



Multifamiliar



Quarterly Newsletter of the Los Angeles
Multifamily Hub
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Questions/Comments
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Deputy Assistant Secretary for Multifamily Stillman Knight visits the Los Angeles Multifamily Hub while in Los Angeles for a special meeting of the Affordable Housing Management Association at the LAX Marriott. The Los Angeles Multifamily Hub presents him with a proclamation in appreciation for his effort in spending time at their office.

Jump to...

- ▶ [Los Angeles Multifamily Hub Proclamation Presented to Stillman D. Knight](#)
- ▶ [A Look Back and a Look Forward](#)
- ▶ [Virtual Tour of HUD Multifamily Projects in the Western Section of The San Fernando Valley](#)
- ▶ [Central Library Toastmasters of Los Angeles](#)
- ▶ [Performance Based Contract Administrator \(PBCA\) Updates](#)
- ▶ [Los Angeles Multifamily Hub's Positive Approach To RHIP](#)
- ▶ [What's Happening in Customer Service?](#)
- ▶ [HUD's Visit to An Artist of Anti-Drug AHMA Poster](#)
- ▶ [AHMA Anti-Drug Poster Competition](#)
- ▶ [AHMA Poster Contest Participants At Strathern Court Apartments](#)
- ▶ [The Right to Appeal a REAC Physical Inspection](#)

Los Angeles Multifamily Hub Proclamation Presented to *Stillman D. Knight*

September 25, 2003

Whereas, *Stillman D. Knight* who has honored us today in the Los Angeles Multifamily Hub by generously scheduling his time to visit the office for our opportunity to be introduced to

him and to hear firsthand from him about important multifamily related issues affecting our daily work.

Whereas, *Stillman D. Knight* who serves the U. S. Department of Housing and Urban Development in the position of Deputy Assistant Secretary for Multifamily Housing as of May 5, 2003 with experience and background as follows:

- "He received his formal education at Vanderbilt University, the University of South Alabama and University of Alabama School of Law.
- Mr. Knight has spent his entire career in the Multifamily Industry, beginning in 1970 with The Mitchell Corporation, based in Mobile, Alabama working in all areas relative to multifamily. In 1988, he joined Aronov Realty Company, Inc. as Senior Vice President for Multifamily where he was responsible for all of the company's multifamily activities. He founded The Knight Companies in 1991. The Knight Companies developed and managed apartment complexes in the Southeast.
- He was recognized as the Builder Developer of the Year by NAHB's National Council of Multi Housing Industry in 1986, and served as the chairman of this organization in 1989. He was selected by the National Association of Home Builders to be listed in the top 50 Apartment Developers in 1992 and the top 100 Apartment Developers in 1995. Mr. Knight founded the Alabama Apartment Council in 1997 and received the distinguished NAHB/FNMA Dan Grady Award for excellence in service to the multifamily industry in 1993. His company received a highly prized Pillars of the Industry award in 2001.
- He has participated as co-owner/sponsor in most of the programs administered by FHA. His lengthy career has produced over 13,000 units in over 100 apartment communities throughout the Southeastern U. S. He has vast experience in the multifamily housing industry and is a great asset to the Bush Administration's continuing efforts to expand homeownership, create affordable housing opportunities and strengthen communities.
- Mr. Knight is a native of Mobile, Alabama. He and his wife Mary have three children."

Now, therefore, all of the valued employees who carry out the important multifamily mission of the U.S. Department of Housing and Urban Development in Los Angeles and San Diego, do hereby proclaim September 25, 2003, as the Stillman D. Knight day at the Los Angeles Multifamily Hub with all rights and honors conveyed.

Joe L. Hirsch

Joe L. Hirsch
Director

A Look Back and a Look Forward

By *Joe L. Hirsch*, Hub Director

November of this year will mark forty years since this nation underwent a tremendous tragedy when President Kennedy, who brought hope and courage to millions, was assassinated. His successor to office inherited and shared a vision of racial equality, justice for all and the optimism that the human condition could be improved by the actions of government. President Lyndon B. Johnson enjoyed a window of opportunity not often available to an incoming President. He rose to the occasion and endeavored to create a great society. HUD was an outgrowth of The Great Society. A cabinet level department was crafted from a number of smaller, but important agencies. The Federal Housing

Administration was combined with the nation's public housing programs and community development programs, and other elements of the War on Poverty were joined to the Department of Housing and Urban Development to create a key actor in the effort to adequately house Americans in states, cities and communities that could provide adequate infrastructure for continued maintenance and growth of housing opportunities for all of us, from all walks of life.



Joe L. Hirsch

The mission of the Los Angeles Multifamily Hub, to provide safe, decent and sanitary housing to all persons residing in our Southern and East Central California jurisdiction, can be traced back to the founding of HUD and to the earlier founding of the Federal Housing Administration. The Los Angeles Office of HUD was created in 1970 when the Department decided that the Southern California area was so large in population and growing so rapidly that it would no longer be possible to adequately serve the public, the housing industry and the units of local government from a single office in San Francisco. Since that time we have:

- issued billions of dollars worth of home mortgage insurance (when Single Family FHA Programs were in Los Angeles we averaged about \$3 Billion per annum in mortgage insurance for home ownership) and apartment mortgages (Los Angeles has written about \$2.5 billion worth of rental housing mortgage insurance)
- provided hundreds of projects and thousands of residents with housing rental assistance contracts
- built hundreds of projects through direct loans, grants or capital advances for our elderly and handicapped constituents
- provided grants for service coordinators to assist the residents of projects with the challenges of daily life
- provided grants to projects willing to take on the challenge of eliminating substance abuse in their environment
- assisted thousands of Californians with information and ideas about providing long-term affordable housing and community development

Hundreds of idyllic neighborhoods were built around a HUD subsidized project that became the lynchpin for future development and paved the way for thousands of homes and apartments for the tremendous population growth we have witnessed over the past four decades.

