



Florida Non-Profit Housing, Inc.'s Quarterly Review Newsletter

Spring 2023, Volume 9 Issue

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HANDBOOK-1-3550, APPENDIX 13, SELF-HELP HOUSING CHANGES

On February 6, 2023, via Procedure Notice 574, Handbook-1-3550 was updated to include Appendix 13 for Self-Help Housing. This new appendix covers the following Self-Help Housing topics: Overview of Self-Help housing; application processing priority; loan application packaging; environmental reviews; appraisals (specifically accepting appraisals obtained by Grantees); selecting a contractor; construction documents and subcontracts; administering construction funds and inspections; post-closing leveraged loans/grants; participant withdrawal; construction closeout; Self-Help take-out loans; and other financing.

Self-Help Grantees and other interested parties are urged to read the guidance contained in this new appendix.

FY 2023 Area Loan Limits

Effective today, the Fiscal Year (FY) 2023 area loan limits (based on the guidance in [Handbook-1-3550, Chapter 5, Paragraph 5.6 A](#)) are available at <https://www.rd.usda.gov/files/RD-SFHAreaLoanLimitMap.pdf>. The FY 2023 area loan limits are reflected in the following resources:

- Section 502 Worksheet for Computing Income and Maximum Loan Calculator (as found on [the Direct Loan Application Packagers](#) page)

Section 504 Automated Worksheet (as found on the [Single Family Housing Repair Loans & Grants](#) page). For additional information visit [Resources | Rural Development \(usda.gov\)](#)

Fees for Origination Appraisals and Conditional Commitments

An Unnumbered Letter (UL) dated February 13, 2023, has been issued which maintains the appraisal fee at \$750 and the conditional commitment fee at \$825 under the direct programs. The URL has been posted to <https://www.rd.usda.gov/resources/directives/unnumbered-letters> under Housing Programs (or [click here for a direct link](#)).

ELIGIBLE AREAS UNDER REVIEW FOR RURAL HOUSING PROGRAMS

In early March, USDA RD State Offices sent an email notifying stakeholders that the agency is conducting its periodic review of area eligibility designations for its rural housing programs. Based on data from the 2020 census, this review could result in loss of eligibility for some locations. Public comments are due in early June, 90 days after the date of each notice. For more information, contact housing staff in an RD State Office.

USDA SEEKS APPLICATIONS FOR GRANTS TO BUILD COMMUNITY-ORIENTED HIGH-SPEED INTERNET NETWORKS FOR PEOPLE IN RURAL AREAS

U.S. Department of Agriculture (USDA) Rural Development Under Secretary Xochitl Torres Small today announced that USDA is accepting applications for grants to build community-oriented, high-speed internet networks for people in rural areas.

The Department is making up to \$79 million in grants available under the Community Connect program. Recipients may use the funds to establish high-speed internet networks that will foster economic growth and deliver enhanced educational, health care and public safety benefits.

Grant recipients must agree to provide high-speed internet service at community-serving institutions free of charge for up to two years. These institutions include schools, libraries, fire stations and other public safety sites.

USDA Offers Grants for Programs to Create High-Wage Jobs and New Businesses in Underserved Rural Communities

U.S. Department of Agriculture (USDA) Rural Development Under Secretary Xochitl Torres Small today announced that USDA is accepting grant applications for community-driven programs that will help create high-wage jobs and new businesses in underserved rural communities.

The [Rural Innovation Stronger Economy \(RISE\)](#) program provides grants for job accelerator partnerships that will serve people in low-income and underserved rural communities.

For fiscal year 2023, the RISE program is making \$2 million available to consortiums of local governments, investors, industry, institutions of higher education, and other public and private entities in rural areas. The funding may be used to support innovation centers and job accelerator programs that improve the ability of distressed rural communities to create high-wage jobs, form new businesses, and identify and maximize local assets.

To learn more, read the full [Stakeholder Announcement](#).

