HOME	\$ 400,000	25
Shandaken Revitalization Plan Committee Inc	Ulster	HOME	\$ 400,000	22

HOME PROGRAM AWARD (2004)

APPLICANT	COUNTY	AWARD
RURAL ULSTER PRESERVATION COMPANY INC	ULSTER	\$1,000,000

VILLAGE OF ELLENVILLE (RUPCO)	ULSTER	\$400,000
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2. Low-Income Housing Trust Fund Program (HTF)

New York State Division of Housing and Community Renewal

Website: <http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-21.htm>

Program Purpose:

The Low-Income Housing Trust Fund Program (HTF) provides affordable housing for persons of low income. The HTF program can permanently finance construction costs, predevelopment costs and working capital projects for low-income occupants. The program can fund up to \$75,000 per unit for constructing new housing, rehabilitating vacant or under-utilized residential properties and converting vacant non-residential properties to residential use. In addition up to \$25,000 per unit may be provided for projects meeting certain criteria. Eligible applicant may directly participate as a project developer under this program, although project developers are required to make an equity contribution of 5% of their total project costs from which, 1% must be made as a cash deposit to the project's operating reserve account.

Target Populations-Projects:

- low income occupants
- housing Development Fund Company
- non-profit corporation
- private developers
- municipality or county
- municipal housing authority

Program Activity in Ulster County:

In 2002, Governor Pataki announced more than \$116 million in funding to support affordable housing initiatives across the state of New York. Low Income Housing Trust Fund program was approved for funding of new housing developments in Ulster County. HTF funded \$1,208,436 to Kerhonkson Housing Group Limited Partnership and \$698,945 for Marlborough Associates II, LLC in Ulster County. In 2004, Ulster County received \$1,400,000 HTF funding for new construction of project housing.

Low-Income Housing Trust Fund Program (2002-2004)

APPLICANT (HTF)	COUNTY	AWARD
THE BIRCHES AT SAUGERTIES LP	ULSTER	\$1,400,000
KERHONKSON HOUSING GROUP LIMITED PARTNERSHIP	ULSTER	\$1,208,435
MARLBOROUGH ASSOCIATES II, LLC	ULSTER	\$698,945

3. Residential Emergency Services to Offer (Home) Repairs to the Elderly (RESTORE) New York State Division of Housing and Community Renewal

Website: <http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-27.htm>

Program Purpose:

The RESTORE program helps pay for the costs of emergency repairs in home owned and occupied by seniors, when they cannot afford to make the repairs themselves such as furnace, roof, electrical, and water problems. Applicants are selected through an annual competitive funding round. The program follows the same rules and regulations as Housing Trust Fund Corporation. Eligible project recipients must be New York State homeowners, at least one person has to be 60 year and over, household income must fall under 80% of the area's median family income, the primary residency must be consisted of the older (60+) homeowners and the there must be an existing situation that poses a threat to life, health and safety. All areas of the state are eligible and maximum lifetime assistance is limited to \$5,000 per building.

Target Populations-Projects:

- low income seniors of 60 years and over

Program Activity in Ulster County:

In 2001, Governor Pataki announced \$23.5 million in support of affordable rental and home ownership opportunities for families, seniors and disabled individuals. RESTORE award announced by the Governor is a direct result of preserving affordable housing for seniors. RESTORE funded Ulster County \$50,000 for Strand Community Organization to Rehabilitate the Environment.

4. Homes for Working Families (HWF)

New York State Division of Housing and Community Renewal

Website: <http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-26.htm>

Program Purpose:

HWF is a housing development program that provides financial assistance to Housing Trust Fund Corporation (HTFC) for project use such as senior rental projects or new construction/rehabilitation of family rental housing assisting up to \$25,000 per unit. Since more than 50% of the project cost can be financed with tax-exempt bonds from the state, the program actually enables the project to receive an allocation of 4% in Low-Income Housing Credit (LIHC). However, as a requirement, 100% of project units must follow LIHC rent restriction rules and

regulations. HWF has actually no preference between financing family or senior rental projects.