Looking forward into our Fiscal Year 2004, which began on October 1, 2003, we expect to increase our growth in providing FHA insurance for multifamily rental housing. During the last fiscal year we insured about \$240 million in apartment mortgages involving 41 projects and in this current fiscal year we expect to exceed \$300 million in apartment insurance for about 50 projects. Of course, our estimates are based on the current evaluation of the economy, our cautiously optimistic evaluation of the interest rate variances and the motivation of the housing industry to react to the shortage of rental housing in most of Southern California's market areas, but judging from the pre-application interest in our programs we believe this could be a year of significant growth for us. We are entering the third year of our Multifamily Accelerated Processing (MAP) Program. It was that revolutionary change to FHA processing that allowed us to continue our growth and increase the value of the FHA product to the housing and affordable housing industry in Southern California.

While FHA multifamily business will be expanding, we will also be expanding:

- processing of IRP Decoupling Proposals for Section 236 Housing that will expire in the next decade

- prepayment (sale or refinance of Section 202, Section 811, Section 8 New Construction, BMIR, etc.) of subsidized housing
- Mark To and Mark Up To Market Rents on subsidized housing

This fiscal year we will be fully implementing HUD's contract with the Performance Based Contract Administrator (PBCA) to utilize this resource to administer our Section 8 contracts. Although the implementation phase is expected to take more time and effort on the part of HUD staff, once the contract is in place and fully functioning, we expect to reap the benefits of reduced effort per Section 8 Housing Assistance Payment (HAP) project and direct asset management of that portfolio.

Fiscal 2004 will be a year when our Section 202 and 811 staff will concentrate on starting all of the projects funded through FY 2002, and finally endorsing all of the projects that were completed in FY 2002 and earlier, in addition to many of those projects that were completed in FY 2003. As we have each year in this new millennium, we intend to add many new Neighborhood Networks Centers and to continue to improve the facilities and management of those Centers that are already in place. There will be special efforts this year to assure that our Los Angeles Multifamily Hub is providing consistent support to all of our constituents whether they are in Los Angeles, San Diego, Santa Ana or Bakersfield. Finally, we will continue to emphasize and to increase our effectiveness at providing timely and meaningful service to the public, our clients and their industry associations.

Since June 1, 2002, HUD has inspected about 16,000 properties nationwide and discovered that about 6% of those properties do not meet HUD physical condition standards. In Los Angeles, to the credit of our owners and management agents, our percentage of non-compliant properties is closer to 1%. After correction of problems disclosed in the inspections less than 1% of the projects (nationwide 200 of 30,000 projects) continue to have physical problems and require action by the Department's Enforcement Centers. In Los Angeles we have about 5 of those 200 projects, which equals about .33% of our portfolio. We can all take pride in the assisted housing we partner to provide to our low income residents and we believe this mutual diligence will result in further improvement of the physical condition of the inventory during this current fiscal year.

Although we are funded by a Continuing Resolution in October of 2003, we are optimistic about the budget process this year and believe it very possible that the protracted process of continuing resolutions of the last fiscal year will give way to a real spending bill by November of 2003 for the balance of fiscal year 2004. That would lead the way to a much better year for timely execution of Section 8 HAP Contracts, even if the Performance Based Contract Administration (PBCA) effort were not to be implemented as currently scheduled. When the PBCA effort is implemented funding for the HAP Contracts will come through an Annual Contributions Contract (ACC) with the contractor, the LOMOD Corporation, and it has been the experience of the Multifamily Hubs across the country that such funding is far more predictable and reliable than direct funding through a Multifamily Hub.

Looking backward, over the last four decades we can see that HUD has become, despite some potholes along the way, a most valuable societal influence in the areas of housing, public administration and discrimination. Looking forward, I hope you will agree that we are not a Department that sits on its laurels. We are using our scarce resources to improve our performance and to increase our effectiveness. We have learned, by necessity, to accomplish more with fewer resources. Again, we are not claiming to have reached perfection or to have attained "Zero Defects" in our work product, but we are striving for those lofty goals, and we believe we are making some headway every month in that pursuit. Those of you who take the time to tell us what we are doing right and what we are doing wrong are our most valuable assistants in this endeavor to increase our value to you all.

By William Christiansen, Senior Project Manager



William Christiansen

I'm gratified to be able to include in the second issue of Multifamiliar a visit to my neighborhood in the San Fernando Valley and to tell about some of the projects serving the needs of families and elderly persons in our community.

First, while it's a little known fact, virtually all of the San Fernando Valley, with the exception of the small City of San Fernando, is located within the City of Los Angeles. So my neighborhood and community share practically all of the concerns and hopes of all other neighborhoods and communities in Los Angeles which are primarily lack of affordable housing, crowded schools, jobs, gangs and graffiti. We are very diverse in almost every respect and growing more so yearly.

