

# Realtors<sup>®</sup> Build Community

**REALTOR<sup>®</sup> Party**

**Rural Outreach  
Initiative**

**Rural Housing Needs  
Webinar**



NATIONAL  
ASSOCIATION of  
REALTORS®



# Speakers

- Samantha Booth, Government Affairs Manager, Housing Assistance Council
- Megan Booth, Director of Federal Housing and Commercial Real Estate Policy, National Association of REALTORS®
- Robert Procter, Government Affairs Director, REALTORS® Association of South Central Wisconsin
- Bob Hill, CEO, Harrisonburg-Rockingham Association of REALTORS®



# Rural Housing Landscape: Challenges and Opportunities

Samantha Booth, Government Relations Manager

Housing Assistance Council

June 2, 2020

The mission of the Housing Assistance Council is to improve housing conditions for the rural poor, with an emphasis on the poorest of the poor in the most rural places.





The Housing Assistance Council (HAC) is the only national nonprofit and certified community development financial Institution(CDFI) solely dedicated to helping local rural organizations build and preserve affordable homes



### Training & Technical Assistance

Developing the capacity of local nonprofit organizations to help their own communities.



### HAC Loan Fund

Providing Capital in the Hardest to Serve Places



### Research & Information

Leading resource on rural housing data and issues



### Policy and Advocacy

Informing Sound Strategies and Policies that Help Improve Housing and Communities Across Rural America



# Challenges and Opportunities in Rural Housing





## Rural Populations Face Numerous Housing Challenges



About **21%\*** of the U.S. lives in rural areas, but **86%** of persistent poverty counties are rural.



Rural homes are **more likely** to lack adequate kitchen and plumbing.



Since 2007, rural median income has averaged **20 percent below** the urban median.



Nearly **50%** of rural renters spend more than **30%** of their income on rent.

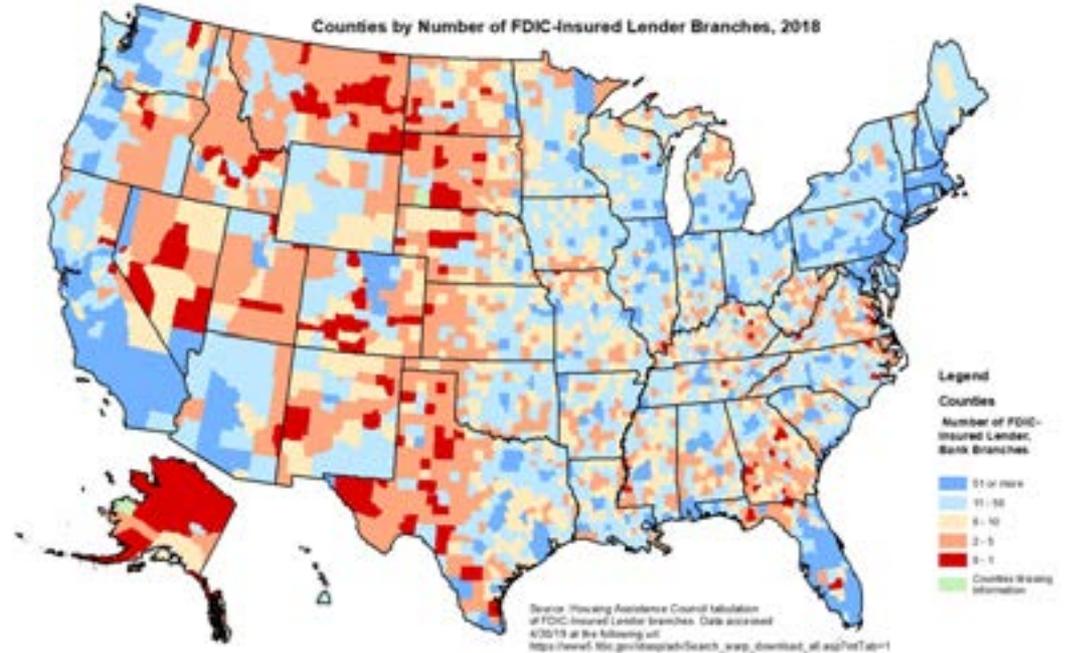
\*Based on HAC's definition for policy and research purposes  
Source: Rural Data Portal