Target Populations-Projects:

- low income families
- low income seniors

Program Activity in Ulster County:

No reported program activities were found in Ulster County.

5. The Housing Development Fund (HDF)

New York State Division of Housing and Community Renewal

Website: <http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-22.htm>

Program Purpose:

HDF provides loans to not-for-profit and charitable corporations that are interested in constructing or rehabilitating housing projects for low-income occupants. HDF program provides temporary financing to cover the project development costs. Interest-free loan is divided into three categories: predevelopment; acquisition and construction that can be used in conjunction with each other up to three years. Some of the predevelopment loans are utilized in legal expenses, feasibility, planning studies, environmental review and site suitability analysis. Besides rehabilitation or construction projects, HDF loan can also be used for purchase of the project site. All areas in New York state are eligible HDF financing.

Target Populations-Projects:

- low income occupants
- not for profit corporations
- charitable corporations and their wholly-owned subsidiaries

Program Activity in Ulster County:

No reported program activities were found in Ulster County.

6. The New York State Low Income Housing Credit (SLIHC)

New York State Division of Housing and Community Renewal

Website: <http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-28.htm>

Program Purpose:

SLIHC follows same manners as LIHC program. Similar to LIHC, SLIHC program provides dollar-to dollar reduction in certain New York State income taxes. Over 10-year period the taxes receive a reduction in order for eligible tenants to build and maintain affordable housing for at least 15 years. At least 40% of affordable units must be occupied by households that are below 90% of the area median income. The difference between LIHC and SLIHC is that while LIHC serves tenants that have an income level of up to 60% of area median income, the SLIHC serves tenants that have an income level of up to 90% of area median income. In addition to that, SLIHC can also assist households with income between 60% and 90% of area median income if there is a scoring preference. . Projects are scored based upon the following criteria:

- Housing Need (20 Points)
- Income Mixture (20 Points)
- Efficiency of Credit Use (15 Points)
- Project Readiness (10 Points)
- Sponsor Characteristics (10 Points)
- Tenant buy-Out Plan (5 Points)
- Special Needs (5 Points)
- Participation of Local Tax-Exempt Organizations (5 Points)
- Marketing Plan/public Assistance (5 Points)
- Individuals with Children (5 Points)

Target Populations-Projects:

- low income individuals
- partnerships
- limited partnerships
- corporations and Chapter S

Program Activity in Ulster County:

No reported program activities were found in Ulster County.

7. The Rural Rental Assistance Program (RRAP)

New York State Division of Housing and Community Renewal

Website: <http://www.dhcr.state.ny.us/ocd/pubs/html/cpm04-23.htm>

Program Purpose:

Rural Rental Housing Program is administered by Rural Housing Services (RHS) of the United States Department of Agriculture that provides month rent subsidies for eligible occupants who are residing in projects constructed or rehabilitated

with mortgage financing under the Section 515 provides direct loans to sponsors of multi-family rental housing for occupants of low- and moderate-income families or elderly handicapped persons. RRA program subsidy can last up 15 or 25 year period. Eligible projects must be located in a rural area which is to be owned by an eligible applicant that received federal assistance through the Rural Housing Services Section 515 RRP. In addition, HOME and HTF programs provide capital funding to assist RRA program with project development.

Target Populations-Projects:

- low- and moderate-income families
- elderly
- handicapped persons

Program Activity in Ulster County:

No reported program activities were found in Ulster County.

12. State of New York Mortgage Agency Mortgage Insurance Fund
SONYMA's Mortgage Insurance Fund

Website: <http://www.nyhomes.org/mif/aboutMif.html>

Program Purpose:

SONYMA's Mortgage Insurance Fund ("MIF") promotes the preservation and revitalization of neighborhoods throughout the State of New York by insuring mortgage loans and thereby encouraging the investment of mortgage capital by commercial and public lenders.

MIF was created in 1978 to address housing and development needs in areas of New York State suffering from blight or disinvestment. In 1989, MIF's powers were broadened to include insuring projects that:

- Create affordable housing
- Are located in an economic development zone
- Receive a loan from a public entity or
- Provide a retail or community service facility.

