

PACIFIC CURRENTS

Multifamily Housing News

U.S. Department of Housing & Urban Development — San Francisco Multifamily Hub

Hawaii

Northern California

Nevada

Arizona

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Inside This Edition of Pacific Currents

Message From The HUB Director	— 2
202 / 811 Program Information	— 3
Cedar Street Sr. Housing Dedication	— 4
Refinancing 202 & 202/811 Direct Loans	— 5
Universal Design 202 & 811 Developments	— 6
Choosing a Site for a Capital Advance	— 7
The Section 202 / 811 Team	— 8 & 9
Eugene Coleman Community House	— 11
Weinberg Hale Kupa'a	— 12
La Playa Apartments	— 13
Dina Titus Estates	— 14
Multifamily Asset Mgmt Program News	— 15 - 17
Frequently Asked Questions	— 18
Multifamily Aasset Management Program Information	— 19
Comings And Goings	— 20
Development Corner	— 22
Issuances	— 23
Calendar	— 24

SPECIAL EDITION

HUD's Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities Programs

How Supportive Housing Can Change Lives

Submitted by Cheryl Fukunga, Program Manager, Honolulu

Hale Kuha`o is the Hawaiian name for the House of Independence. It is also the name of a HUD Section 811 property that provides persons with spinal cord injuries the ability to regain some of the independence that was lost due to their disability. This property is a great example of the housing provided by HUD's 811 program for supportive housing for persons with disabilities.

To really understand the profound impact this property has on the lives of its residents, you only need to spend some time with its residents. I recently had the privilege and pleasure of meeting Mr. Gordon Kekeikikoakaikaokalani Dela Cerna, known as Ikaika to his friends and family. Ikaika has been a resident of Hale Kuha`o from the day the project opened its doors in October 2000.

Prior to his spinal cord injury, Ikaika was a student at Brigham Young University in Laie on the Island of O`ahu. At BYU, he was able to express his exceptional personal style on the stage as a dancer at one of O`ahu's favorite tourist destinations – the Polynesian Cultural Center. Every April, Ikaika performed at the Merrie Monarch Festival, the world's premier hula competition, dancing with such hula halau (house of hula instruction) as Hui Ho`oulu Aloha and the Men of Waimapuna.

It takes an extraordinary amount of physical stamina and mental acuity to be able to perform in the men's hula competition.

Continued on Page 10

Section 202 & 811 PROGRAM INFORMATION INSIDE!

Where To Find Our Previous Pacific Current Issues

The San Francisco HUB publishes Pacific Currents quarterly. While we try to furnish our 4,000+ subscribers with a print copy, sometimes we are only able to post the newsletter on our website due to insufficient printing funds. Look for our latest issue here:

<http://www.hud.gov/local/ca/working/localpo/mfhsgnews.cfm>



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Contributed by Jeri Henson

Hub Lines . . .

Creativity is essentially an act of discovery, an act of faith..

~ Thomas Kinkade

The first beauty the world has to offer is in nature.

~ Thomas Kinkade

We need the sense that our reach can exceed our grasp.

~ Thomas Kinkade

MESSAGE FROM THE HUB DIRECTOR

U.S. Department of Housing and Urban Development
San Francisco Multifamily Hub
Office of the Director

I am pleased that our feature article for this issue of *PACIFIC CURRENTS* is on the Section 202 Supportive Housing for the Elderly Program and Section 811 Supportive Housing for Persons with Disabilities. These programs, while a small "niche" in addressing the special housing needs of our elderly and disabled clients, receive an overwhelming number of applications compared to the amount of funds available.

At every grand opening I see the fulfillment of the purpose of these programs which provide affordable housing with supportive services for the elderly and allow persons with disabilities to live as independently as possible in our communities. To see the smiles and gratitude of the residents who have moved into their new housing is very moving.

I realize that it takes a lot of dedicated effort, vision and perseverance by the non-profit development team to apply and compete for the limited funding available for these programs. Even after the success and celebration of being a funded applicant, much work is still ahead of the team. The HUD Capital Advance received in our high cost areas of the Hub is not enough funding to complete the intended housing. Thanks to the commitment of local communities and municipalities, the "gap" funding needed always seems to come to the table so that collectively we are successful in completing our mission.

Likewise, the dedication and hard work of HUD staff, including Office of Counsel, Community Planning and Development, Fair Housing and Equal Opportunity, Labor Relations and Multifamily does not go un-noticed. It is because we feel so strongly about the need for the affordable housing and the clients we serve, that we are committed to reaching all the milestones required to complete these projects.

