



Multifamiliar



**Quarterly Newsletter of the Los Angeles
Multifamily Hub
Volume 1, Issue 1, July 2003
Inaugural Edition
Questions/Comments
reagan_e._reed@hud.gov
or 1 (800) 568-2651, Extension 3636**



Joe Hirsch, Los
Angeles Multifamily
Hub Director

**Virtual Tour of HUD
Multifamily Projects in
The South Bay Area of
Los Angeles County** by
*the new Los Angeles Hub
Director. Full story*

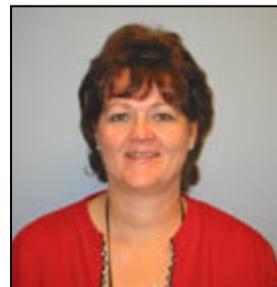
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Corporation Awarded PBCA Contract for 2003 With Planning Activity Now Switching Into High Gear

**Performance Based Contract Administrator (PBCA)
Transfer** by *Yvonne Stevens, Sr Project Manager/CAOM*

The Department awarded Los Angeles LOMOD Corporation the PBCA contract in 2003. The Annual Contributions Contract (ACC) was executed March 2003, with the anticipated Housing Assistance Payment (HAP) effective date on October 1, 2003.

Our office anticipates the transfer of approximately 801 projects that represents 48,235 Section 8 subsidized units. The transfer of all projects will occur over a three to six month period, beginning with the initial transfer in August 2003. All projects eligible for



Yvonne Stevens

transfer to the PBCA are expected to be complete by January 2004.

- Phase one - preparation of files, database cleanup and verification by Hub staff is ongoing. All files are expected to be ready for the PBCA to copy and transfer in July/August 2003.
- Phase two - Hub provides Headquarters with list of projects eligible for assignment.
- Phase three - HQ notifies owners/agents, in writing, 30-45 days prior to transfer of their property.
- Phase four - files assigned to PBCA by amendment of Exhibit X to the ACC is tentatively scheduled for August/September 2003. Estimated HAP effective date is October 1, 2003.
- Phase five - technical assistance, oversight and monitoring to evaluate performance of PBCA during transition phase - Oct/Nov/Dec 2003.
- Phase six (final) - implementation to full performance after successfully completing three consecutive months of scheduled and non-scheduled Incentive Based Performance Standards (IBPS) tasks with oversight and evaluation of performance by Hub staff.

Los Angeles LOMOD Corporation will hire a sub-contractor to perform most of the IBPS tasks, and will provide oversight and quality assurance of the sub-contractor's performance. The actual transfer of projects may be delayed one month due to sub-contractor selection and start date changes. Our office will provide regular updates to owners/agents. We look forward to working together with the owners/agents and PBCA to provide affordable, decent, safe, sanitary housing in good repair to your communities.

Ramifications of Real Estate Assessment Center Physical Inspection Scores Falling Below 60 Are Significant

Under 60 Policy by *Rick Abdalla, Supervisor, Team "A"*



Rick Abdalla

Last November 2002, HUD announced a new policy relating to Real Estate Assessment Center (REAC) physical inspection scores below 60. This policy was initiated to ensure that all properties in HUD's inventory were and continue to be in acceptable repair at all times. Most properties (over 90%) are maintained in an acceptable manner. Those properties that fail to be kept in good repair are subject to more rigorous monitoring and procedures. *HUD will no longer allow properties to receive assistance or be insured when tenants are not receiving quality housing.* Owners will be given the opportunity to bring properties receiving physical inspection scores below 60 to scores of 60 or better, within a 60-day period. If this is not accomplished and the score upon re-inspection is once again below 60, *the HUD Field Office must take*

decisive action.

This policy does not affect those properties receiving scores 30 or below. Those properties will continue to be automatically referred to the Departmental Enforcement Center (DEC) for corrective enforcement actions as has been done in the past.

