



Fannie Mae 2020
Rural Housing
Outreach

ACTIVITY:

B. Regulatory Activity: Housing for high-needs rural populations (12 C.F.R. § 1282.35 (c) (2)).

OBJECTIVE:

3. Create and implement work-plans and advance strategies that support development of affordable multifamily housing for Native Americans and agricultural workers (Analyze, Do What We Do Best).

SUMMARY OF RESULTS:

Following are the 2020 Actions under this Objective per the January 1, 2021 Duty to Serve Plan:

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions taken</i>	<i>Explanation of any deviations from the Plan (if applicable)</i>
<input checked="" type="checkbox"/> Based on the work completed in 2018 and 2019:	•N/A	•N/A
<input checked="" type="checkbox"/> Partner with a non-profit organization with deep experience and expertise with developing affordable rental housing for agricultural workers to deliver a robust technical assistance program to affordable developers who focus on agricultural worker housing. The assistance will provide training and consultation on the comprehensive process for multifamily financing and development, including the use of the USDA 514/516 Farmworker Housing Programs and Low-Income Housing Tax Credits.	•Fannie Mae partnered with Community Resources and Housing Development Corporation (CRHDC) to provide technical assistance to agricultural worker housing organizations in 2020.	•N/A
<input checked="" type="checkbox"/> Partner with two non-profit organizations with deep experience and expertise with developing affordable rental housing for Native	•Fannie Mae partnered with Enterprise Community Partners to provide technical assistance to tribal housing organizations in 2020.	•N/A



Fannie Mae 2020
Rural Housing
Outreach

<p>American communities to deliver a robust technical assistance program to tribes, tribal housing departments, and Tribally Designated Housing Entities. The assistance will provide training and consultation on the comprehensive process for multifamily financing and development, including the use of the HUD funding programs and Low- Income Housing Tax Credits.</p>		
<p><input checked="" type="checkbox"/> Implement additional key actions and/or product enhancements that were potentially identified as part of the updated work-plans.</p>	<p>•Fannie Mae evaluated potential actions and implemented product and program enhancements based on that evaluation.</p>	<p>•N/A</p>
<p><input checked="" type="checkbox"/> Revise and document updated work-plans including considering proposing additional product enhancements or key actions.</p>	<p>•Fannie Mae revised the workplan and considered additional enhancements and actions.</p>	<p>•N/A</p>
<p><input checked="" type="checkbox"/> Conduct one annual meeting of the Advisory Council to continue to solicit guidance and information as Fannie Mae implements the activities outlined in the Plan.</p>	<p>•Fannie Mae conducted two virtual meetings of the Fannie Mae Duty to Serve Rural Housing Advisory Council (Rural Advisory Council).</p>	<p>•N/A</p>
<p><input checked="" type="checkbox"/> Conduct a survey of key stakeholders to assess the impact of each of Fannie Mae's work-plans</p>	<p>•Fannie Mae conducted outreach to key stakeholders that serve the high-needs rural populations to survey the impact of our work.</p>	<p>•N/A</p>



Fannie Mae 2020
Rural Housing
Outreach

for these high-needs rural populations.		
<input checked="" type="checkbox"/> Identify and document at least four key lessons learned from the work completed under each of the work-plans and use those findings, as well as the survey results, in the planning process for the next Duty to Serve Plan.	•Fannie Mae identified, as noted within our Impact Explanation, and documented four key lessons learned during 2018-2020 and has considered these lessons and research in developing the subsequent Plan.	•N/A

SELF-ASSESSMENT RATING OF PROGRESS:

- Objective met
- Objective exceeded
- Objective partially completed: 75-99% (substantial amount)
- Objective partially completed: 50-74% (limited amount)
- Objective partially completed: 25-49% (minimal amount)
- Objective partially completed: 0-24% (less than a minimal amount)
- No milestones achieved

PARTIAL CREDIT JUSTIFICATION:

N/A

IMPACT:

- 50 – Substantial Impact
- 40 – Between Meaningful and Substantial Impact
- 30 – Meaningful Impact
- 20 – Between Minimal and Meaningful Impact
- 10 – Minimal Impact
- 0 – No Impact

IMPACT EXPLANATION:

1. How and to what extent were actions under this objective impactful in addressing underserved market needs, or in laying the foundation for future impact in addressing underserved market needs?