## Barriers for Rural Residents



- 
- Affordability
  - Shortage of housing stock for both purchase and rent
  - Home-building challenges
    - High construction costs, labor shortages, material shortages
  - Lack of access to financial services
  - Appraisal challenges
  - Lack of investment and local capacity
  - Aging housing stock in need of repairs

# Bank Branch Closures Adversely Affect Rural America

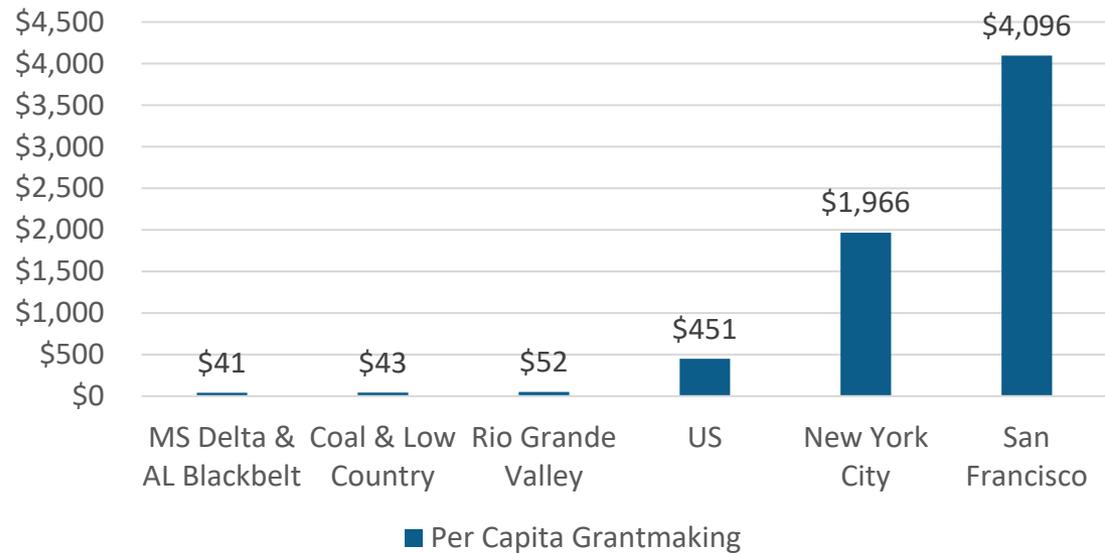




The **Housing Assistance Council** is a national nonprofit organization that helps build homes and communities across