Those properties now receiving scores between 31 and 59 are being referred to the DEC, as an elective referral by the local HUD Field Office. *Within 5 business days of the release of the REAC inspection, the Multifamily (MF) Hub must make a referral to DEC and within 5 business days of that referral, the Hub must submit documentation (Regulatory Agreement, Hap contract(s), Mortgage Note(s), Use Agreement and HUD 2530 form for owner and management agent).*

It should also be noted that if a property's physical condition is unacceptable as indicated

by a REAC physical inspection score below 60, *the Field Office must flag the principals and any management agent* in the Active Partners Participation System (APPS). The flag has no immediate effect on the participant. It is to merely alert HUD staff that a potential risk is present (e.g., less than satisfactory physical condition, owner failed to submit financials) If the condition or issue of non-compliance is remedied to HUD's satisfaction (e.g., subsequent physical inspection with score above 60, financials submitted) the Field Office may then resolve (remove) the flag.

Upon receipt of the referrals and documentation, the DEC will make these referrals its top priority work. The DEC staff is encouraged to consult and confer with the MF staff regarding the property's physical condition. However, while the referral is in the DEC, *the DEC will have the primary responsibility of dealing with the owner and management agent regarding the property's physical condition.*

Upon referral, the DEC will review the property data and the business agreements executed by the owner. It will further analyze the property's financial condition to determine the availability of project funds to complete required repairs. In preparation for discussions with the owner, the DEC will prepare a *Notice of Violation (NOV) of the Regulatory Agreement* and/or may prepare a *Notice of Default (NOD)* of the HAP, Regulatory Agreement or other business documents for failure to maintain the property in good repair. The DEC will then contact the owner to arrange a meeting or conference call. This meeting must be held as soon as possible with a target date of *no later than 10 to 15 days after the release of the inspection report.*

At the meeting of the owner and the DEC, the owner will be served the NOV and informed of the following:

1. The owner must certify completion of property repairs no later than 60 days from the date of the meeting or conference call.
2. The owner will be notified to take whatever steps are deemed necessary to assure HUD that all defects cited in the inspection report are repaired.
3. Further, the owner should, in preparation for a re-inspection, locate and repair all other defects at the property.
4. A re-inspection will be performed immediately following the 60-day period from the date of the above meeting or upon receipt of the owners certification of repair completion, whichever comes first.
5. The re-inspection will not only look at the defects cited in the original inspection but also will include a sample of units not included in the original inspection.
6. If the property receives a re-inspection score of 60 or above, the HUD Field Office will accept that score as evidence of the owner's corrective action.
7. If the property *again scores under 60*, the DEC will proceed to issues a NOD under the HAP, Regulatory Agreement, or other business documents.

Should the owner refuse to meet with the DEC, the NOV will then be issued to the owner. If the owner responds to the NOV, then the referral will be handled as noted. If the owner does not answer within the time allocated in the NOV, a *new inspection* will be ordered. At this time the DEC will close the referral and return the property to the HUD Field Office to take action against the owner.

For properties which receive physical re-inspection scores below 60, the possible courses of action to be taken include the following:

1. Foreclosure.
2. Prepayment.
3. Abatement/termination of the Section 8 HAP Contract.
4. Mortgage sale of the Note.
5. Restructuring by OMHAR.
6. Transfer of Physical Assets (TPA).

In determining the action(s) to be taken the Field Office must prepare a written plan for compliance, disposition, and/or enforcement actions. That plan must clearly outline the steps that are to be taken to achieve the desired action. Additionally, owners and/or agents will be referred to the DEC for sanctions as appropriate. Such sanctions could be disbarment or other less severe sanctions such as suspensions or Limited Denials of Participations. Where appropriate the DEC may assess civil money penalties.

The Good News As to the Under 60 Policy:

Since the inception of the Under 60 Policy, the FHA Commissioner, the GAO and others in Washington have been following the program closely. The following is the kind of information HUD has tracked:

Physical Inspections released since June 1, 2002:	14,516	100.00% (thru 5/31/03)
Scores above 60:	13,376	92.15%
Scores below 60:	1,140	7.85%
((Scores between 31 and 59))	1,050	7.23%
((Scores below 31))	90	.62%
Properties with second inspections:	189	100.00%
Scores above 60:	135	71.40%
Scores below 60:	54	28.60%
((Scores between 31 and 59))	45	23.80%
((Scores below 31))	9	4.80%

The percentage of inspection scores above 60, 92.15% to date, ties to HUD's Goals. The percentage of Second Inspection scores below 60, 28.60% to date, will be an indicator of the effectiveness of the Under 60 Policy. That number is expected to fall as the industry comes to appreciate HUD's resolve in seeing that safe and well maintained affordable housing is provided.