The high-needs rural populations suffer from a lack of affordable housing supply for many reasons, primarily a lack of access to inexpensive capital. Developing multifamily and Low-Income Housing Tax Credit (LIHTC) housing is difficult, time-consuming, expensive, and requires technical expertise on various of subjects. Developing multifamily and LIHTC housing that serves high-needs rural populations is even more difficult



Fannie Mae 2020 Rural Housing Outreach

because of lower tenant incomes, smaller deal sizes, geographic disbursement, and many other factors. Also, organizations that develop housing for high-needs rural populations often serve a variety of purposes. These organizations are small and have less funding resources than developers in other settings. Therefore, development staff wear many hats and may not have the expertise, networks, and tools needed to successfully develop all the types of housing that serve their communities.

Fannie Mae partnered with CRHDC and with Enterprise Community Partners (Enterprise) to provide technical assistance (TA) to the developers of agricultural worker housing and Native American housing, respectively. TA was delivered on a one-on-one basis for agricultural worker housing and through a cohort mechanism for Native American housing, with individual instruction complementing the latter. The cohort convened weekly for several months and provided expert-led, hands-on guidance on specific projects.

Technical assistance focused on the following items:

- Understanding program requirements and applying for federally funded development sources, including the United States Department of Agriculture (USDA) 514/516, LIHTC, and the United States Department of Housing and Urban Development (HUD) based tribal programs. TA included engaging with field and national program offices, documentation requirements, and obtaining the required reviews and studies.
- Identifying and applying for state, local, and tribal funds.
- Budget and pro forma training, including project sizing and market analysis.
- Property construction and contractor selection training.
- Property operations and contractor selection training.

Significantly, very few projects in these TA programs were or will be able to obtain conventional debt financing. In addition, LIHTC funding is heavily competitive. For that reason, projects often need to put together multiple funding sources and explore innovative methods to finance their developments. In the agricultural space, all TA projects are relying or will rely on the USDA 514/516 program and potentially USDA rental assistance. Our partnerships with CRHDC and Enterprise provided guidance on funding.

In 2020, Fannie Mae's partnership with CRHDC provided TA to 18 farmworker housing projects (about 450 units) across ten states. Our partnership with Enterprise provided TA to 17 rural housing projects (about 400 units) in the West, Southwest, and Great Plains. The projects in the TA programs typically have a three to five-year cycle from concept to lease-up. Units on the ground are unlikely to be realized without foundational level, impactful TA like this. In addition, the technical knowledge that organizations gain from direct TA can be utilized in the future as TA recipient organizations grow with their communities. TA recipients were nonprofit affordable housing developers, housing authorities, and tribal housing entities.

2. What did the Enterprise learn from its work about the nature of underserved market needs and how to address them?

Due to COVID-19, TA providers conducted all sessions virtually, removing obstacles like the money required for recipient organizations to travel. This virtual format allowed Enterprise to include additional tribal housing entities in the cohort.



Fannie Mae 2020
Rural Housing
Outreach

Organizations developing housing to serve high-needs rural populations vary in size, sophistication, type of work and expertise, and frequency of development. To maximize the efficient use of TA resources, TA providers offered more in-depth training on development topics that would be repeatable for a recipient organization – for instance, if they were planning to develop four more USDA Farmworker properties. TA providers offered more detailed TA around one-off topics that would not be repeatable – for instance, if a housing authority were developing only one tribal community.

The timing and certainty around federal program funding, notably USDA 514/516, is vital to multifamily development in the high-needs rural populations. Without clarity around the timing, amount, and likelihood of the largest funding sources for a project, developers' progress may be limited.

3. (Optional): If applicable, why were all components of this objective not completed?

N/A