MIF provides insurance on single family, multifamily, and retail loans:

- both primary and pool insurance on single family loans
- primary insurance only on multifamily and retail loans
 - Loans for multifamily projects must be new construction or substantial rehabilitation (at least 25% of the loan amount)

- Insurance on retail and community service facility loans is limited to no more than \$5 million per mortgage loan.

Single Family Home Mortgage Insurance

The MIF assists low to moderate income home buyers to obtain affordable housing by providing mortgage insurance on single family home loans.

Since 1989, MIF has provided single family pool insurance for over \$2.5 billion of SONYMA low interest rate mortgage program loans. In addition, we have provided primary insurance for over \$150 million in loans made by lenders that offer affordable housing mortgage loan programs.

Looking ahead, MIF is eager to work with SONYMA and lenders to develop new loan programs to meet the challenge of making home ownership affordable to even more low and moderate income families across the State of New York.

a. Multi family Housing Mortgage Insurance

Eligible Lenders - Financial institutions as defined under the Public Authorities Law section 2426 including banks, trust companies, savings banks, savings and loan associations, credit unions, insurance companies, pension funds, certain subsidiaries of the above and certain New York State public benefit corporations such as the New York State Housing Finance Agency, the New York State Dormitory Authority, the New York City Housing Development Corporation and local industrial development authorities ("IDAs") (together the "Lender").

New Lenders must submit an "Approval of Mortgagee Application" and receive State of New York Mortgage Agency Mortgage Insurance Fund ("SONYMA MIF") approval before submitting an application for mortgage insurance.

Eligible Properties - New construction, substantial rehabilitation, or acquisition/moderate rehabilitation of multi-family properties.

Properties with occupancy restricted to seniors are subject to separate guidelines.

Affordability Requirements - The SONYMA MIF insures projects that include:

- a. Affordable housing units
- b. Are located in geographic areas that suffer from a disinvestment of mortgage capital

- c. Or are located in economic development zones. The SONYMA MIF also insures affordable, market-rate projects in all areas. Affordability is based on area median income and market rents.

Target Populations-Projects:

- Lending institutions (as defined under the Public Authorities Law section 2426 including banks, trust companies, savings banks, savings and loan associations, credit unions, insurance companies, pension funds, certain subsidiaries of the above and certain New York State public benefit corporation such as the New York State Housing Finance Agency, the New York State Dormitory Authority, the New York City Housing Development Corporation and local industrial development authorities) for new construction, substantial rehabilitation or the acquisition/moderate rehabilitation of multi-family properties.
- Properties for occupancy by seniors.

Program Activity in Ulster County:

Data from the Policy and Planning department of SONYMA's MIF Program showed that from 1999 to 2005, SONYMA's Mortgage Insurance Fund insured 5 projects, with a total of 210 units, \$4,970,000 of total loans insured in Ulster County.

13. State of New York Mortgage Agency (SONYMA)

The State of New York Mortgage Agency (the "Agency") is a public-benefit corporation of the State of New York created by statute in 1970

Website: <http://www.nyhomes.org/sony/sonyama.html>

Purpose of the Program:

The purpose of the Agency is to create affordable homeownership opportunities for "low- and moderate-income first-time homebuyers and other qualifying homebuyers", and to provide mortgage insurance for qualifying real property loans. The Agency accomplishes this through its two major operating divisions: the Single Family Programs and Financing Division and the Mortgage Insurance Fund.

According to the program, SONYMA has long been recognized as a national leader in the housing finance industry, and continues to target low- and moderate- income first-time home buyers as its primary target constituency. Since the creation of the program in 1970, the program claims to have provided

affordable financing to over 110,000 New York households through its Single Family Programs and Financing Division.

The Single Family Programs and Financing Division have used proceeds from the sale of the Agency's tax-exempt and taxable bonds to finance the purchase of one-family to four-family homes statewide through a network of participating lenders. Eligible applicants must satisfy income requirements and properties must not exceed purchase price limits. Eligible applicants must be first-time home buyers, as defined under the program, except in "target areas" of the State.