Our visit begins with the Desoto Gardens project, located on Desoto Avenue in Chatsworth, and originally insured under Section 221(d)(3) of the National Housing Act.



Desoto Gardens

Desoto Gardens provides garden-type apartment homes for 238 families. It's an older project on Desoto Avenue in the Chatsworth area of the Valley. Owned and managed by Goldrich and Kest, Desoto Gardens also received a Section 241 loan under the Title II Preservation Program which has enabled it to remain dedicated to providing assisted housing that is badly needed by low and moderate income families. Desoto Gardens scored 93 in 1999, and 86 in 2002, following physical inspections of the project.



Parc Ridge

Next, we visit a complex that is emblematic of what HUD does to rebuild communities and provide high quality affordable housing, as well as middle income housing resources. The project is Parc Ridge located on the 9500 block of Reseda Boulevard in Northridge. That was the location of the Northridge Meadows apartment complex, the site of the tragic loss of lives in the 1994 Northridge

Earthquake. Northridge Meadows became a much photographed and televised scene throughout the world, signifying the personal horror, tragedy and physical destruction of the earthquake. The Los Angeles Multifamily Hub, however, worked with the developer and lender to build a beautifully designed and soundly constructed new complex on that very site. Through creatively combining state tax credits and bond financing, a grant from the City of Los Angeles and a HUD insured loan, today Park Ridge provides a total of 158 apartments with a large number assisted for low income individuals and families, mixed with units for middle and moderate income people. The unique "art deco" design and creative joint financing, symbolize what we as an agency contribute to reviving communities that have endured an enormous disaster. Parc Ridge scored 94 following its 2000, physical inspection.

Next we visit Castlewood Terrace I & II, actually two projects built in different years, with HUD loans under the Section 202 Program. Castlewood Terrace is located in Granada Hills

on Chatsworth Street. Castlewood I was completed in 1998, and Castlewood II began occupancy in March of this year. The complexes are managed by ManSerMar of Atlanta, Georgia, and together provide 90 units of assisted housing for elderly persons. Castlewood I received a physical inspection score of 98 this year while Castlewood II has yet to be inspected.



Granada Gardens

Next we visit Castlewood Terrace the Granada Gardens complex, also heavily damaged in the 1994 Northridge Earthquake, but rebuilt with HUD assistance under the HUD Earthquake Loan Program (HELP) and again providing assisted housing under the 236 and Section 8 Programs for 169 families. Granada Gardens, located in Granada Hills, is owned and managed by the Retirement Housing Foundation, one of our largest non-profit clients. It is imaginatively arrayed in garden-type walk-up apartments and

individual buildings with just one unit in each of them. The project received physical inspection scores of 97 and 96 in 1999, and 2002, respectively.

Last stop on our virtual tour is Fickett Towers in Van Nuys. Ficket Towers is a high rise building on Sherman Way containing 198 units for the elderly and handicapped. It's also an older complex, insured under Section 236 of the National Housing Act, and provides daily meal service to the residents. It has a beautiful rose garden on the grounds for the enjoyment of residents and guests. The building was heavily damaged in the 1994 Northridge Earthquake when a water storage tank on the roof of that twelve story building failed and water leaked through the entire structure. HUD responded with a HELP loan and today Fickett Towers remains a landmark on Sherman Way, adjacent to the vibrant central business section of Van Nuys.



Ficket Towers

Central Library Toastmasters of Los Angeles

by *Shawn Riordan*, Housing Program Assistant

Los Angeles Central Library Toastmasters Club 616 begins at noon every Wednesday and meets for one hour, and this is usually good news for the forty or fifty members of the club. I've been a member for about two years, sometimes participating and sometimes merely supporting other members of the group. It hasn't always been easy-especially the participating part. But perhaps that's the point.

Who are Toastmasters and what do they do? Briefly, it's a club that meets every week in order to develop public speaking and communication skills. The principle around which Toastmasters is organized can be simply stated: whether you are a mutual fund salesman promoting a new fund for Smith Barney, a stand-up comic working on a new nightclub piece or a candidate for city council, the ability to communicate and to reach people in a public situation is an art. Just like any other art, speaking has certain standards and conventions,



Left to right: Shawn Riordan; Jodi Rothwell, President; Bob Wheeler, Treasurer; Standing, Troy Panzarini, Vice President for Public Relations

and like any of the performing arts, it requires training and practice to grow and develop.

Each club meeting follows a pattern with several parts, and different roles are assigned each week to all club members. In general, most meetings include a segment for prepared speaking, a segment devoted to impromptu or extemporaneous speaking, and a segment for evaluating the speakers and the meeting in general. All of the speaking assignments are carefully timed. The overall conduct of each meeting, as well as the introduction of speakers, is the responsibility of a "toastmaster" who varies each week. The meetings are designed so that all aspects of the speaking experience—planning, presentation, spontaneous and organizational matters—are given practical exercise. To add a competitive edge, awards are usually presented to the speakers and evaluators which are voted on by the whole club.