Multifamily in Los Angeles Places Noteworthy Emphasis on Effective Customer Service



Harvey Friedberg

What's Happening in Customer Service by *Harvey Friedberg, Public Trust Specialist, Senior Project Manager, Customer Service Liaison*

About Customer Service

My goal, as the Los Angeles Multifamily HUB (L.A. MF HUB) Customer Service Liaison, is to provide fast, uniform, and efficient service to our customers and clients. I strive to help our customers and business partners solve problems related to information about HUD programs and services. Customer Service is one of the most important functions of the L.A. MF HUB. Generally, the Customer Service Liaison is the first point of contact for HUD's customers and clients including lenders, appraisers, nonprofit agencies, and individual citizens. We at the L.A. MF HUB believe our customers/partners deserve respect, quality products, timely service, and results. Our Los Angeles toll-free telephone number is 1-800-568-2893. My extension is 3814.

Types of issues that the L.A. MF HUB Customer Service Liaison handles includes

the following:

The types of issues that I deal with on a daily or weekly basis will be reviewed in this column of our quarterly newsletter. I will draw from some of the letters or emails that I originate in response to the inquiries of our customers, clients, and business partners. The Customer Service column of this newsletter, "What's Happening in Customer Service", reports on practical techniques I use to improve our customer service operations. Each quarter "What's Happening in Customer Service" will show you what's working in our call center, help desk, and customer service department at the L.A. MF HUB.

Los Angeles Multifamily HUB Customer Service Initiative's first quarter

The topics of the Los Angeles Multifamily HUB Customer Service Department communications and correspondence this quarter were wide-ranging and include inquiries regarding program data and information for:

- Mortgage insurance programs (Sections 221d4, 221d3, 236, 232, 223f, 232/223f)
- Capital advance programs (Section 202, Section 811)
- References to asset management programs and personnel
- Guidance in reaching the Public Housing and/or CPD Divisions
- Guidance on contacting the California Dept. of Social Services Community Care Licensing Division as it relates to our program(s)
- Helping urban planners
- The Super NOFA
- Occupancy requirements
- Housing handbooks and notices
- Community 2020 software for Consolidated Plans (CPD)
- The Rental Housing Booklet
- Statutory Mortgage Limits and High Cost Percentage Multipliers
- PRAC expiration dates
- Current HUD Passbook Rate
- Property for substantial rehabilitation, purchase and/or refinance
- MAP
- Loan-to-value ratios
- Forwarding FOIA requests
- Multifamily Property Disposition Mailing List
- Seismic rehabilitation for nursing homes
- Resident council/management

The following are some selected excerpts from the Los Angeles Multifamily HUB Customer Service Department communications and correspondence this quarter.

1. "It was a pleasure speaking with you today. This email will provide you with the internet addresses you need to access the subject detailed information alluded to in our conversation.

SUBJECT(s): Section 221(d)(3) and Section 221 (d)(4)

Section 232 and Section 232/223(f)

Section 221(d)(3) and 221(d)(4) insures mortgage loans to facilitate the new construction or substantial rehabilitation of multifamily rental or cooperative housing for moderate-income families, elderly, and the handicapped. Single Room Occupancy (SRO) projects may also be insured under this section.

Section 232 insures mortgage loans to facilitate the construction and substantial rehabilitation of nursing homes, intermediate care facilities, board and care homes, and assisted-living facilities. Section 232/223(f) allows for the purchase or refinancing with or without repairs of existing projects not requiring substantial rehabilitation.

Pls. proceed to the internet addresses below for further, more detailed information.
www.hud.gov/offices/hsg/mfh/progdesc/rentcoop/hsg221d3n4.cfm
www.hud.gov/offices/hsg/mfh/progdesc/nursing/lcp232.cfm

Program instructions are in HUD Handbooks, Notices and Forms which can be found on HUDclips.

www.hudclips.org/subscriber/cgi/legis.cgi"

2. "This is in response to your email inquiry..."