Interest Rate Decrease for SFH Direct Programs

Programs	February 2023 Interest Rate	Interest Rate Effective February 1, 2023
Rural Housing (RH) 502 Very-Low or Low	4.00%	4.00%
Single Family Housing (SFH) Non-Program	4.50%	4.50%
Rural Housing Site (RH-524), Non-Self-Help	4.00%	4.00%

SYSTEM TO PROTECT FARMWORKERS FALLS SHORT, INVESTIGATION FINDS

As part of an ongoing series on farmworker housing, Investigate Midwest published [Government System for Protecting Farmworkers Plagued by Staff Turnover and Lack of Outreach](#). The Monitor Advocate System, a federal-state joint effort, is intended to ensure that states protect farmworkers from unsafe housing, wage theft, and other abuses. Journalists found, however, that some states failed to conduct adequate outreach to farmworkers, employee turnover was high, and during the coronavirus pandemic some states stopped doing outreach at a time when farmworkers likely needed it most. (Courtesy of HAC News [website](#).)

National Community Development Week set for April 10-14

This annual observance celebrates improvements achieved with support from the HOME and CDBG programs. Access the [National Community Development Week toolkit](#) and other resources online from the CDBG Coalition, which includes HAC. (Courtesy of HAC News [website](#).)

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DO NOT PAY

Requirements for self-help grantees to receive Department of Treasury's Do Not Pay (DNP) clearance and report any single contract of \$10,000 or more to the U.S. Department of Labor (DOL) have been re-emphasized in the new special self-help section of HB-1-3550, Appendix 13 (link Appendix 13 here). Both the DOL notification and the DNP checks are completed through online portals. These are unrelated to SAM.gov and the notification and clearance checks are initiated by Self-Help grantees and completed in the portal by USDA – RD, not by the grantees or subcontractors.

Do Not Pay for checking (Sub)Contractors– The DNP system checks for delinquency on any federal debt, among other things. This needs to be completed for any subcontractor with a contract for \$25,000 or more. This is also done for the title company, the applicant, and the self-help housing grantee. Once submitted to RD, you will need to wait for clearance before entering into any contracts. If it is determined a subcontractor is on this list, you will be unable to award them the contract (or pay for any of their services using Section 502/federal funds). This is checked before entering into a contract and needs to be conducted again within five days prior to any payments being made for Custodial Accounts (disbursements from a Supervised Bank Account (SBA) are exempt). As a result, this may require a change in the way that you regularly execute contracts. If the self-help participants are reviewing bids and selecting subcontractors, you will need to request the DNP check once the contractor has been selected but prior to executing the contract. Once entered by USDA – RD staff into the portal, DNP results are almost instantaneous. Additionally, you may want to include information about the DNP clearance requirements in your (sub)contracts.

Do Not Pay for Grantees - Before grant obligation, grant closing and at each draw, RD is required to check the grantee organizations TIN through DNP and its 'principal' members. Principal members are the Chief Executive Officer (CEO)/Director/Executive Director, Chief Financial Officer (CFO), and any person who will be accepting/distributing the Federal Funds; plus, Chairman/President and Treasurer of the governing board. Prior to grant obligation and again before grant closing, the RD staff responsible for processing your Section 523 grant (re)application in the State office will send a request for the principal's Social Security Numbers (SSN) for the DNP checks. These should be sent to the RD representative in a password protected document/email and the password should be sent in a separate email. RD will then maintain these for DNP clearance prior to any subsequent draw requests. If a principal member changes, you must notify your RD state representative and provide updated information and SSN's before any future draws can be requested.

Reporting to DOL – This needs to be completed within 10 days of entering into any single contract or subcontract that will (**cont. on page 3**)

HOUSING ASSISTANCE CORPORATION MAKING AMAZING IMPACTS IN 2022

The Housing Assistance Corporation (HAC) of Hendersonville, North Carolina, has worked extremely hard for years. They are making dreams come true for so many families. These are families working to break generational challenges, to become the first in their families to become homeowners. They achieve this with the help of HAC's Housing Counselors and organization members and through our partnership with USDA-Rural Development's Direct 502 packaging and Mutual Self-Help programs.