There are thousands of "toastmasters" clubs in Southern California. People have many different reasons for taking part in these meetings. Some members may be honing their professional speaking skills for trade conventions and the like, some may simply wish to overcome nervousness and social phobia, and many people find the energy and adrenaline rush of speaking a reward in itself. And of course, not all clubs are alike. The library toastmasters seem to like their club because of the wide spectrum of talent on hand, some of which belongs to the entertainment world. We have several stand-up comics and radio performers, a few writers and journalists, and many members who are seasoned professional speakers. But the real focus of the club is to function as an "enabler", a way for people to discover they can do things they once thought they were unable to do.

Our meetings are always open to guests, and we encourage all to come and take a look for themselves. You'll enjoy it.

Performance Based Contract Administrator (PBCA) Updates

by *Yvonne Stevens*, Sr Project Manager/
Contract Administration Oversight Monitor (CAOM)

The Department's transfer of Section 8 Housing Assistance Payment (HAP) contracts to Los Angeles LOMOD Corporation (PBCA) is progressing well. The initial assignment of contracts is expected to be approximately 493 projects, with a total of 29,130 assisted units. The anticipated HAP effective date has been revised to November 1, 2003. The second assignment is expected to occur February 1, 2004.



Yvonne Stevens

The Department, LA LOMOD Corporation (PBCA), and California Quadel Consulting Corporation (PBCA sub-contractor) will be conducting joint workshops to provide owners, management agents, tenant organizations, and residents with an overview of program objectives, goals, and information. There will be an opportunity for questions and answers at the end of each session. The following dates have been identified for the first sessions:

- Saturday
October
25** tentative location Los Angeles central library (downtown LA)
- Monday,
October
27** San Diego (location to be determined)
- Tuesday,
October
28** Central or South Los Angeles County (location to be determined)

The workshops will consist of morning sessions for owners/management agents; and afternoon sessions for tenant organizations, resident councils, and resident groups. The affected projects will receive invitations to these workshops, with specifics included. NOTE: If you do not receive an invitation to the October sessions, you will receive one as your project(s) are scheduled for assignment to the PBCA.

Communication with residents and communities will be a critical factor in successful implementation. The Department is not reducing or eliminating rental assistance to the communities involved. We look forward to working together to continue to provide affordable housing that is decent, safe, sanitary and in good repair to your communities.

Los Angeles Multifamily Hub's Positive Approach To RHIIP

By Hermie Samoy, Supervisory Project Manager



Hermie Samoy

Familiarity and partnership are the key words to the effective implementation of the revised policies and procedures of HUD Handbook 4350.3, Rev.1, Occupancy Requirements of Subsidized Multifamily Housing Programs, and the Rent and Income Determination Quality Control Monitoring Guide. The issuance of these two documents are significant Rental Housing Integrity Improvement Project (RHIIP) accomplishments. "RHIIP is in response to one item on the President's Agenda". The objective of RHIIP is to reduce errors in the administration of HUD's rental assistance funds by taking actions that assure the "right benefits go to the right persons".

The Los Angeles Multifamily HUB with high expectations on the success of RHIIP took a very positive approach by requiring all of its multifamily asset management staff to attend a four-day training session held via satellite broadcast, August 12-15, 2003.

In comparison to the Old Occupancy Handbook 4350.3 dated 11/81, summarized below are the significant revisions on the policies and procedures contained under the New Occupancy Handbook 4350.3, Rev.1, and the Rent and Income Determination Quality Control Monitoring Guide.

POLICY	OLD HANDBOOK	NEW HANDBOOK
Recertification timeline for starting the process of notifying tenants	90 days prior to Tenant's recertification anniversary date	120 days prior to recertification anniversary
Increase in threshold for an interim recertification	\$40	\$200

Family size for income limits	Owners must count unborn children and children who are in the process of being adopted for determining size of unit.	Owners must count unborn children and children anticipated to reside in a unit for determining income limits for the family.
House rules	House rules are established at the discretion of the owner. Provided limited examples of the house rules.	House rules are established at the discretion of the owner. Provides extensive discussion for establishing house rules and examples of "reasonable" and "unreasonable" house rules.
Affirmative Fair Housing Marketing Plan	No requirement for frequency of review and update.	Requires owner to update AFHMP every 5 years as needed to ensure compliance.
Remaining family member	Defines "surviving family member", offers no guidance on when assistance may, or may not, be provided that person.	Provides extensive guidance for defining remaining family member and defines under what circumstances assistance may, or may not, be provided that person.
Tenant information that an owner must submit to the tenant rental assistance certification system (TRACS) for each tenant (59 data requirements)	Only Head of household must sign the 59 data requirements.	All adult members of the household must sign the 59 data requirements (data collected by the owner).
Tenant selection plan	Recommended	Requires owners to develop, and make public, a tenant selection plan that includes certain required contents.
Special Claims for unpaid rent and tenant damages and vacancy losses during rent-up	Owners must submit claim within one year after the unit becomes available for occupancy for special claims for unpaid rent and tenant damages. There was no stated time limit for vacancy losses during rent-up.	Owner must submit claim within 180 days after the unit becomes available for occupancy.
Calculating partial month occupancy	Calculate subsidy by dividing by 30 days	Calculate subsidy by dividing the actual number of days in a month.

In cooperation with the industry sector, 26 Los Angeles Multifamily HUB staff participated in a one-day AHMA sponsored Occupancy Update held on July 2003, in Anaheim, California and Los Angeles, California. The new Occupancy Handbook 4350.3, Rev.1, took effect on June 12, 2003.