SUBJECT: Section 202 Application Procedures & Requirements

Summary:

HUD provides capital advances to finance the construction, rehabilitation or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable.

Purpose:

The Section 202 program helps expand the supply of affordable housing with supportive services for the elderly. It provides very low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, etc. The program is similar to Supportive Housing for Persons with Disabilities (Section 811).

Type of Assistance:

HUD provides interest-free capital advances to private, nonprofit sponsors to finance the development of supportive housing for the elderly. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years.

Project rental assistance funds are provided to cover the difference between the HUD-approved operating cost for the project and the tenants' contribution towards rent. Project rental assistance contracts are approved initially for 5 years and are renewable based on the availability of funds.

Criteria for allocation of program funding to HUD's local field offices include the number of elderly rental households served, the number of very low-income elderly renters in the area, and the number of very low-income elderly renters with housing problems who pay more than 30 percent of their incomes for rent.

Eligible Grantees:

Private nonprofit organizations can apply to develop a Section 202 project if they can, among other requirements, submit a resolution that they will provide a minimum capital investment equal to 0.5 percent of the HUD-approved capital advance, up to a maximum of \$25,000 for national sponsors or \$10,000 for other sponsors. Public entities are not eligible for funding under this program.

Eligible Customers:

Occupancy in Section 202 housing is open to any very low-income household comprised of at least one person who is at least 62 years old at the time of initial occupancy.

Application:

Applicants must submit an application for a capital advance, including a Request for Fund Reservation (HUD Form 92015-CA) and other information in response to the Notice of Funding Availability (NOFA) published in the Federal Register each fiscal year. Applications must be submitted to the local HUD field office with jurisdiction over the area where the proposed project will be located. Those selected for funding must meet basic program requirements, including private nonprofit status, financial commitment and acceptable control of an approvable site. Awards are usually announced in September.

Technical Guidance:

The program is authorized under the Housing Act of 1959; Section 210 of the Housing and Community Development Act of 1974 P. L. 86-372 (12 U.S.C. 1701q, 73

Stat. 654, 667); the National Affordable Housing Act, P. L. 101-625 (42 U.S.C. 12701); the Housing and Community Development Act of 1992 (P.L. 102-550); the Rescissions Act (P.L. 104-19); and the American Homeownership and Economic Opportunity Act of 2000 (P.L. 106-569). Program regulations are in 24 CFR Part 891. To learn more about the Section 202 program, see Supportive Housing for the Elderly (HUD Handbook 4571.3) and Supportive Housing for the Elderly--Conditional Commitment--Final (HUD Handbook 4571.5) which are available on the Internet at <http://www.hudclips.org> or from the HUD Multifamily Clearinghouse at 1-800-685-8470. Also see notice H96-102 REV 00-23 (HUD).

Additional detailed information, and application documents, are available at the following HUD internet addresses respectively:

www.hud.gov/offices/hsg/mfh/progdesc/eld202.cfm

www.hud.gov/offices/adm/grants/nofa/grpsec202.cfm

P.S. In order to be placed on the HUD mailing list for application and materials pertinent to applying for the subject capital advance; you must contact Sayana Chhe, at (213) 894-8000, x 3805, and ask to be put on the Section 202 mailing list for the current fiscal year. Be prepared to provide your non-profit organization's name and mailing address, along with your name and title within said organization.

Dedication Ceremonies Highlight Successful Partnering for the Benefit of Our Clients



Ribbon cutting at dedication ceremony

Dedication Ceremonies by *Dana Hendrix, Acting Program Director*

The past two months have found our office busy attending project dedication ceremonies for three Section 202 Elderly Housing projects. They were as follows:

On Tuesday, April 29th, a dedication ceremony was held at what is now known as the James Cleveland Senior Villa located at 1800 W. Martin Luther King Blvd. in Los Angeles. The sponsor, WASET, Inc., successfully partnered with the Department to develop a 34-unit apartment complex that will provide much needed housing

to low-income seniors.

That development is named in honor of the late Reverend James Cleveland, a known legend within the Los Angeles community. Reverend Cleveland's daughter was in attendance at the ceremony. The project was developed with capital advance funding in the amount of \$3,716,800 and with additional funding of approximately \$250,000 from the Los Angeles Housing Development Agency.