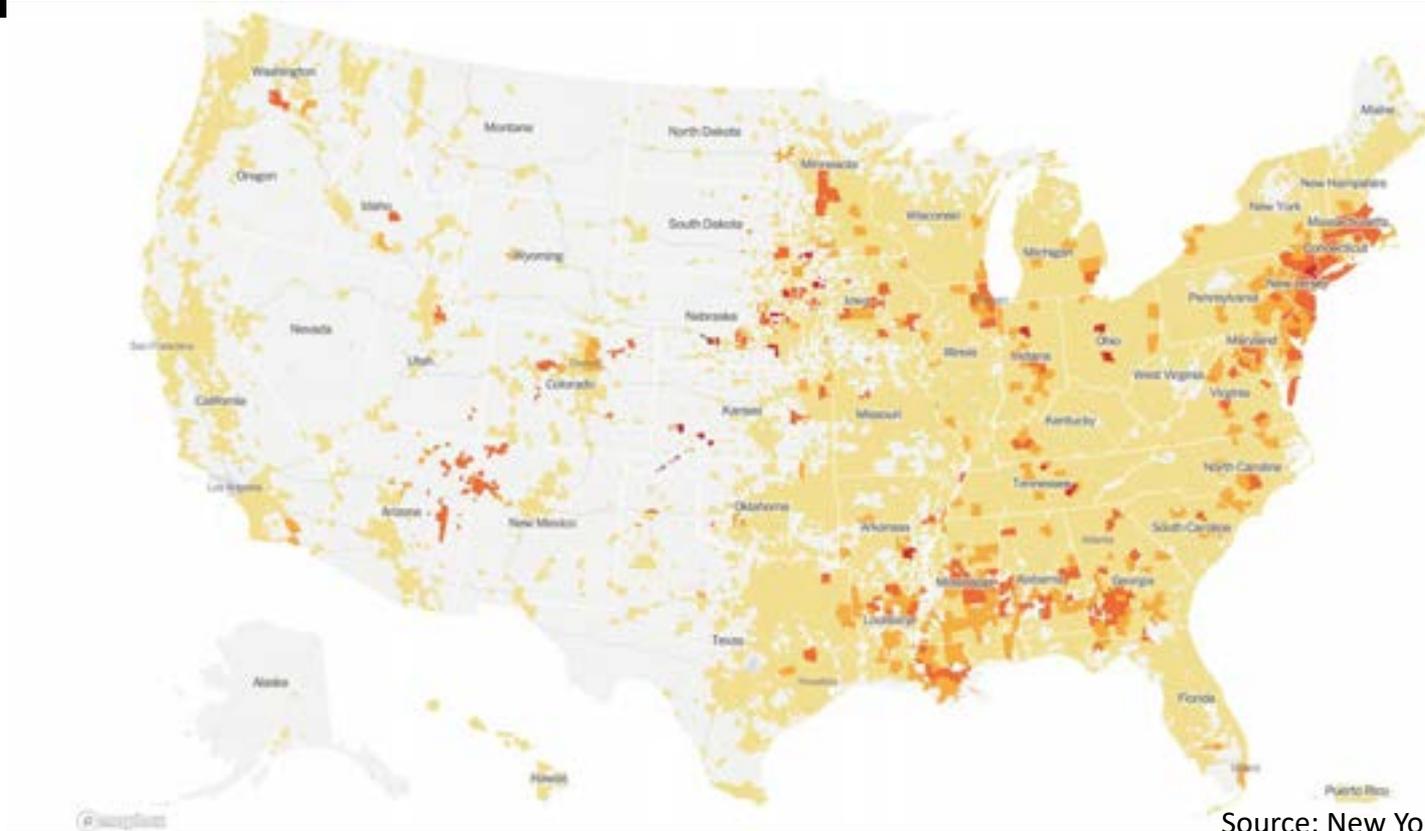
There's a lack of philanthropic investment in Rural America

## Philanthropic Investment Per Person



Source: National Committee for Responsive Philanthropy and Grantmakers for Southern Progress. 2016 – 2017

# COVID-19 Challenges: The Rural Checkerboard





The **Housing Assistance Council** is a national nonprofit organization that helps build homes and communities across

## Opportunities in Rural Housing

Large U.S. cities lost nearly **30,000** millennials in 2018, the fourth consecutive year the population of young adults declined.

**47%** of rural owner-occupied homes don't have a mortgage, compared to 35% nationally.



## Opportunities for Investment in Rural Housing

The Community Reinvestment Act (CRA), adopted in 1977, requires federally-insured depository institutions to help meet the credit needs of their entire communities, including low- and moderate-income neighborhoods.

The Federal Housing Finance Agency's (FHFA) Duty to Serve rule requires that the secondary mortgage market must proactively serve rural places, manufactured housing markets & affordable housing preservation efforts. USDA's Rural Housing Service programs are a

lifeline for rural affordable housing, and need more robust government investment. Since the first USDA housing loan was made (around 1950), the agency has funded the construction, purchase or repair of over 5.1

# Working with USDA

## Single Family

- Section 502 Direct Homeownership Loans
- Section 502 Self-Help Homeownership Loans
- Section 502 Guaranteed Homeownership Loans
- Section 504
  - Repair and Rehab Loans
  - Repair and Rehab Grants
- Section 523 Technical Assistance Grants

## Multi-family

- Section 515 New Repair and Rehabilitation Rural Rental Loans
- Section 514/516 Farm Labor Housing Program
- Section 538 Guaranteed Rural Rental Housing Loans
- Section 521 Rental Assistance
- Section 533 Housing Preservation Grants
- Multi-Family Housing Revitalization (MPR)
- Section 542 Multi-Family Housing Tenant Vouchers



HAC works with organizations in rural communities to help ensure that they have the funding, technical knowledge, training and information they need.

## TOOLS AND RESOURCES

- Rural Data Portal
- Veterans Data Central
- Rural Voices
- HAC News
- Taking Stock
- National Rural Housing Conference



# Rural Housing

Megan Booth  
NAR Advocacy Team

# Section 502 Home Purchase Loan

- Guaranteed
- Direct

# Section 502 Guaranteed Loan

## Can be used to:

- build, repair, renovate or relocate a home, or
- purchase and prepare sites, including providing water and sewage facilities.

