



Fannie Mae 2021 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 2021 Actions under this Objective per the [January 1, 2021 Duty to Serve Plan]:

Table with 3 columns: Objective's components detailed in the Plan, Corresponding actions taken, and Explanation of any deviations from the Plan (if applicable). It contains three rows of data detailing actions taken in 2021.



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Table with 3 columns: Action, Description, and Status. Row 1: Execute the 2021 TA program. Fannie Mae executed a 2021 TA program with the help of one organization specializing in housing for agricultural workers and one organization specializing in housing for Native American communities. The TA supported 23 unique projects. N/A. Row 2: Analyze results of the 2021 TA program at the property level to determine success of the program and inform future work. Fannie Mae analyzed the results of 2021 TA in order to inform future work, as noted in the Impact Explanation below. N/A.

SELF-ASSESSMENT RATING OF PROGRESS:

- Target met
Target exceeded
Target partially completed
No milestones achieved

IMPACT:

- 50 - Very Large Impact
40
30 - Meaningful Impact
20
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?

While the lack of affordable housing is felt in every part of the United States, the challenge is especially acute among high-needs rural populations. While multifamily housing programs such as the Low-Income Housing Tax Credit (LIHTC) program help to combat the affordability crisis, the ongoing deficiency of low-cost capital makes developing affordable housing difficult. This is especially challenging in high-needs rural areas where transaction sizes are smaller and tenant incomes are lower. Organizations that develop housing for high-needs rural populations often have fewer funding resources than developers in other areas. Resource constraints and a lack of the expertise necessary to develop housing adversely impact these communities.



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As in the past, Fannie Mae partnered with Community Resources and Housing Development Corp. (CRHDC) and with Enterprise Community Partners in 2021 to provide technical assistance (TA) to the developers of agricultural worker housing and Native American housing, respectively. TA continued to be delivered on a one-on-one basis as well as through virtual trainings for agricultural worker housing providers. Direct TA for Native American Housing was supplemented by a toolkit. The toolkit, which we explain in more detail below, will be an important asset for organizations serving these markets in the future.

As in prior iterations of this work, TA 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) tribal programs. TA topics 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

The capital available for housing developments serving high needs populations is often very competitive. Because of this, multiple funding sources are often needed to finance developments. For example, TA for agricultural projects focuses on the USDA 514/516 program in addition to USDA rental assistance. CRHDC and Enterprise provided critical guidance on these various funding sources.

In 2021, Fannie Mae's partnership with CRHDC provided TA to 22 farmworker housing projects (about 600 units) across 11 states. Of those projects, 11 have been funded and are in development, and seven more are in pre-development. Our partnership with Enterprise consisted of direct TA to the Oneida Tribe, which is working to grow its services as a tribally owned development group nationally, as well as the creation of the Native Housing Developer Toolkit. Projects in these communities rely on the foundational support of our partners to come to fruition. Consistent support and partnership will provide the most significant impact as organizations gain the knowledge and experience needed to support their communities for years to come.

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

Generally, real estate development in these markets has faced COVID-19 related challenges, including supply chain delays that increased construction costs. As a result, Fannie Mae's partners have had to devote a more time assisting sponsors to address funding gaps. Additionally, on-site TA has been replaced by virtual sessions. On a positive note, meetings and check-ins occurred more frequently in 2021 than in prior years because of the added convenience of virtual interaction.



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Earlier this year, Fannie Mae collaborated with Enterprise to create an online Native Housing Developer Toolkit. The toolkit provides relevant and timely information and resources to support housing developers (or those seeking to partner with developers) in Native communities seeking to utilize LIHTC and/or funds under the Native American Housing Assistance and Self-Determination Act, or other public programs to build affordable multifamily rental housing for Native populations and communities. The toolkit highlights the development process and the use of these programs in a way that is both approachable and achievable. We believe this will result in expanding development capacity and put more organizations in a position to leverage these programs to create affordable housing. It could also be used as a resource in concert with direct TA and capacity-building programs, if desired. This toolkit is an improvement from years past; it helps mitigate frequent staffing changes among TA recipients and provides accessible resources that make obtaining funding more achievable.

In 2021, Fannie Mae's support of technical assistance for farmworker housing was especially impactful because USDA funds for this type of TA were suspended, even as additional opportunities to apply for USDA 514/516 financing in 2021 emerged. Without the technical assistance we facilitated, organizations serving the most underserved communities may not have had the support they needed to submit competitive applications.

3. If applicable, why was the Enterprise unable to achieve the Plan target?

N/A