A second dedication ceremony was held on Friday, May 16th, wherein the community room was dedicated to Assemblyman Mark Ridley-Thomas in appreciation for his support of the project. The project development team consisted of John V. Mutlow, Architect; Alpha Construction, General Contractor; and Housing Development Services, Inc., Housing Consultant.

On Wednesday, May 28th, the sun was shining bright and the balloons were standing tall as the building dedication ceremony was held for Olive Manor located at 13869 Sayre Street in Sylmar. Foundation for Quality Housing Opportunities, Inc. sponsored the development of this 81-unit apartment complex for seniors 62 years of age and older. The project received capital advance funding in the amount of \$7,000,000. The project design is one that lends itself to safe and enjoyable living as well as socialization with its spacious community room

and open garden areas. The project has an on-site Service Coordinator who will assist the residents with their individual needs as well as plan activities and service coordination for the project residents as a whole.

This project was beautifully designed by Dvoretzky, Bardovi, Bunnell, Architects; and built by Alpha Construction. Phipps-Carr & Associates is the Housing Consultant and the Management Agent.



Dana Hendrix

On Tuesday, June 3rd, a dedication ceremony was held for Adda & Paul Safran located at 151 Ocean Front Walk in the lovely seaside community of Venice, California. This 64-unit complex was sponsored by Southern California Presbyterian Homes and developed with a capital advance funding of \$5,027,700. The project is within walking distance of the beach and some units provide a picturesque ocean view. This project was named in honor of the parents of Thomas Safran, a known developer within the Southern California area. Carde Ten, Architects designed the building and Fassberg Construction was the General Contractor.

Alex Rogic, Senior Architect, Swims in the National Spotlight



Alex Rogic swimming

Alex Rogic, Senior Architect, places within the top ten in the U. S. Masters Swimming Organization for the age range 65 to 69 in the 1500-meter free style. That national recognition is based on a tally of yearlong competitions held throughout the country at different local events. Alex competed in the short course of 25 meters. To an accomplished athlete and respected employee humbled by the accolade, we add our congratulations to him - hip, hip, hooray!

Hub Employees Receive Recognition for Their Years of Government Service

Hub Director Joe Hirsch (second from left) recently presented a 15 year government service certificate to Project Manager Walter Jackson (far left) along with recognition also going to Project Manager Daisy Snow (third from left) and John Gutierrez (fourth from left) for 20 years each and Project Manager Tina San Juan with 15 years -- congratulations to all for immeasurable contributions in the service of their country over a combined 70 years!



Focus on HUD Multifamily Housing in the South Bay Area of Los Angeles

Come with us on a virtual tour of multifamily apartment complexes in HUD's inventory in the southwest area of Los Angeles. From Wilmington to Redondo Beach HUD and FHA have assisted in the construction of apartment complexes providing housing to thousands of low and moderate income families, senior citizens and handicapped adults as well as the supportive services that are necessary to enhance the quality of life for all eligible residents.

We will start off in Harbor City at 1535 Anaheim Street where the development known as Anaheim Gardens provides 80 families with safe, decent and sanitary housing in one, two,



and three bedroom units. The complex was developed under the HUD 236 Program and opened 30 years ago, in 1973. In addition, HUD provides a rental subsidy to 75 of the families through the Project-Based Section 8 Program. The project is managed by Tarantino Property Management and scored 85 or more in the three independent inspections done by the Real Estate Assessment Center (REAC) of HUD. It is a beautiful addition to the neighborhood and from the time it

opened for residency it has served as a cornerstone for additional development of this area which is a few blocks south of the Pacific Coast Highway and east of Western Avenue.

Next our tour will take us south into the San Pedro Community of the City of Los Angeles. At 1327 Park Western Drive we find a larger family development known as Park Western Apartments. This development used a HUD Section 221(d)(3) Below-Market Interest Rate Program to build 216 one to four bedroom units which opened for occupancy in 1970. Two hundred and eight of the families in this complex enjoy the rental subsidy provided by the Project Based Section 8 Program. The project is located about a block off of Western Avenue in an area where Western Avenue is dominated by mid-sized shopping centers and many restaurants and grocery stores.