What's Happening in Customer Service?

by *Harvey Friedberg*, Public Trust Specialist

In the course of helping our customers and business partners solve problems related to information about HUD programs and services, the types of issues that I deal with are typically wide-ranging. They include many distinctive inquiries regarding program data and information. However, the most frequent inquiry, common amongst our existing and prospective clients, is for guidance in the use of the HUD website. Our website internet address is: www.hud.gov/



Harvey Friedberg

I am providing the following existing valuable instructions as derived from the HUD Library's most requested pages at the following website internet address:
www.hud.gov/library/bookshelf15/howtouse.cfm.

Here are a few tips about our site to make your journey easier.

Basic Navigation: You can move through HUD's website in 3 ways:

By topic - always on the left side of every page

By audience group - listed under "sections for you" on the right side of the front page. These are "one stop" pages that link to information from throughout HUD's website, of interest to each specific group.

By state - at the top right side of every page. On these pages, we provide local HUD information and links to resources within your own state.

As you move farther down in our site, you may move into sections that are managed by specific organizations within HUD. On these pages, you will see a different set of topics appear in bold white, in the topics column. You can get back into the top level pages of the website by clicking on one of the major sections that appear in gold text, on the left side of the page.

You always can get back to the front page of our website by clicking on the "homes and communities" image at the top left of each page.

Spanish: Many of HUD's web pages are offered in Spanish, as well as English. When a page is available in Spanish, you will see "En Español" as an option in the toolbox at the top right of the page. You also can click on the "En Español" tab at the top of the front page of our website to get to the Spanish translations.

Crumb Trail: At the top of each page, you will see a "crumb trail" - a series of words that will help you know where you are in our website. The first word always will be "home," and you can click on that word to get back to the front page of HUD's website. Each word after "home" represents an additional "layer" of our site. You can click on any of the words in the crumb trail to go back up through the layers.

The Front Page

The front page of our website offers several features:

Homes for Sale: The "homes for sale" box on the right side of the front page takes you to property listings from HUD and from other federal agencies. It's the most popular page on our website, so we made it easy to find. It also offers information about buying homes, as well as listings of multifamily properties for sale.

HUD Highlights: In the middle of our front page, you can find current "hot topics" at HUD and other information of note. The highlights change frequently; so, you may want to check them often.

"At Your Service": Also in the middle section you'll find a list of services offered on HUD's website. You can learn how to buy a home, learn how to find rental help, and more.

Webcasts: You can view a schedule of our webcasts by clicking on the "webcast" icon at the lower right side of the front page or by clicking on "webcasts" in the topic column. We offer online videos of training programs, speeches, press conferences, public service announcements, and more. You'll find a link to the free software you will need to view the videos; and we offer our webcasts at a variety of speeds, to fit the capabilities of your

modem.

Let's Talk: Want to share your ideas and concerns with others? HUD offers a variety of online discussions that you can join. Click on "Let's Talk" at the bottom of the front page or in the topic list on the left side of the page; and you can select a discussion that fits your interests.

Standard Features on Every Page

Text Only: A text version is available by clicking on the "text only" tab at the top of every screen. You might want to use this version when you don't want to wait for all those graphics to download.

Site Index: We also provide a site index - an alphabetical listing of the most frequently requested information at the top of the page, along with a "Search" box.

Toolbox: The "toolbox" at the top right hand side of each page offers standard links to our "local information," a printer-friendly version of the page, and an option to "e-mail this page to a friend."

Local HUD Offices: You can get a list of HUD's local offices by clicking on "Visit one of HUD's local offices" at the bottom of every screen, right below the address and main phone number for HUD's Headquarters Building.

Privacy: If you'd like to know what HUD is doing to protect your right to privacy, click on the "Privacy Statement" at the bottom right side of every page.

Help: If you want to know how to print the pages of HUD's website so that the entire page shows or find out other technical hints about HUD's website, click on our "Help" button, at the bottom of the left-hand column.

Mailing Lists: You might be interested in subscribing to one of our mailing lists, so you can get updates on topics of interest to you. Just click on "Mailing Lists" at the lower end of the topics list on the left side of the page, choose the lists that you want, and type in your email address. That's all there is to it!

About HUD's Secretary: If you want to know what HUD's Secretary is doing, there are 3 major places you should visit:

Check out the "*highlights*," in the middle of the front page

Visit our "*Newsroom*," by clicking on that topic at the top of the list on the left. We post all the Secretary's news releases, speeches, and other important information there.

Review our "*Priorities*" section (second topic on the left side of the page), where we explain some of the top priorities for the Department

You can learn more about HUD's Secretary, including his powers and authorities, by visiting the "*About HUD's Secretary*" section, under "About HUD" (third topic on the left).

For HUD Business Partners: If you are a HUD business partner (for example, a public housing agency or non-profit or local government grantee) and you are looking for specific guidance from a program area, you may want to visit the sections managed by our Headquarters program offices or the sections managed by our local program offices. To get to the Headquarters program office sections, click on "About HUD" and then on the program office of your choice, in the column on the right. To get to the local program office sections, select your state from the "local information" box and then click on the topic, "Working With HUD Locally." You'll see a list of local program offices in the box on the right.