SONYMA's Homeownership Programs are used to help and rebuild economically depressed Target Areas throughout New York State by enhancing opportunities for homeownership. In these Target Areas, SONYMA's income and purchase price limits are more flexible and the first-time homebuyer requirement is not applicable.

SONYMA Homeownership Program Elements

1. Low Interest Rate Mortgage Program

SONYMA's Low Interest Rate Mortgage Program provides qualified low- and moderate-income first-time homebuyers with low down payment mortgage financing on one- to four-family dwellings (including condominiums and cooperative apartments, as well as manufactured homes permanently attached to real property) at fixed interest rates which are below prevailing conventional rates. The program is financed by SONYMA through the sale of tax-exempt bonds.

The SONYMA Low Interest Rate Mortgage Program features the following:

- A fixed mortgage interest rate
- Financing of up to 97% of the value of the property
- A low minimum borrower cash contribution requirement
- 100 day interest rate locks for existing housing
- Terms of 20, 25, or 30 years
- Continuous availability of mortgage funds
- Closing cost assistance

To be Eligible, Potential Borrowers must have the following profile:

- Be first-time homebuyers
- Meet SONYMA's credit underwriting standards
- Meet SONYMA's household income limit requirements
- Use the home that is financed with SONYMA funds as their permanent residence

Eligible Properties Must Be Properties that:

- Be located in New York State
- Have a sales price that does not exceed SONYMA's purchase price limits as follows:

	1 Family New and Existing		2 Family New** and Existing***	
County	Non-Target	Target	Non-Target	Target
Ulster	\$189,680	\$231,830	\$242,800	\$296,750
	3 Family Existing***		4 Family Existing***	
County	Non-Target	Target	Non-Target	Target
Ulster	\$293,470	\$358,690	\$364,720	\$445,770

- Not be used for any business or commercial purpose
- Be one of the following property types:
 - Existing or newly constructed one-family home
 - Two-, three-, or four-family home that is at least five years
 - Two-family home located in a target area
- Be a maximum of 5 acres
- Have at least 500 square feet of living space

3. Remodel New York Program

The Remodel New York Program was created by SONYMA to provide low interest rate financing to qualified first-time homebuyers for the purchase and renovation of properties in need of improvements or renovations. SONYMA's Remodel New York mortgage loan finances both the purchase and the renovation of the home. The program is intended to serve two purposes: it will revitalize New York's existing housing stock, and it will provide low interest rate financing to low and moderate income New Yorkers purchasing their first home. The funds for Remodel New York are being made available from the proceeds of the sale of tax-exempt mortgage revenue bonds.

For this program, M&T Mortgage Corporation and Ulster Savings Bank are the only lenders making these loans available.

The basic requirements of the Remodel New York Program are the same as those for SONYMA's Low Interest Rate Program, with the following exceptions:

- Maximum financing will be based on the lesser of
 - a. the purchase price of the home plus the cost of the renovations

- b. or the "as-improved" appraised value of the property as determined by a qualified real estate appraiser
- Eligible renovations include repair or replacement of plumbing electrical, and heating systems, structural repairs, additions modernization of kitchens and bathrooms, new siding and windows
- Certain closing costs associated with the home renovation can be financed. The remaining closing costs may be paid from SONYMA closing cost assistance.
- Eligible properties are restricted to:
 - Existing one-family properties. Condominiums are eligible provided the condominium association permits the proposed renovations. (Manufactured housing and cooperatives are not eligible.)
 - Existing two-family properties. Must be at least 5 years old as of the loan application date

4. Achieving the Dream Mortgage Program

SONYMA designed the Achieving the Dream Mortgage Program to assist low-income households to purchase their first home. This program offers up to 97% financing with a very low fixed interest mortgage. The program is financed by SONYMA through the sale of tax-exempt bonds.