I hope you find the features in this issue of *PACIFIC CURRENTS* of interest. I would like to give a "pat" on the back to those of you who work so hard on these programs, and the inspiration to continue the hard work that it takes to be successful in accomplishing the mission of the Section 202/811 programs.

Sincerely,

Janet L. Browder



202 / 811 Program Information

This issue of Pacific Currents features the development side of our two most popular housing programs that provide affordable housing for the elderly and disabled. These are the Section 202 Supportive Housing for the Elderly and the Section 811 Supportive Housing for Persons with Disabilities programs.

The funds made available through HUD for these two programs provide for:

- Capital Advances (i.e., “grants” for the construction and long-term financing of the construction, rehabilitation or acquisition (Section 811s only) of new housing for the elderly or the disabled; and
- Project Rental Assistance to allow eligible very low-income households to pay no more than 30 percent of adjusted monthly incomes for rent and utilities.

Eligible Applicants are private nonprofit organizations or consumer cooperatives, with approved Section 501 (c)(3) tax exemption rulings from the Internal Revenue Service. (Project Sponsors.)

Development Methods can be new construction, substantial rehabilitation or acquisition (in Section 811 projects only).

Eligible Residents In Section 202 properties, at least one member of an eligible very low-income household must be at least 62 years of age or older.

In all Section 811 properties, all eligible very low-income households must contain at least one

member with a disability who is at least 18 years of age or older and has either a physical disability, a developmental disability or a chronic mental illness which:

- Is expected to be of a long, continued and indefinite duration;
- Substantially impedes the person’s ability to live independently; and
- Is of such a nature that such ability could be improved by more suitable housing conditions.

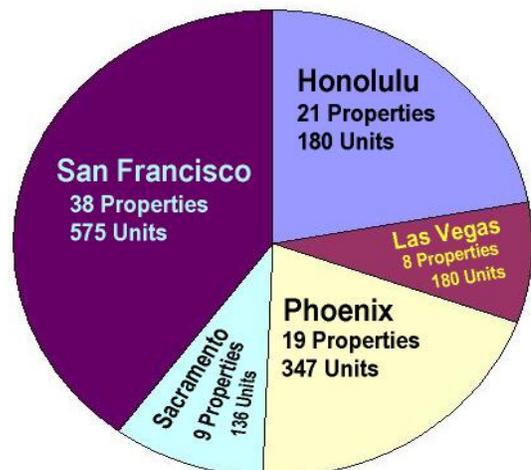
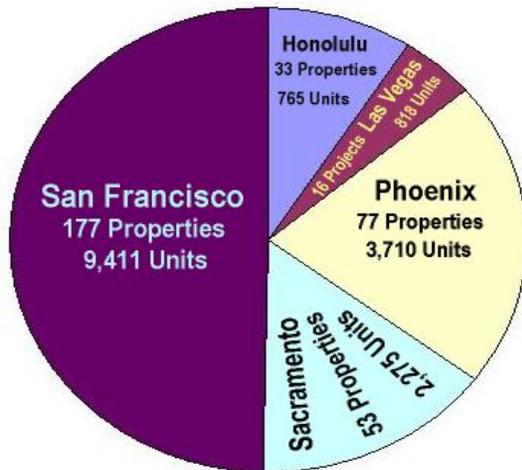
Supportive Services In a Section 202 property, these must be appropriate for the category or categories of elderly residents to be served. It is the responsibility of the sponsor to arrange for the provision and funding of the services appropriate to the assessed needs of the residents.

In a Section 811 property, the sponsor must ensure that all residents have access to any necessary supportive services. These services must be funded from non-HUD sources.

How to Apply for Funding

An application for either Section 202 or Section 811 funding must be made to the appropriate HUD Field Office location, as specified in the respective Notice of Fund Availability (NOFA) published annually in the Federal Register Code of Federal Regulations (CFR) for each program. These NOFAs, announcing the availability of Capital Advance and Project Rental Assistance funding, are generally published in the Federal Register during the spring of each calendar year. Selections are usually announced in late September, or shortly thereafter.

San Francisco Hub Portfolio of 202 / 811 Properties



Cedar Street Senior Housing Dedication

“A Success Story Years in the Making”

Cedar Street Senior Housing held its dedication ceremonies on May 13, 2006 in Garberville, CA. Located in Humboldt County, Garberville is a small community, nestled among some of the world's oldest living things, the Coastal California Redwoods.