Other Tips

If you're trying to find out how to call or email a particular HUD staff member, use our online phone book which you can find by clicking on "About HUD" in the topics column and then on "**HUD's phone book.**" Just type in the last name of the person you seek, and you'll see his/her phone number and office location. Click on the name, and you can send an email.

Can't find something you're looking for? Try our online "**Library.**" It is divided into bookshelves that can help you get right to the topic of your choice.

If you would like a copy of the fair housing logo, to use on your own website or on your publications, just click on the fair housing icon at the bottom right of each page.

For more information from other government agencies - federal and state - click on the FirstGov icon at the bottom left column. FirstGov is your "one stop for government information." To visit the White House website, click on the icon in the left hand column. If you're looking for something in particular and it isn't obvious to you where to start, click on Common Questions in the topics column on the left. We've put answer to the questions we get most often, right at your fingertips.

HUD's website is updated nearly every day. Four times each year, every manager in HUD certifies that the content for which his/her organization is responsible is both current and accurate."

Please see the website below for additional information: www.hud.gov/about/index.cfm

As the Customer Service Liaison, and as such the first point of contact for HUD's customers and clients, I take every opportunity to lead in providing our customers/partners with the respect, quality products, timely service, and results they deserve. Our Los Angeles toll-free telephone number is 1-800-568-2651. My extension is 3814.

HUD's Visit To An Artist of Anti-Drug AHMA Poster

by Larry F. Johnson, Project Manager



Larry F. Johnson recognizing young Diego Sandoval

The Affordable Housing Management Association (AHMA) Pacific Southwest membership sponsored its annual anti-drug poster contest and the resulting entries were art pieces of beauty, hope, and pride. On Friday, September 12, 2003, I visited 16-year old Diego Sandoval who lives at Astoria Gardens in Sylmar, California. Diego created a great poster, and his recognition was well deserved. Astoria Gardens is in Los Angeles County. It is a rustic 137 unit garden walk-up apartment complex initially endorsed for occupancy in 1969. There is 100% Section 8 coverage for mostly low-income families.

Although Diego's home at Astoria Gardens is surrounded by a dynamic and improving neighborhood, there are gang shootings and drug problems straining that rural community. This makes AHMA's efforts to build self-esteem in kids especially significant. There is no greater sadness than to see young people who ruin life's opportunities hooking themselves on illicit drugs.

AHMA's yearly contest gives young folks a chance to create posters that reflect their deepest joys and future hopes. Young Diego Sandoval's poster has a striking use of pastel color and a challenging title: "My Future Belongs To Me." Below this bold title is an

American flag and the muscular figure of an athlete with his arm upraised symbolizing a commitment to being drug free. I was so impressed that I wrote Diego on August 15th to compliment his desire to stand up for a healthier existence. I presented to him on behalf of our office a U.S. Savings Bond in recognition of his accomplishment during my subsequent visit September 12th.

HUD's mission of providing safe, affordable, and decent housing is always central as the purpose for a project manager. Many of us from humble backgrounds know how difficult it is to escape the pull of gang violence, the utter desolation of drug addiction, and the dehumanization of incarceration. There are over 800 gangs in Los Angeles County always ready to accept membership from youth.

Meeting Diego on September 12th was a great joy for me. The management at Astoria Gardens is very aggressive in celebrating the gains made by youthful residents and interacts with all families to create a positive and enlightened environment. It was fun hanging out with Diego and the other children at Astoria Gardens. They were intelligent and vibrant young folks. I told them the future belongs to them. One of them may be the future techno-scientist who will make my baby boomer old age years a little easier.

AHMA Anti-Drug Poster Competition

by *Ah Shed (Barry) Lee*, Project Manager

Karyna Herrera's entry in AHMA's Anti-Drug Poster Competition this year was entitled "Don't Fall Down the Broken Bridge".

She lives in a HUD related complex called Sunland Park, a Section 221(d)3 project with 120 family units, in Sunland Valley which is situated approximately 25 miles north of the City of Los Angeles. Karyna lives with her parents and three other sisters. She is the second from the eldest daughter. Her mother is from Mexico and her father from El Salvador. When the poster was drawn, Karyna was attending middle school. She is now attending Verdugo High School as a freshman and her favorite subject is algebra. She plays a guard with a basketball team during after school activities. In her spare time she plays the trumpet but does not belong in the school band. After graduating from high school, she plans to enter college to study to become a doctor.



Barry Lee and Karyna Herrera

Her title for the poster competition was based on a tragedy. In the poster, there is a picture of a cross and below the cross the caption "We love u Carlos". Carlos was a friend of hers who had died of an overdose of drugs. He was only 16 year old.

AHMA Poster Contest Participants At Strathern Court Apartments

By *Sharon D. Hatcher*, Project Manager

I have always been involved with young people and their growth, and was more than happy to meet Ashley Lopez, Christine Jones, Rebecca Thompson, and Michael Thompson. Contest participants in the Affordable Housing Management Association (AHMA) Pacific Southwest annual Anti-drug Poster Contest.



Left to right: Christine Jones, Sharon D. Hatcher, Michael Thompson

Strathern Court Apartments is a Section 221 (d)(4), housing 93 units of walk-up garden apartments nestled on a shaded tree lined street in Sun Valley, CA. The families are sheltered from outside elements by a lush green landscape. The families and children have access to open walkways with direct access to on-site playgrounds, picnic areas, basketball courts, and a large open-spaced community room with computers.