All requirements of the Low Interest Rate Program apply to the Achieving the Dream Mortgage Program except for the following features:

- Very low fixed interest rate
- All borrowers must be first-time homebuyers
- Lower household income
- The purchase price and appraised value of the property cannot exceed the maximum limits for the area in which you are purchasing the home
- Prior to giving final approval of the loan application, SONYMA requires borrowers to complete a homebuyer education course

5. Construction Incentive Program

The Construction Incentive Program has been specifically created in an effort to stimulate new construction of one- and two-family homes. The program features 100% financing, a special two-step interest rate, and a longer rate lock period. The program is financed by SONYMA through the sale of tax-exempt bonds.

The requirements of the Construction Incentive Program are the same as those of the Low Interest Rate Program, with the following exceptions:

- Two-step interest rate. The initial rate is fixed for the first 48 payments, then increases 2% and fixed for the remainder of the loan term
- Borrowers will be qualified at the lower initial rate
- Financing of up to 100% of the value of the property for qualified borrowers
- Interest rate is established at loan application and remains in effect for 240 days

SONYMA Construction Incentive Program

Income and Purchase Price Limits

Effective Date: March 15, 1999 and Continuing Until Further Notice***

INCOME LIMITS

Household Size

COUNTY	1 and 2 Person* Non-Target	1 and 2 Person* Non-Target	3 + Person* Non-Target	3+ Person* Target
Ulster	\$53,600	\$64,320	\$61,640	\$75,040

Target population-Projects:

- Low-, moderate -income families
- First-time home buyers
- Meet SONYMA's credit underwriting standards. Applicants must have: a steady job, a good credit history, sufficient income to make the mortgage payment and meet other debt payments, and sufficient cash, savings, or other assets for down payment and closing costs
- Meet SONYMA's household income limit requirements
- Use the home that is financed with SONYMA funds as their permanent residence.

Program Activity in Ulster County:

In October of 1998, Governor Pataki announced \$10 million in mortgage financing to low-income, first-time home buyers through the SONYMA Mortgage Assistance Program (MAP). The program combines closing cost assistance with very low fixed interest rate mortgage loans for eligible first-time home buyers in primarily rural areas. Ulster County is eligible to receive the funding.

In March of 1999, Governor Pataki announced that the SONYMA is renewing its Construction Incentive Program (CIP) by making an additional \$50 million of funding available to help low- to moderate-income New York families buy new homes. The program offered an initial interest rate that is substantially below the market for conventional interest loans with up to 100 percent

financing and reduced points for eligible buyers of new homes. In addition they have increased the purchase price limits for new homes in many areas of the New York State since the Federal government has not increased the purchase price limits since 1994. Ulster County is eligible for this program.

Ulster Savings Bank's (USB) primary market focus is Hudson Valley Region in New York, and its Home Mortgage Disclosure Act (HMDA) origination is concentrated in Ulster, Westchester, Orange, and Dutchess Counties. A review of total HMDA origination in 1997 by counties reveals that USB ranked first in Ulster County, with 336 loans originated. The bank ranked sixth in Orange County, with origination of 168 loans, and eleventh in Dutchess County, with origination of 144 loans. USB uses government-sponsored residential mortgage programs to help meet the needs of low- and moderate-income borrowers, and is an approved SONYMA lender. USB originated 55 SONYMA loans for \$4.3 million in 1997, 62 loans for \$4.5 million in 1998, and 16 loans for 1.2 million in the first quarter of 1999. In 1999, 2000, and first half of 2001, the bank originated 86 loans for \$6.3 million, 76 loans for \$5.4 million and 33 loans for \$2.5 million, respectively.

14. New York State Affordable Housing Corporation (AHC)

The New York State Affordable Housing Corporation ("Corporation"), a subsidiary of the New York State Housing Finance Agency, pursuant to Section 1113(1) of the Private Housing Finance Law, was established to administer the Affordable Home Ownership Development Program ("Program").

Website: <http://www.nyhomes.org/ahc/aboutAhc.html>

Program Purpose:

The purpose of the AHC Program is to "promote home ownership by persons of low- and moderate-income". The underlying principle is that such housing, "in turn, fosters development, stabilization, and preservation of neighborhoods and communities". To achieve these goals, the AHC provides financial assistance, as a part of a package of other private and public investment, for the construction, acquisition, rehabilitation, and improvement of owner-occupied housing."