Transportation, shopping, medical offices, parks, excellent security and neighborhood policing provide an excellent opportunity for enhanced quality of life for residents of Park Western. The project is managed by the Crawford Family Partnership and never received less than a 96 score in the independent REAC inspections performed at the project. The project is well run with great playgrounds for the children. The residents celebrate many holidays together with the support of the apartment management staff and leadership.



As we continue our tour of San Pedro we come to a development a few blocks from the Port of Los Angeles at 360 West 3rd. Street. We are about three blocks from the water in an area dominated by cruise ships and Ports O'Call, a tourist attraction with a nautical flavor and a seafood reputation. At Verdes Del Oriente there are 113 units in 26 buildings at this project site. Rental subsidies are provided for 102 of the families by the Project-Based Section 8 Program. The units range from one bedroom to four bedrooms in size. This development was constructed under the Section 236

Program. It has since paid off that loan and refinanced to do some needed rehabilitation. The rehabilitation is evidenced by the fact that the REAC inspection scores have gone from a 46 in 2000 to an 88 in August of 2001. Managed by NHP Management Company and owned by AIMCO, a large national apartment developer, the project provides play areas and courts for the children. It endeavors to create the feeling of a community within a community resulting in strengthening of family ties within the project.

The next two pictures are of a high-rise apartment complex known as Harbor Tower just a block or two away from our last project. Harbor Tower is a 180 unit high-rise built under the Section 236 Program and first occupied in 1976. This project was built for the elderly and handicapped and is composed of all one bedroom apartments. All but two of the units are subsidized by the Project-Based Section 8 Program. The project is managed by Foundation Property Management, Inc., which is a management arm of the Retirement Housing Foundation, a nation-wide apartment developer with its corporate home in Long Beach, CA. This project scored an excellent 93 in its REAC inspection in 1999. The last REAC inspection in 2003 earned a 76 score. At the time this building was built HUD's regulations required a set-aside of some of the units for the handicapped. In those years handicapped qualified residents could be adults of any age.





The next stop on our tour is in Wilmington, an older community just to the north of the Los Angeles Harbor and east of the Harbor Freeway. Wilmington was involved with San Pedro and Harbor City in evaluating whether or not they should secede from the City of Los Angeles in 2002. They all decided to stay within the City. In Wilmington we come to a 90 unit Elderly complex consisting entirely of one bedroom apartments. The project is known as Banning Villa. It is located at 1100 N. Banning Boulevard. This development used the

Section 221(d)(3) Program for nonprofit sponsors to provide the construction money and uses the Project-Based Section 8 Program to subsidize all of the units in the complex. It is managed by Stratus Real Estate, Inc., and like Harbor Tower in San Pedro, it had an excellent 92 Score on the REAC inspection in 1999. It has fallen to a 69 in 2002. This project is one we have termed as "potentially troubled" because of not receiving good financial data about the operations of the project in a few years. Therefore, the HUD Project Manager will be focusing on this project and allowing it more personal attention than better performing projects receive.

Our tour continues with a trip back into Harbor City where we began this tour. This time we are on Pacific Coast Highway just west of Vermont Avenue. The project is known as Vista Lee Rosa and it is at 1001 Pacific Coast Highway. This is a 101 unit Elderly complex that was first opened in 1986. In 1986 HUD required Elderly buildings to have about 25% of the units configured as efficiency units and this project has 25 efficiencies and 75 one-bedroom apartments. It also has one two-bedroom unit for a project site manager. Project-Based Section 8 rental subsidies are provided to



99 of the elderly families in residence at Vista Lee Rosa. This project is managed by SK Management Company. It was built by Watt-Parker, a partnership of Mr. Ray Watt, an icon in housing in Los Angeles, and Mick Parker, who has gone on to do many apartment complexes in Los Angeles both for HUD and for private market rate occupancy. Vista Lee Rosa is located across the street from the Harbor City campus of Kaiser Permanente medical facilities in the South Bay area. The proximity of the complex to shopping, transportation, parks and recreational opportunities significantly enhances the quality of life for the fortunate residents of Vista Lee Rosa. Vista Lee Rosa has the distinction of having received a near perfect 99 REAC score in March of 2002 which was up from an 89 in 2000.