## Who is eligible?

Income up to 115 percent of adjusted U.S median income and a decent credit history, and must be unable to qualify for conventional mortgage credit.

- Guaranteed loans are funded by private lenders, and simply insured by the RHS.
- Guaranteed loans are self-funded and budget neutral, meaning the fees paid for borrowers fully pay for the program, placing no burden on American taxpayers.

## WHERE?

- Eligibility on RHS website

# Section 502 Direct Loan

## Can be used to:

- ▶ build, repair, renovate or relocate a home, or
- ▶ purchase and prepare sites, including providing water and sewage facilities.

## Who is eligible?

Income levels no more than 80 percent of the AMI. Guaranteed loans are funded by private lenders, and simply insured by the RHS.

## How much can I borrow?

Determined by RHS

## Benefits?

Payment assistance, which can reduce the interest paid on the mortgage to as low as 1 percent, is available for borrowers in the direct program and is based on the borrower's income.

# Section 515 Rural Rental Housing

Section 515 Loans are mortgages made by USDA to provide affordable rental housing

## Who can live in it?

- ▶ Residents with income from below 50% of area median income (AMI), up to \$5,500 above 80% of AMI.

## How much do they pay?

- ▶ Often combined with Section 521 rural rental assistance

# PRESERVATION

- ▶ Aging portfolio with rehabilitation needs
- ▶ Loans at or nearing maturity
- ▶ Population changes...

# What is needed?

- ▶ Permanent rehabilitation/renovation/preservation program
- ▶ Ease of processing RHS loans – streamlined systems

# STATE AND LOCAL PROGRAM OVERVIEW



# ROADMAP TO REFORM:



- We need more housing!
- We will not solve the housing crises without more supply; however, supply alone will not solve the crises.
- There needs to be a more diverse supply that focuses on all income levels, all family types and sizes, all ages, and people with special needs

# ROADMAP TO REFORM:



- Smaller lot sizes, reduced set-backs.
- Reduced parking requirements.
- Require municipalities to allow accessory dwelling units in all zoning districts by right. (ADUs / Granny Flats)
- Establish maximum / minimum lot sizes to allow for more density / more affordable housing.
- More multifamily
- Encourage row housing, townhouses, condominiums, and zero lot lines.

# ROADMAP TO REFORM:



- Rebuild and strengthen home ownership (more financial assistance).
- Use Tax Incremental Financing and other financing tools to promote affordability.
- Create Down Payment Assistance Programs.
- Help interested potential buyers access Down Payment Assistance Programs.
- Create low interest municipal loan programs for homeowners and landlords to fix and update properties.

# ROADMAP TO REFORM:



## EXPANDING HOUSING OPTIONS IS HARD

- Changing local zoning codes and land use regulations is a long, thankless, and boring process.
- Future home owners and renters do not appear at meetings or vote in the next election.
- Current neighbors do attend meetings, do vote in the next election, and often do not support more housing (Not In My Backyard).

# ROADMAP TO REFORM:



- Housing needs to be the focus of every election.
- Housing needs to be the focus of every new ordinance and every municipal decision.
- We try to ask every time there is a new ordinance or program, how will this decision affect housing affordability?
- There needs to be a continuous conversation with residents, elected officials, and stakeholders with regard to expanding housing options.

# FAIR HOUSING FITCHBURG ISSUE MOBILIZATION CAMPAIGN



# ISSUE MOBILIZATION

## FAIR HOUSING FITCHBURG

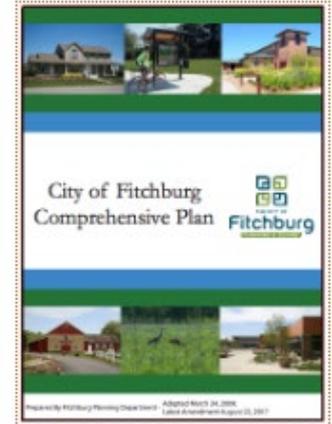
The Issues Mobilization Grant, which is part of NAR's [Campaign Services](#), provides financial assistance to state and local REALTOR® associations to organize and manage effective state and local issue advocacy campaigns to promote positions on public policies (government laws, regulations, courses of action and funding priorities) that affect REALTOR® interests. Methods of promoting a position include legislation, ordinances, referenda, and constitutional amendments.