The AHC typically provides grants within the following per dwelling unit limits: up to \$20,000 per unit, or \$25,000 per unit within the limits of available funding, per unit for projects located in high cost areas as defined by the AHC, or projects receiving a U.S. Department of Agriculture Rural Development Service (formerly the Farmer's Home Administration) Loan. The AHC hopes to encourage the leveraging of other private and public funds. Funding from AHC, grants cannot exceed 60% of the total project development cost. By reducing development and rehabilitation costs, AHC assistance hopes to make home ownership affordable to families and individuals for who have no other reasonable and affordable home ownership alternatives in private housing markets. The AHC also funds development and rehabilitation activities to help eliminate conditions of blight and

the attendant economic stability those jobs provide in impacted communities. Eligible applicants include: local Municipalities, housing authorities, housing development fund companies, neighborhood and rural preservation companies, as well as, not-for-profit or charitable organizations primarily involved in housing development.

The AHC works with its parent Agency, the New York State Housing Finance Agency (HFA), and its sister Agency, the State of New York Mortgage Agency (SONYMA) to increase homeownership opportunities. As part of the Agency's policy of one-stop shopping the SONYMA Project Set-Aside application has been incorporated into the AHC application.

Target Population-Projects:

- The Program is designed to assist individuals and families of low to moderate income levels. However, individuals and families are not eligible to apply directly for a Program grant. Local Municipalities, housing authorities, housing development fund companies, neighborhood and rural preservation companies, as well as, not-for-profit or charitable organizations primarily involved in housing development can be eligible applicants for AHC funding.

Program Activity in Ulster County:

Program activity data from the department of Policy and Planning of SONYMA's MIF and HFA Programs indicates that since 1999, the AHC program has awarded 3 projects in Ulster County for \$930,000 in AHC award funds. These funds impacted a total of 48 units in the county.

15. New York State Housing Finance Agency

New York State Housing Finance Agency Corporation

Website: <http://www.nyhomes.org/hfa/aboutHfa.html>

Program Purpose:

The New York State Housing Finance Agency was created as a public benefit corporation in 1960, under Article III of the Private Housing Finance Law, to finance low income housing by raising funds through the issuance of municipal securities and the making of mortgage loans to eligible borrowers. HFA is authorized to issue bonds to reimburse the State for appropriated expenditures for various housing programs. More recently, the Agency's mission has been focused exclusively on creating and preserving affordable housing.

HFA staffs and acts as the administrative arm of the New York State Affordable Housing Corporation, the New York State Project Finance Agency, and the State of New York Municipal Bond Bank Agency.

Description of NYHFA Program Types:

1. The HOPES Program:

Program goal - Preserve, rehabilitate and extend the availability of existing affordable housing opportunities for the residents of New York State

Eligible properties - Any property in need of preservation, including those already in HFA's portfolio. Projects that were initially financed through federal and/or state affordable housing programs as well as those not currently part of an affordable housing program are eligible. Examples of project types include federal Section 8, Section 236, Section 202, and low income housing tax credit (LIHTC) programs, as well as the state Mitchell-Lama program.

Affordability requirements - Projects must include units that are affordable to low, moderate or middle income families. Specific income requirements vary according to the type of financing or subsidy being utilized.

Developer Project Types:

➤ Section 236 Decoupling Transactions

To facilitate an acquisition and rehabilitation as part of a Section 236 Decoupling, HFA may issue tax-exempt financing and 4% tax credits. Projects already in HFA's portfolio are also eligible for this approach.

Section 236 decouplings rely upon using the project's Interest Reduction Payment (IRP) to support part of the new mortgage and the project's net operating income to support another part of the new mortgage, producing a considerably larger new mortgage amount. Projects also typically receive preservation vouchers or other forms of federal assistance to support rent increases. Decouplings, including proposed rent increases, are subject to HUD approval.