As of June 2022, HAC has been able to move in their 200th Self-Help family on property that was purchased from the City of Hendersonville and later divided to build 2 new Self-Help green homes!

HAC is now working in Polk County for Self-Help and new home builds. This will allow HAC to build 20 more Self-Help affordable homes for low-income families. They are also obtaining additional land in Henderson, Polk, and Transylvania counties to continue to grow and provide housing.

HAC also uses the Section 504 Home Repair packaging program and funds from their other Agency partners. Seventy-eight homeowners have been helped with this program. These home repairs have included fixing roofs and floors, installing accessible ramps, repairing siding and gutters, addressing foundation issues, clearing septic drain fields, repairing heating systems, making bathrooms accessible along with other ADA compliant modifications, and other necessary repairs.

HAC is excited about what 2023 will bring for them and the help that they will be able to continue to provide to those in our community to move from run down rentals into decent, safe and sanitary homes, and to help those in need of housing work toward homeownership in order to have stable environments for themselves and their children.

HAC has seen an increase in applications and their intakes have doubled since last year.

Information provided by Crystal Watkins, Housing Assistance Counselor, HAC.

HAC SEEKING WORKSHOP PROPOSALS FOR 2023 NATIONAL RURAL HOUSING CONFERENCE

HAC requests [workshop proposals](#) for its 2023 conference, to be held October 24-27 (with workshops on October 25 and 26) in Washington, DC. The biennial conference brings together rural affordable housing and community development leaders, practitioners, policy makers, funders, industry experts, and partners for learning and networking. Workshops should seek to align themselves with the conference theme – Build Rural – or one of the following threads: Housing Affordability, Development, Preservation, Community Facilities, Rural Prosperity, Placemaking, Capacity Building, Housing Justice, or other adjacent threads. Proposals are due June 2. For more information, contact [Kelly Cooney](#) or [Diane Hunter](#), HAC. (Courtesy of HAC News - [website](#).)

7.3 MILLION AFFORDABLE RENTALS NEEDED

The National Low Income Housing Coalition's annual publication, [The Gap: A Shortage of Affordable Homes](#), reports a shortage of 7.3 million affordable and available rental homes for the lowest-income renters in the country. The shortfall increased by 500,000 between 2019 and 2021. Nationwide, there are only 33 affordable and available rental homes for every 100 extremely low-income renter households; among states, the supply ranges from 17 per 100 in Nevada to 58 in South Dakota.

The report calls for greater federal investment in the preservation and expansion of the affordable housing stock, more Housing Choice Vouchers, a national housing stabilization fund for renters who experience an unexpected short-term financial shock, and federal tenant protections. (Courtesy of HAC News - [website](#).)

DO NOT PAY cont.

exceed \$10,000 to a single homeowner. Group contracts exceeding \$10,000 only require notification if the individual charge to any one homeowner exceeds the threshold. Once submitted to RD, you will not need to wait for any kind of response or "clearance" from RD or DOL. More information about Notification of Construction Contract Award and the DOL portal can be found here: [Notification of Construction Contract Award Portal | U.S. Department of Labor \(dol.gov\)](#)

To request DNP and DOL notification, it is recommended that this be done simultaneously, when applicable, by providing the following to your state USDA RD office:

We submit the following information relative to a construction contract in excess of \$10,000 per homeowner for DOL notification and/or \$25,000 per homeowner for Do Not Pay clearance per RD Instruction 1901-E, Exhibit C, Rural Development Financed Contract:

1. Contractor's Name:
Address:
Telephone Number:
Email:
EIN:

(In addition, the below is only required if you are submitting DOL notification)

2. Contract for: (dollar amount)
Starting Date:
Completion Date:
Contract Number:
County/City/State:
DOL Region:

USDA OFFERS SECTION 515 SUBSEQUENT LOANS

Borrowers with existing Section 515 loans or loan commitments can apply by April 30 for [Section 515 subsequent loans](#) to complete, improve, repair, or modify these properties. A second round of funding will be announced later this year.

For more information, contact a [USDA RD](#) Processing and Report Review Branch.