The day was especially beautiful with all of the children having just

arrived home from school. They were all very excited about having their pictures taken for the Hub newsletter. The community room quickly filled with other children from the complex who had also been involved in the anti-drug poster contest.



Ashley Lopez, the 2003 Poster Contest winner was extremely positive and exhibited a very cooperative spirit. Previous contest winners, Christine, Rebecca, and Michael all appeared enthusiastic and to truly personally care and like each other. In fact, there was a great deal of mentoring occurring for the youngest members. The group's diversity truly exhibited HUDs interest for housing all people.



Left to right: Ashley Lopez, Sharon D. Hatcher, Rebecca Thomson

The children's messages displayed on their posters included statements such as, "Achieve All You Can In Life, Don't Stop Believing In Yourself", "Don't Be A Joker", and "My Future Belongs To Me...If I Stay Drug Free". My personal observation for Ashley, Christine, Rebecca and Michael is that the faces of the 21st Century children look extremely bright.

Thanks to Linda Garcia, Resident Manager for her cooperation. Thomas Safran and Associates credo is, "Our goal is to enhance the world in which we live and enrich the lives of the people who reside in our buildings." Ashley, Christine, Rebecca, Michael, and all of the children at Strathern Court Apartments as represented in the group photo are true winners.

The Right to Appeal a REAC Physical Inspection

As captured from existing material by *Richard T. Abdalla*, Supervisory Project Manager



Richard T. Abdalla

The REAC inspectors have come and gone. You, the owner, or your management agent have gone to the REAC web site and pulled your most current physical inspection report. After reviewing the report, you begin questioning what you see.

What do you do?

Multifamily property owners/agents have the option to appeal a physical inspection score if they believe that the inspection was not conducted in accordance with the

Public and Indian Housing Real Estate Assessment Center (PIH-REAC) Uniform Physical Condition Standards (UPCS) inspection protocol or feel that certain inspection data may have been recorded in error, and that if corrected, would result in an improvement of the property's overall score.

There are two processes available to appeal a physical inspection score.

- a) Database adjustments.
- b) Technical reviews.

The qualifications for each are different and discussed below.

Database Adjustments

REAC has provided the database adjustment guidelines in the Federal Register at 24 CFR Part 200.857 and 24 CFR Part 902.25©. Guidelines for requesting a technical review are available online.

A database adjustment reviews the results of a physical inspection that is out of the ordinary or incorrect due to circumstances affecting the inspected property, which is not reflected or inappropriately reflected in the physical condition score.

For example, REAC may make database adjustments for inspections in which the inspector recorded deficiencies for items that are not owned by the property. In addition, deficiencies noted for conditions that are allowed by city/county/state codes may qualify for a database adjustment

Circumstances that may be addressed by a database adjustment are as follows:

Local Conditions and Exceptions

Such circumstances may include inconsistencies between local code requirements and REAC physical inspection protocol, such as: (a) conditions permitted by local variance or license; and (b) pre-existing physical features that do not conform to or are inconsistent with REAC's physical condition protocol. An example is a child guard allowed on sleeping room windows by local building codes.

Ownership Issues

Items that were captured and scored during the inspection, but the property owner or agent does not own and is not responsible for maintaining.

Examples include sidewalks, roads, fences, retaining walls, and mailboxes owned and maintained by adjoining properties or the city/county/state. Also included are appliances that are not owned and maintained by the building (resident owned). The owner/agent must notify the proper authorities regarding such deficiencies.

Adverse Conditions Beyond the Owner's Control

REAC will review a physical inspection if deficiencies negatively affecting the score were caused by circumstances beyond the owner's control. The responsibility to correct such conditions still belongs to the owner.

Examples include damage caused by a natural disaster or a third party, such as a private or public entity working near a public housing development that results in damage to the development.

Modernization Work In Progress

Property undergoing modernization work in progress, underway at the time of the physical inspection, may require an adjustment to the physical inspection score and qualify for a database adjustment. All elements of the unit that are not undergoing modernization at the time of the inspection (even if modernization is planned) will be subject to REAC's physical inspection protocol without adjustment.

What Does NOT Qualify for a Database Adjustment?

REAC will not accept any database adjustment requests without appropriate documentation, such as a local code citation.

Deficiencies noted during the inspection that were corrected during or after the inspection do not qualify for a database adjustment.

Deficiencies caused by residents do not qualify for a database adjustment.

Database adjustments do not apply to circumstances addressed in the technical review process. Requests for technical reviews must be submitted separately from requests for database adjustments. The following issues should be forwarded separately as a technical review request:

- Building data errors - number or identity of buildings;
- Unit count errors - total number of units; and
- Non-existent deficiency errors - deficiencies are cited that did not exist at the time of the inspection.

Steps for Submitting a Database Adjustment Request/Appeal

An owner can initiate/request a database adjustment by submitting in writing, within 45 days following REAC's submission of the physical inspection report to the owner, sufficient proof of the anomalous or inappropriate data.

All requests for database adjustments can be made either prior to or after the physical inspection.

REAC is not required to review database adjustment requests after the specified 45 day period has expired.

What to Include in Your Request

1. Include only information relevant to your request. Address general comments about the UPCS inspection protocol as well as technical review requests in separate
2. Include all location information (inspectible area, building number, unit number, etc.) for each deficiency presented in the request for adjustment.