➤ Section 202 Refinancing

To provide additional funds to renovate and/or upgrade properties, add facilities for assisted living services, increase or reconfigure the units, or simply rehabilitate the projects. HFA anticipates issuing tax-exempt 501(c) (3) bonds for these projects.

Section 202 refinancings typically consist of issuing lower interest rate mortgage financing supported by the project's Section 8 contract to produce a considerably larger first mortgage. Section 202 refinancings are subject to HUD approval

➤ Section 8 Portfolio retention

Refunding and/or refinancing Section 8 projects presently in HFA's portfolio. Options include refunding bonds where 10 year lock outs have expired or lowering interest rates on mortgages to the level necessary to support the existing bonds. HUD approval is required for bond and mortgage restructurings of Section 8 projects.

➤ Conventional Acquisition/Rehabilitation

Conventional financing for the acquisition and rehabilitation of currently unsubsidized projects to rehabilitate the property in exchange for imposing affordability restrictions.

➤ Tax Credits

Financing tax credit properties with expiring affordability restrictions, particularly those in need of renovation and/or upgrades.

2. 501 (C) (3) Bond Financing Program

Construction/rehabilitation and permanent mortgage loan financing for multifamily rental properties.

Eligible Organizations - Organizations which meet the requirements of Section 501(c)(3) of the Internal Revenue Code (the Code). Such organizations are both organized and operated exclusively for charitable purposes which include relief of the poor and distressed, combating community deterioration, lessening the burdens of government, elimination of discrimination and prejudice, lessening neighborhood tensions and the relief of the distress of the elderly or physically handicapped.

Affordability Requirements - All financings must further the Agency's public purpose, which is to maximize the benefits to low, moderate and middle income persons through the preservation, rehabilitation, or construction of affordable housing.

As long as the 501(c) (3) organization satisfies its exempt purposes as described in its determination letter from the IRS including, as applicable, meeting the Code's rehabilitation rules for the rehabilitation of existing

properties, there are generally no income restrictions for occupancy of housing sponsored by a 501(c) (3) organization.

Eligible Properties - Preservation and rehabilitation of existing affordable multifamily rental housing projects including projects serving populations with special needs, as well as construction and permanent financing for projects serving those populations. The special needs category includes senior rental housing, senior assisted living facilities, housing for the homeless and for the handicapped. Properties to be constructed by a 501(c) (3) organization are also eligible for financing. Priority will be given to the following: Preservation/Rehabilitation and Senior Housing.

3. Senior Housing Financial Program
Construction and Permanent mortgage loan financing for

- Assisted Living
- Senior Rental Housing
- State Licensed Senior Housing

Eligible Residents - A minimum of 80% of the units must be occupied by at least one person who is 55 years of age or older (based on federal fair housing guidelines).

Affordability Requirements - All HFA financed projects must provide housing affordable to low, moderate or middle income people.

Eligible Properties - New construction or acquisition/rehabilitation of Assisted Living, Senior Rental Housing or State Licensed Senior Housing developments financed with the proceeds of tax-exempt private activity, tax-exempt 501(c)(3) bonds or taxable bonds with or without Low Income Housing Tax Credits (tax credits).

Tax-exempt private activity bonds and/or tax credit financed projects require complete living units including bathrooms and cooking facilities. For tax credit financed projects only, exceptions may be made for single room occupancy projects.

Projects financed with 501(c) (3) tax-exempt or taxable bonds without tax credits may not necessarily require complete living units.

Target Population-Projects:

- Senior housing
- Low-, moderate -income families

Program Activity in Ulster County:

Data from the department of Policy and Planning of SONYMA's MIF and HFA Programs the following research was presented: From 1999 to 2005, financed 1 project containing 89 Units with a \$1,000,000 mortgage and \$880,000 of Low Income Housing Tax Credits in Ulster County.