# ISSUE MOBILIZATION

The City of Fitchburg updates its Comprehensive Plan every 10 years in accordance with Wisconsin state law.

The 2019-2020 update will guide the city's long-term growth with the next official update occurring around the year 2030.

When city officials make decisions using the zoning ordinance, land division ordinance, tax increment districts, official map, capital improvement budgeting plan, intergovernmental agreements and more, state law requires these decisions to be consistent with the Comprehensive Plan.



# ISSUE MOBILIZATION

FITCHBURG  
MAYOR AARON RICHARDSON

On Sat, Dec 8, 2018 at 2:19 PM **Aaron Richardson** <[aaronforfitchburg@gmail.com](mailto:aaronforfitchburg@gmail.com)> wrote:

Hello Neighbor!

I have some good news to share. I have completed all paperwork and been approved to be on the ballot for Mayor of Fitchburg this spring! It is an exciting time and there is a lot of work left to do.

**A major reason I am running for Mayor is because we are going to start redoing our 10 year comprehensive plan.** This determines the type of developments we'll see in the future. **I think we need to see less density in our new developments and a lot less apartments.** In talking with many people like you, I know many other residents feel the same way. **I will ensure these guidelines are included in the new comprehensive plan! More to come on this and the other reasons I'm running.**

- **RASCW proposed an Issue Mobilization Campaign to counteract the newly elected Mayor and some others on the City Council.**
- **It was designed as a multi-pronged campaign that would shine a bright light on the process through digital advertising, social media, and attendance at public hearings to insure that housing affordability was a priority in the Comprehensive Plan.**

# ISSUE MOBILIZATION

FAIR HOUSING  
FITCHBURG

- **NAR provided two Issue Mobilization Grants to RASCW in the total amount of \$71,600.**
- **RASCW contributed \$17,900.**
- **The Total campaign was \$82,500.**

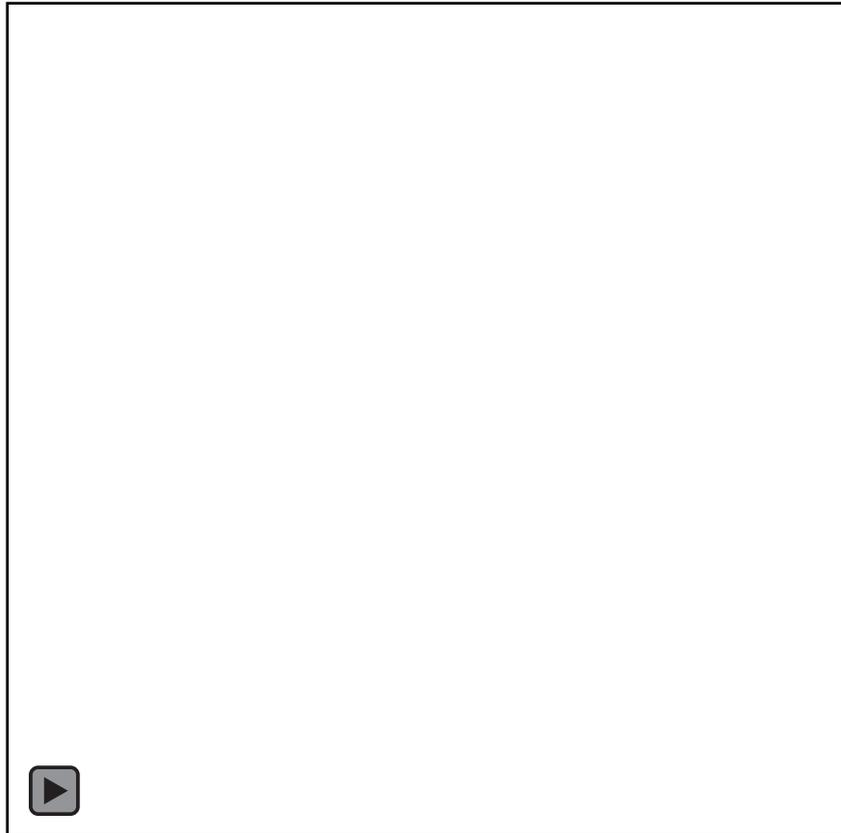
# Issue Advocacy

FAIR HOUSING  
FITCHBURG



# Issue Mobilization

**FAIR HOUSING  
FITCHBURG**



# Issue Mobilization

## FITCHBURG COMPREHENSIVE PLAN 2030 HOUSING GOALS, OBJECTIVES, & POLICIES

Fitchburg adopted a Comprehensive Plan that included the following policies:

1. Promote development of housing to meet forecasted needs.
2. Promote the development and preservation of long-term entry-level housing for low to moderate income residents.
3. Provide small lots that encourage sustainable land use and which may assist in the provision of affordable/workforce housing for everyone.
4. Promote opportunities for first time buyers through a housing fund.