The lead sponsor, Southern Humboldt Senior Care, Inc., (SHSCI) had dedicated its efforts to the successful development, construction and completion of 20 affordable apartments for very low-income elderly households, plus one resident manager's apartment, for nearly a decade. This dogged perseverance began to pay dividends when the first of two separate Section 202 Supportive Housing for the Elderly grants was selected for funding by HUD in late 1998.



Entrance to Cedar Street Senior Housing with its wide and easily maneuverable walkways

The Cedar Street property, because of the reduced federal funding levels that exist in rural areas such as Humboldt County, had to be developed in two phases out of necessity. The first phase of 10 apartments for very low-income elderly was completed on July 25, 2003. The second phase of 11 additional apartments for very low-income elderly, including a manager's apartment, was completed just last year, on August 31, 2005.

SHSCI, led by Board President Ms. Diane Pecora, and Executive Director Ms. Patti Rose, encountered significant obstacles in its efforts to develop these two properties. Many of these issues were of the kind that might tend to try one's capacity for patience and tolerance.

For example, upon being selected for Section 202 funding, SHSCI encountered great difficulty locating a qualified and experienced general contractor to build these properties in this rural area. With the outstanding assistance of its housing consultant, Ms. Elissa Dennis of Community Economics in Oakland, California, SHSCI was finally able to locate a contractor who would work diligently to build a quality residential community within the constraints of the available financial resources. The construction firm that successfully built Cedar Street Senior Apartments was Danco Builders of Arcata, California.

Land use issues posed another set of challenges for SHSCI. This project required SHSCI to obtain numerous easements to develop the properties in accordance with HUD's policies, standards and requirements. This meant that SHSCI, especially Patti Rose, had to negotiate many complex legal agreements with neighboring landowners in order for Cedar Street Apartments to have legally acceptable means of both ingress to and egress from its own land. These efforts proved remarkably time-consuming and difficult to complete.

The result of all of these efforts is a beautiful complex of private, one-story apartments, superbly designed and administered during construction by Ms. Rachel Benson of Benson and Associates Architects of Santa Rosa, California. The development provides affordable low cost housing for very low-income North Coast households that had previously been paying far more than 30 percent of their already low monthly incomes for rent and utilities.

In addition, the living environment that is afforded to the new residents is far superior to the conditions that many of them had previously called "home." Many residents escaped surroundings that were unsafe, both in the condition of the housing itself, as well as personally. As one of the new residents and resident musicians, Dau Frietag, mentioned to a HUD representative on the day of the dedication ceremonies, he was now able to "...finally feel safe and secure..." in his living conditions, at the new Cedar Street property. Those of us at HUD who do our best to try to help the residents of our housing achieve some of the most basic of human needs, such as decent, safe and secure shelter, are all quite pleased to know how much of an impact our efforts can sometimes make upon the lives of some of the people in our society who need it the most.

Refinancing of Section 202 and 202/811 Direct Loans

Section 202 and 202/811 projects reserved prior to 1992 have HUD direct loans rather than capital advance grants to cover development costs. If you have a Section 202 project that has a direct loan with HUD, you should consider refinancing if you can obtain a better interest rate. You can use HUD insured financing or go to other lending sources.

Under HUD Notices H 04-21 and H2002-14, owners can prepay their existing high interest direct loans and the debt service savings can be used for rehabilitation, modernization and additions to the project. You can also use the savings to pay for up to 15% of the cost of providing services to the residents. If you use the HUD Section 223(f) program for refinancing, there are liberal loan underwriting criteria such as underwriting at Section 8 rents, even if they are above market. The debt service coverage ratio is at 1.1 versus 1.15. Real property taxes don't have to be underwritten as an expense if the local government currently does not require payment. There can be a significant amount of repairs and the loan will still not be considered substantial rehab, which would require use of the Section 221 program. If you use low-income housing tax credits (LIHTCs), you can still underwrite under the 223 (f) program and not trigger Davis-Bacon wage rates. There can be up to 15% mark up (i.e., developer's fees) on repairs which is available to the owner. If there is additional non-governmental cash equity, such as LIHTCs, annual distributions from such equity are allowable (up to 6%).