Our tour now takes us North on Western Avenue to 252nd Street in Lomita. At 1729 - 252nd Street we find a group home for 10 developmentally disabled persons that was opened for occupancy in 1987. Known as Peninsula Committee House, the house was built using the Section 202/8 Direct Loan for the Elderly and the Handicapped. The sponsor and manager is the United Cerebral Palsy-Spastic Children's Foundation. Like the previous project, this one has improved with age. The REAC inspections on this project started at 66 in 1999 and rose to a near perfect 99 in November of 2001. This

is a beautiful home on a very quiet little traveled street located a few short blocks from shopping, medical facilities, and restaurants. The City of Lomita endeavors to provide transportation and other social services to the residents of the project.

We continue our tour of the City of Lomita driving a couple of blocks to Lomita Kiwanis Gardens located at 25109 Ebony Lane. This project was developed using the HUD Section 202 Program and includes 67 units for elderly families, 17 of which are efficiency units and 50 of which are one-bedroom units. The Sponsors of this project were a joint venture between the Kiwanis Club of the City of Lomita, and Retirement Housing Foundation of Long Beach. Retirement Housing Foundation is also the management agent. This project has received REAC independent inspection scores in excess of 90 on all such inspections. Lomita, "The Friendly City," is very supportive of the project and its residents trying to make them very welcome in this small city in between Torrance and Los Angeles in the South Bay. The project is in the midst of excellent transportation corridors, commercial,

shopping opportunities and medical facilities. Several restaurants are within a block or two as is grocery shopping and a new Walgreen's Drug Store. The local Kiwanis Chapter takes a special interest in the project as does the Veterans of Foreign Wars (VFW) Chapter which is within easy walking distance.



The tour next takes us to the north and to Torrance, a much larger independent city in the South Bay. One exit off of the Harbor Freeway (110) South is 223rd Street which runs to the west through Torrance to Western Avenue. On the way we pass 1435 W. 223rd Street, which is the location of a six resident group home known as the Harbor Gateway Project. The owner of this facility which has been designed for occupancy by Chronically Mentally Ill

(CMI) adults is Homes For Life (HFL) Harbor Gateway Homes, Inc. The management agent is the National Housing Ministry, now known as Caring Housing Ministries. This project was funded under the HUD Section 811 Program as one of three, six resident, homes in the general neighborhood. The project has not been inspected yet, but as the picture illustrates, it is a beautiful home and well suited to the neighborhood and the residents. Interview of the residents and the parents of residents enlighten us as to the importance of residences like this to the families of CMI patients. Often these residences offer the parents and family members of the resident the first peace of mind they have been able to experience since the resident was diagnosed as Chronically Mentally Ill. The option to residences like this is institutionalization. Parents of these residents have been afflicted with guilt and worry over what will happen to their child when they pass. They have often seen their child in a "lock down" state or county facility and experience nightmares about that future for their loved one. Residences such as Harbor Gateway offer in their opinions "heaven sent" opportunities for dignity and freedom for their son or daughter. Clearly, Congress and HUD have created a masterpiece with this Section 811 Supportive Housing for the Handicapped, as they have with Section 202 Supportive Housing for the Elderly.

Up the street a few blocks, still in Torrance, at 22617-22711 S. Vermont Avenue, is a large Intermediate Care Facility (ICF), primarily for the elderly. Sunnyside Rehabilitation and Nursing Center, an existing facility, came to HUD for an insured loan to rehabilitate the facility and upgrade the quality of life for the 387 residents which the facility is licensed by the State of California to serve. This project was submitted under the Multifamily Accelerated Processing (MAP) Program by Capital Funding Group of Baltimore, Maryland. The owner is Family Health and Housing Foundation - Torrance I, LLC, and the managing agent (operator) is Quality Health Services Corporation of Tarzana, California. Together the lender, owner and operator put together a plan and the resources to complete this endeavor. They earned a REAC independent physical inspection score of 99 in February of 2003. This facility is located a few blocks south of the Harbor UCLA Medical Center, one of the premier medical facilities in Southern California. A tour of the facility enlightens one as to the results that competent, hard working operators can achieve in an Immediate Care Facility and a Skilled Nursing Home. The living conditions are excellent and the residents are appreciative. This facility sets a very high standard for health care. We will continue to monitor it and assist it in maintaining that standard for years to come.