# Issue Mobilization

## FITCHBURG HOUSING REPORT CALLS FOR MORE HOUSING

6. Review various development fees and consider waivers or reductions to encourage affordable homeownership opportunities.
7. Encourage compact neighborhoods and development patterns.
8. Encourage the development of planned residential areas large enough to allow “mixed uses” with a variety of housing types, complementary commercial and open space uses, as well as the use of innovative design and cluster development.

# Issue Advocacy



**ABDC Expenditure Fund**

Written by Monica Hickey [?] · March 31 at 8:15 AM · 🌐

Mark Pocan endorsed Randy Udell because he knows Fitchburg needs more housing for retirees, young families and everyone in between.

Vote **Randy Udell** for Fitchburg Common Council on April 7th!

Paid for by the ABDC Expenditure Fund. Not authorized by any candidate or candidate's agent or committee. 5936 Seminole Centre Court Madison, WI 53717. <https://bit.ly/3bzYy0v>



ABDCEXPENDITUREFUND.COM  
[www.abdcexpenditurefund.com](http://www.abdcexpenditurefund.com)



**ABDC Expenditure Fund**

Written by Monica Hickey [?] · March 31 at 8:22 AM · 🌐

Mark Pocan & the Democratic Party of Dane County have endorsed Joe Maldonado as the right choice for Fitchburg Common Council!

Vote **Joe Maldonado** For Fitchburg Common Council On April 7th!

Paid for by the ABDC Expenditure Fund. Not authorized by any candidate or candidate's agent or committee. 5936 Seminole Centre Court Madison, WI 53717. <https://bit.ly/3bzYy0v>



ABDCEXPENDITUREFUND.COM  
[www.abdcexpenditurefund.com](http://www.abdcexpenditurefund.com)

# Issue Advocacy

Inactive

Mar 28, 2019 - Apr 2, 2019  
ID: 437793043662596



About social issues, elections or politics



A Better Dane County  
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Mayor Paul Soglin is dedicated to ensuring an equitable Madison.



1,000+ affordable  
apartments in Madison.  
Tell Mayor Soglin thanks! ✓

Mayor Paul Soglin is focused on attainable housing for all of Madison.  
Call him to say thanks: (608) 265-4811  
EQUALHOUSINGMADISON.COM

Learn More

Inactive

Apr 1, 2019 - Apr 2, 2019  
ID: 31797816566616



About social issues, elections or politics



A Better Dane County  
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Mayor Paul Soglin has worked to ensure equitable housing for all Madisonians.



Mayor Paul Soglin is focused on attainable housing for all of Madison.  
Call him to say thanks: (608) 265-4811  
EQUALHOUSINGMADISON.COM

Learn More

Inactive

Mar 28, 2019 - Apr 2, 2019  
ID: 317202888997795



About social issues, elections or politics



A Better Dane County  
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Mayor Paul Soglin is dedicated to ensuring an equitable Madison.



Mayor Soglin is committed to equitable housing opportunities.  
Call him to say thanks: (608) 265-4811  
EQUALHOUSINGMADISON.COM

Learn More

THE END



# Issues Mobilization Grant

Assists REALTOR® Associations in Addressing housing affordability challenges

- Assessing housing affordability situation
- Developing ideas for addressing challenges
- Laying a foundation by conducting research
- Drafting legislative/regulatory language
- Undertaking an issue campaign



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# Housing Opportunity Grant

- Organize a Housing Affordability Forum
  - Educate homeowners, potential homeowners
  - Discussion with stakeholders and elected officials
  - Could be the first step in addressing housing challenges
- Partner on a Housing Task Force
- Fund a Report or Housing Plan
- Conduct a Market Study to Identify Challenges

# Questions

RealtorParty.Realtor  
Rural Outreach Initiative

Holly Moskerintz  
hmoskerintz@nar.realtor