Here's an example of a 202 project that was refinanced in 2006 in San Francisco:

The main benefit of the refinance was the drop in interest rate from 9.25% on the existing loan to 5.95% with the new loan. The new loan amount was for \$4,897,100 with a 33 year term, that matures in 2036. The old loan was for \$3,389,600, with a 40-year term, that matured in 2026. The unpaid balance was \$2,950,999. In addition to paying off their original HUD insured 1st mortgage, the owner was able to pay off a second loan which had a balance of \$1,605,797. The owner was also able to increase the reserves for replacement from \$232,544 to \$352,000, and able to complete \$122,015 in non-critical repairs and 7,985 of critical repairs. In addition, they were able to take a developer's fee of 15% of repair costs.

If you are interested in exploring if refinancing may work for your 202 project, please contact a Multifamily HUD MAP lender. An approved lender list can be found on the MAP home page at <http://www.hud.gov/offices/hsg/mfh/map/maphome.cfm>. A list of the referenced HUD notices are found at <http://www.hudclips.org>.

Sierra Gateway Groundbreaking

Sierra Gateway Senior Residence is an affordable senior housing complex sponsored by Southern California Presbyterian Homes (SCPH), in partnership with HUD and the City of Fresno. A groundbreaking ceremony, March 13, 2006 in Fresno, California, drew members of the community as well as City and Federal government representatives.

In early 2003 SCPH identified and purchased a large multifamily site at the corner of San Jose and Marty in northwest Fresno. The site, is surrounded by other residential development and is adjacent to shopping, transportation, and support services. Once completed this project will be home to over 80 very low-income elderly residents of the central valley of California.



Pictured from left to right: Michael Sigala, Manager, City of Fresno Housing & Community Development; Alan Autry, Mayor of Fresno, Rhea Perales, Project Manager, U.S. Dept. of HUD; and, Brian Calhoun, Council Member, City of Fresno

Universal Design in HUD's Section 202 and 811 Housing Developments

Submitted by Jason Dongses and Rhea Perales, HUD Staff

The concept of so-called "Universal Design" has gained widespread acceptance among various communities in the world today. Universal Design encompasses barrier-free accessibility standards, but it also advocates designs that exceed the standards. The overall concept is not just focusing on a small group of individuals, but rather on all housing inhabitants.

The evolution toward Universal Design has ignited new ways of thinking about society's social responsibilities. The disability rights movement has expanded awareness of the need for nondiscriminatory design in the development of housing communities around the world. The concept of Universal Design in housing is the design of a suitable and accessible living environment for all people for their entire lives. The design should work well for people of all ages, e.g., those with or without functional limitations, those with temporary or permanent disabilities and for those who are "aging in place" as they grow older.

Congress has enacted a series of laws offering invaluable protections for people with disabilities, namely, the Architectural Barrier Act of 1968, Section 504 of the Rehabilitation Act of 1973, the Fair Housing Act of 1968, as later amended in 1988 and the Americans with Disabilities Act of 1990, as well as many other state and local ordinances which have been derived from the Federal legislation.

The implementation of these laws has occasionally, albeit inadvertently, spurred the construction of distinct accessible features for people with disabilities. The need for barrier-free designs can tend to create design elements that demonstrate a strict focus of some aspects of the housing toward the disabled population. For example: separate handicapped ramps for some housing developments where the topographical grade changes have been necessitated by the need for an accessible design for the people with mobility impairments. It is hard to find fault with this type of installation, but the design deviates from the concept of Universal Design which recommends that design should be focused for all and not just for certain populations. Thus, Universal Design suggests that we should create access ramps or other approaches that can be used by all users and not just limited to use by the disabled members of the population.

Principles of universal design include:

Equitable Use: The building's design features should make them equally usable by all users.

Flexible Use: The building should have features that are adaptable to all users.

Simple and Intuitive: The building equipment and installations must be user friendly and require no training to operate.

Perceptible Information: The building communication devices and installations must be able to transmit effectively for all users regardless of their sensory abilities.

Tolerance of Error: The building's design features should be able to safeguard users from harm due to accidental or unintended actions by the users.

Low Physical Effort: The building's design features should require little or no physical effort to operate.

Size and Space for Approach and Use: The building's design features should provide users with full access into all building spaces.

Let's take a moment to review HUD's Section 202 and 811 programs against a typical checklist that includes characteristic elements of Universal Design. We have placed an "X" next to the elements that are currently being provided for the common areas and all of the dwelling units in our Section 202 and 811 developments. We have also placed a "P" next to the elements that denote partial conformance, usually reflecting the mandated requirement for certain units designed for people with disabilities.

