

**WI-CARH/Rural Development Liaison Meeting**  
**Tuesday, February 11, 2014**  
Rural Development Area Office  
Stevens Point, WI

Those in attendance from Rural Development (RD) were Debbie Biga, Bob Hernandez, Cheryl Halvorson, and Donna H.. Russ Kaney, Mary Pavek, and Russ Endres representing WI-CARH were in attendance with David Sheperd and Laura Mason joining via teleconference.

**2013 Budget Effects on Programs:** Donna reported how the realignment was coming along. Currently, there are six areas with three area directors. Presently, there are only two area directors with one position vacant. RD is not allowed to hire additional staff at this point because of the hiring moratorium.

Debbie reported that RD had its budget call last week in which they reviewed appropriations. The following programs and their appropriations are:

- 515 - \$28M
- 514 - \$23M (farm labor)
- 516 - \$8M (farm grants)
- 538 - \$150M
- 533 - \$3M
- Rental assistance - \$1B (renewals only)
- MPR - \$20M
- Housing vouchers - \$12M increase

The full-time equivalent (FTE) limit for Wisconsin went down again. It was 100, but now is at 78. Currently, they are at 79 (by attrition), so no positions are being filled.

**Update CARH's Mid-Year Meeting:** David Shepherd provided a written recap of the conference. Highlights from that recap include: 1) Ohio is planning Midwest Housing Summit in May much like our buyer-seller conference and 2) Florida is doing a tax credit conference. CARH is promoting our buyer-sellers conference on their website.

**Multi-Family Preservation and Revitalization (MPR) & 2014 Changes to Program:** RD is changing the underwriting template. They are working on getting out a new NOFA as soon as possible. It'll take some time to get this out and hopefully should be available in May or June.

Wisconsin did have three MPR projects funded in 2013. Other possibilities: 1) Burlington Housing Authority; 2) Oakdale (Camp Douglas)—vacancy issues may keep it from getting approved (vacancy may be due to condition or due to plans to rehab it); 3) Washington Island—cost is higher due to location (\$28,000 per unit). It was noted that in the past up to \$35,000 per unit in rehab has been approved.

**Voucher Program Update:** There are extra dollars available for renewal of vouchers. The fund was short last year and with the additional funding this year, there should be dollars available for all of the vouchers. Poachers last year totaled \$9 million. This year, \$12 million was allocated to cover the growth of the program.

It was noted that there are 10 to 12 projects and prepayment currently in Wisconsin. Last year, foreclosure actions were initiated on five projects; however, they all went to a short sale rather than the full foreclosure.

**Improper Payments Information Act (IPIA) Update and Overview:** RD just started the audit with the notification letter. Nationwide, 666 tenant files will be reviewed. Wisconsin has 11 files that will be reviewed. Errors must be under 2%. Last year, it was 1.79%. Most errors are due to errors in the income qualification, medical deductions, and certifications not being signed.

**Preservation Set Aside for WHEDA Tax Credits:** Dave Shepherd reported that out of the 54 Low Income Housing Tax Credit Applications submitted this year, there are 11 applications for preservation set-aside; six applications for rural set-aside; three applications for supportive housing set-aside; twenty-four for general set-aside; and ten for not-for-profit set-aside. David reported that they usually fund 20-24 applications and so far 54 have been submitted which is a few less than last year. The credit is now at 7.6% for the 9% and 3.26% for the 4%.

The decision date for the credits should again be at the end of April. There will be a new Qualified Allocation Plan (QAP) in 2016 and they're bringing a group together to review the process. Some of the changes in the new QAP may be higher emphasis on job creation and impact to the city's economy, as well as, points for projects benefitting veterans.

Mary Pavek is on the advisory committee and indicates that they may also consider rural projects. Population increase from 10,000 to 20,000 only brings in 15 communities to rural set-aside. Russ Kaney indicated that CARH's position would be to have the population threshold at 35,000. Debbie Biga indicated Rural Development is 20,000.

**USDA-RD Training for 2014/2015:** Currently there is a webinar being planned for March 5, 2014. They will be testing systems next week. Two area specialists are developing training. We will promote the training on our website. The training this year will be on the triennial review process; resident fellow chip ability; and physical inspections. They also anticipate throwing in some compliance and fair housing. The training will begin at 9:30 and is expected to last three hours depending on questions. They hope to do another training this fall. Area offices will again host sites for borrowers to come in and view the webinar.

**General Training Needs for Borrowers:** Compliance and fair housing seem to top the list this year. It's been two years since we've had compliance and fair housing training and we believe that it is time to offer this training again.

**Review April Training & Conference:** It was stressed that from a transfer point of view, it is important to get rural development feedback. Whether you're a buyer or a seller, RD should be involved right away.

**Lease & Amendment Review/Feedback:** Laura Mason reported that she had only fielded one question on the new lease. No one else had any questions or concerns at this time.

**Other Topics & General Discussion:** This winter, as everyone knows, has been extremely harsh. Heating degree days are up over 10% from normal which is 15-20% over the past few

years. Constant snowfalls of even just 1” require clean-up. RD will keep this in consideration on heating costs, as well as, snow removal costs.

**Next Liaison Meeting:** Our next liaison meeting is Tuesday, August 12, 2014.

**Meeting Adjourned**

Respectfully Submitted,  
Russ Endres, Secretary