16. New York Main Street (NYMS) Program

New York State Housing Trust Fund Corporation

Website: http://www.nyswaterfronts.com/news_storydisplay.asp?ID=26

Program Purpose:

The purpose of the New York Main Street Program is to provide financial/technical resources to help communities with their efforts to preserve and revitalize mixed-use (commercial/civic and residential) main street/downtown businesses districts. NYMS program will provide grants to stimulate reinvestment in properties located within mixed-use business districts located in urban, small town, and rural areas consistent with Articles 16 A and 17 B of the Private Housing Finance Law (PHFL).

Eligible Applicants

Eligible applicants include not-for-profit community-based organizations, business improvement districts, and other entities incorporated pursuant to the Not-for-Profit Corporation Law that will serve as Local Program Administrators (LPAs). LPAs will assume administrative responsibility for evaluating and selecting projects to be assisted, ensuring that NYMS funds are expending in accordance with all State and local laws, and for meeting the program's public purpose. Such entities shall have been in existence for at least one year prior to contract execution. NYMS funds will be awarded on a competitive basis, with a maximum per contract of \$200,000. Applicants will be given a period of up to two years to complete their contract.

Eligible Areas

The local New York Main Street Program must be carried out in a concentrated target area (generally no more than three contiguous blocks) that has experienced sustained physical deterioration, decay, neglect, or disinvestment, and has a number of substandard buildings or vacant residential or commercial units. The target area must be located in a service area in which more than 50% of the residents earn less than 80% of the median income of the surrounding community, or which has been designated by a State or federal agency as an eligible area for the purposes of a community or economic development program.

Eligible Activities

The following activities can be funded in part through the NYMS Program:

- Façade Renovation (matching grants of up to \$10,000 per building)
- Building Renovation (matching grants of up to \$50,000 per building)
- Downtown Anchors (matching grants of up to \$100,000 per building)
- Streetscape Enhancement (matching grants of up to \$25,000 to plant trees and other landscaping)

Available Funds

It is expected that \$10 Million will be available for the New York Main Street Program for 2005. HTFC can fund all or a portion of the requested amount, based on the feasibility of the applications received and the total fund request. Awards are made accordance with statutes and to achieve “an equitable” statewide geographic distribution of funds for the program. Awards are limited to a total of \$200,000 per recipient – even those with multiple applications.

Target Population-Projects:

- Not-for-profit community-based organizations
- Business improvements districts
- Other entities incorporated pursuant to the Not-for-Profit Corporation Law

Program Activity in Ulster County:

In accordance with the Citizen Participation Plan, the following comments on New York State's Action Plan for Program Year 2005 were received during the State's published for comment in Kingston, Garden City, Homer, Lowville, and Geneseo. One commenter noted that the housing issues of the Ulster County continue to be the widening affordability gap for home ownership, excessive cost burdening for renters and an aging housing stock. He said that hamlet centers are in need of revitalization and that mixed-use development in and around those centers should receive priority.

The impetus for revitalizing town centers ultimately comes from local communities. The Division of Housing and Community Renewal (DHCR) and State agencies are willing to assist Ulster County with resources to expand home ownership, provide affordable housing for seniors and families and rehabilitate existing housing stock. However, local governments and developers must submit competitive applications for resources to assist in these efforts.

DHCR and Housing Trust Fund Corporation (HTFC) recognize that the revitalization of mixed-use centers provides a unique opportunity to expand the availability of affordable rental and home ownership housing for area residents. With the New York Main Street Program (NYMS), DHCR/HTFC have an

important additional tool with which to assist localities with all aspects of hamlet and town center revitalization.

The NYMS Program provides grants to stimulate reinvestment in mixed-use (commercial/civic and residential) "main street" buildings in order to address issues of code compliance, energy conservation, accessibility, and to provide affordable housing and job opportunities. The HTFC believes that the NYMS program will be a catalyst that leads not only to the revitalization of hamlet centers, but also the creation of new affordable housing opportunities within these mixed-use centers. Furthermore, other existing DHCR programs, including its weatherization program can be used in conjunction with NYMS funds.

Localities have to develop plans for use of these funds and identify entities to apply for them. DHCR/HTFC remains available to provide technical assistance to those wishing to pursue funding for community revitalization.