The neighborhood is a mix of residential, commercial and medical uses. There are a handful of similar health care facilities within a few blocks. There are also commercial, shopping

uses, medical offices and the Harbor UCLA Hospital close by. The site has also been improved to provide adequate parking for family visitors. The parking lot has been refurbished and parking surfaces and walks have been improved to enhance safety for visitors.



A few blocks to the north on Vermont Avenue we visit another health care facility in Torrance. This building, at 21521 S. Vermont, is a couple of blocks north of the Harbor UCLA Medical Center. This project was also financed as a rehabilitation loan under the Multifamily Accelerated (MAP) Program. In this case the building is operated as a 127-bed Skilled Nursing Facility (SNF), by Geri-Care, Inc. of Torrance. The owner also from Torrance is Unified Investments Programs, Inc. The lender involved in this enterprise is General Motors Acceptance Corporation Commercial Mortgage

Corporation (GMACCM). This project has not been in HUD's inventory long enough to have been inspected by REAC. The neighborhood is very similar to the one described for Sunnyside Rehabilitation and Nursing, with a slightly higher multifamily residential presence close to the project.

Our tour now takes us to the west side of Torrance very near Hawthorne Avenue and Torrance Boulevard. This project is a high-rise apartment building known as Golden West Tower located at 3510 W. Maricopa Street, just a couple of blocks from Torrance City Hall, the county courts and the police station and other public and cultural services. Developed with the assistance of the Section 236 Program this project provides 178 Section 8 subsidized units for the elderly and for handicapped families. In addition there are two units without Section 8 for a total of 180 units available. The unit mix includes 128 efficiency units, 51 one-bedrooms and one two-bedroom unit. The lowest REAC independent inspection score this project earned has been 97 in July of 2002. The project is managed by Falkenberg/Gilliam & Associates of Pasadena, California. The mortgage is held by GMAC Commercial Mortgage Corporation. This project has been setting the standard for excellence in housing quality since it opened for occupancy in late 1973. It will celebrate its 30th anniversary in November of this year.



We decided to wind our tour down by visiting two of our favorite projects, two projects within easy walking distance of the fabulous beaches in Los Angeles County, in this case, in the City of Redondo Beach, California. First we go to 319 North Broadway to visit a 47 unit - all one bedrooms - project, managed by Goldrich & Kest (G&K) Management Co., Inc. of Culver City, California. The mortgage on this project is held by HUD and serviced by Prudential Huntoon-Paige Associates, Inc., out of Edison, New Jersey. This project was developed using the Section 221(d)(4) Program, which is the most

used HUD insurance program for new construction and for substantial rehabilitation of existing projects. Initial occupancy occurred in July of 1980 and the last REAC independent inspection score was a 96 in 2000. This project is about two blocks away from the beach and the civic complex at the beach which includes some of the highest regarded restaurants in Los Angeles County, many tourist attractions, boating, ocean fishing and the Redondo Beach City Piers. Transportation, shopping, medical facilities and one of the best quality of life environments in Southern California are all available to the residents of this beautiful project.

A few blocks away at 123 S. Catalina Avenue is the last project on our tour of the South Bay of Los Angeles County. The project houses 136 families of which 53 have Project-Based Section 8 subsidies available to them. This project was developed using the Section 236 Program for lower income families so all of the residents enjoy some level of subsidy. Casa De Los Amigos is a block from the beach. The 136 one-bedroom units could, if they were market rate rentals, probably rent for about \$1,200 to \$1,400 per month. Instead, because

this is a Section 236 Project, the Contract Rent is \$426 per month. The latest REAC independent inspection score was 92 in early 2003, which is a feather in the cap of the management agent, Community Housing Management Services of Long Beach considering the previous score in early 2002 was 61. The project, built in the early 1970s, has long been an example of the federal government's commitment to providing low fixed-income senior citizens with exemplary housing opportunities to make their golden years comfortable, safe and secure.



U.S. Department of Housing and Urban Development
451 7th Street, S.W., Washington, DC 20410
Telephone: (202) 708-1112 TTY: (202) 708-1455