Documenting Your Request

All requests for database adjustment must include documentation to sufficiently support the request. Appropriate documentation must be objectively verifiable and includes one or a combination of the following:

- **Written Material** - Letters from objective sources such as a local fire marshal or building code official are considered to be appropriate documentation. These documents should detail the exact location of the variance (such as building address and unit number).
- **Photographs** - All photographs must clearly show the element(s) in question, and accurately reflect the inspectible area and item. Label each photograph with the date and location. Please be aware that many facsimiles are unclear, difficult for the reviewer to assess as documentation, and may be rejected as a result.

- **Videos** - As with photographs, videos must accurately reflect the entire inspectible area or item. All videos should include the date and specific location.

Where to Send Your Request

Be sure to send the information and documentation for a database adjustment to the following address:

U.S. Department of Housing and Urban Development
Real Estate Assessment Center
Attn: PASS Database Adjustments
1280 Maryland Avenue, SW, Suite 800
Washington, DC 20024-2635

What Can Be Expected in Response?

After review and approval of the submission of appropriate proof of the anomalous or inappropriate application by the field office and REAC, it is determined if a re-inspection and/or re-scoring of the property will result. A notification letter will be sent to the owner explaining what action is being taken, if any, and why the Database adjustment is accepted or denied.

[View a Standard Submission Format](#)

Technical Reviews

REAC has provided technical review guidelines in the Federal Register at 24 CFR Part 200.857 and 24 CFR Part 902.68. Guidelines for requesting a technical review are available online.

What is a Technical Review?

A technical review may be requested if following a review of the physical inspection results and score an objectively verifiable and material error(s) occurred in the inspection that, if corrected, will result in an improvement in the property's overall score.

For example, REAC may grant a technical review for inspections in which the inspector recorded a deficiency that did not exist at the time of the inspection. Please see the following sections for specific technical review criteria and examples.

Technical Reviews

Only objectively verifiable material errors will be considered for a technical review. Material errors are those that exhibit specific characteristics and meet specific thresholds. The three types of material errors are as follows:

- **Building Data Errors** - The inspection includes the wrong building or a building that is not owned by the property.
- **Unit Count Errors** - The total number of units considered in scoring is incorrect as reported at the time of the inspection.
- **Non-Existent Deficiency Errors** - The inspection cites a deficiency that did not exist at the time of the inspection.

What Does NOT Qualify for a Technical Review?

REAC will not consider the following for a technical review.

Disagreements over the severity of a defect, such as deficiencies rated Level 3 that the property owner thinks should be rated Level 1; or deficiencies that were repaired or

corrected during or after the inspection.

Technical reviews do not apply to circumstances addressed by the database adjustment process. Requests for database adjustments must be submitted separately from requests for technical reviews.

The following issues should be forwarded separately as a database adjustment request:

- **Local conditions and exceptions** - inconsistencies between local code requirements and REAC physical inspection protocol;
- **Ownership issues** - items the property owner or agent does not own and is not responsible for maintaining that were captured and scored during the inspection, and the owner has notified the proper authorities regarding the deficient structure;
- **Adverse conditions beyond the owner's control** - deficiencies that were caused by circumstances beyond the owner's control, such as damage from a natural disaster or third party; and
- **Modernization work in progress** - property undergoing modernization work/construction.

Steps for Submitting a Technical Review

An owner can initiate the technical review process by notifying REAC in writing within 30 days following REAC's submission of the physical inspection report to the owner and supplying reasonable evidence.

REAC is not required to review a technical review request after the specified 30 day period has expired.

What to Include in Your Request

1. Include only information relevant to your request. Address general comments about the UPCS inspection protocol as well as requests for database adjustment in separate correspondence.
2. Include all location information (inspectible area, building number, unit number, etc.) for each deficiency presented in the request for review.

Documenting Your Request

As with Database Adjustment Requests, all requests for Technical Review Requests must include documentation to sufficiently support the request. Appropriate documentation must be objectively verifiable and includes one or a combination of the following:

- **Written Material** - Letters from objective sources, such as a local fire marshal or building code official, are considered to be appropriate documentation. These documents should detail the exact location of the variance (such as building address and unit number).
- **Photographs** - All photographs must clearly show the element(s) in question, and accurately reflect the inspectible area and item. Label each photograph with the date and location. Please be aware that many facsimiles are unclear, difficult for the reviewer to assess as documentation, and may be rejected as a result.
- **Videos** - As with photographs, videos must accurately reflect the entire inspectible area or item. All videos should include the date and specific location.

Where to Send Your Request

Be sure to send the information and documentation for a technical review to the following address:

U.S. Department of Housing and Urban Development
Real Estate Assessment Center
Attn: PASS Technical Reviews
1280 Maryland Avenue, SW, Suite 800
Washington, DC 20024-2135

What Can Be Expected in Response?

If the PIH-REAC evaluation determines that a verifiable and material error(s) has been reasonably documented by the Owner and, if corrected, would result in a significant improvement in the property's overall score, the PIH-REAC shall take one or a combination of the following actions:

- Schedule a new inspection;
- Correct the physical inspection report;
- Issue a corrected physical condition score.

A notification letter will be sent to the POA/PHA explaining what action, if any, has occurred and why the technical review is accepted or denied.

View a Standard Submission Format.

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