Universal Design Checklist:

General Features

- P One level living
- X Increased general & specific task lighting
- X Easy garage or parking access
- X One step or no step entry
- X 36" wide doorways
- X Levered door handles
- X Electrical outlets at 18"
- X Easy to open or lock patio doors & screens
- X Light switches at 42"

Bathroom

- P Lever faucets & faucet mixers with anti-scald valves
- X Temperature controlled shower & tub fixtures
- X Stall shower with a low threshold & shower seat
- X Grab bars in shower, tub & toilet or wall reinforcement for later installation

Continued on Page 7

Choosing a Site for a Capital Advance Proposal

Submitted by Richard E. K. Brawn, HUD Staff

HUD selection criteria for Section 202 and/or 811 project applications are published in the annual Notice of Funding Availability (NOFA). The NOFA rules require the sponsor to have 'control' over the site in a form acceptable to HUD. This is important because the quality of the site will have a considerable bearing on selection.

So, what exactly does HUD look for in the area of site selection? We have asked our senior staff appraiser to explain what we look for when assessing a site. Here are the top listed items.

1. The site must be adequate for the proposed project. It must have sufficient room to allow the structure, amenities, and parking. It must have direct access to public streets. Access must not be hazardous. The site should be permissively zoned for the proposed use.
2. The neighborhood within which the site is located must have the amenities that are especially needed by the intended residents. These include shopping, government services, places of worship, transportation and essential medical and support services. The neighborhood must have the support network needed by targeted disabled residents.
3. The site and neighborhood must provide reasonable assurance that tenants will be safe in nearby public facilities because elderly and disabled residents are particularly vulnerable. This includes other hazards such as flooding. Whether or not any site is subject to flooding can easily be determined by working with the local municipal planning department.
4. Sites must have any and all environmental issues resolved or they must be capable of being resolved before the selection date. Resolution also includes mitigation if called for. Historic preservation issues are the most troublesome because their resolution can take a great deal of time. The best solution is to resolve potential historic preservation issues before submitting an application.
5. HUD has criteria for personal safety if a site is near liquid natural gas storage facilities or industrial facilities that present hazards, unpleasant odors, or excessive noise. We will not accept any site that does not have a clean environmental recommendation in the Phase I or Phase II report. We will not accept any building or site that has not had any potential for asbestos contamination resolved.

6. The application must provide a Preliminary Title Report. Any codes, covenants or restrictions (C,C&Rs) that run with the land or contractually bind the use of the site must be provided so that HUD staff can verify that the site is usable and acceptable.

While the list appears to be extensive, problem sites rarely have more than one of the above items. The old platitude that "if a site is cheap then there must be a reason" is worth heeding. A low price should often be considered as a red flag. Resolution of serious issues on a cheap site can prove to be quite costly.

Universal Design in HUD's Section 202 and 811 Housing Developments

(Continued from Page 6)

- X** Bathrooms with adequate turn-arounds & transfer space for walkers or wheelchairs
Higher bathroom counters
Telephone jacks
- P** Installation of medical response device

Kitchen

- Kitchen cabinets with pullout shelves & lazy susans
- X** Easy to grasp cabinet knobs or pulls
Task lighting under counters
Cook top with front controls
Side by side refrigerator
Adjustable upper shelves & pull out lower shelves
Variety in kitchen counter height
Gas sensor near gas cooking, water heater & gas furnace
Color or pattern borders at counter edges

Universal designers, including many HUD professionals and their clients, have adopted many housing design elements that are now mandated by law. Many are also extending their focus far beyond the basic legislative mandates by attempting to address the needs and preferences of all users and attuning their designs to the ever-changing demographic behaviors and economic opportunities that exist in the real estate market as a whole. The concept of Universal Design for housing is not to create an unattainable ideal, but instead to bring designers to certain levels of awareness of need and marketability for a common sense approach to creating housing design elements that are functional and user-friendly for all people.

The Section 202 / 811 Team

The Section 202/811 team in the San Francisco Hub is responsible for these important Federal affordable housing programs over a significant geographic area. Our jurisdiction includes Arizona, Hawaii and Nevada, as well as American Samoa and the Trust Territories in the Pacific, and, finally, the Northern half of California, from the Oregon border southward to, and including, the Counties of Monterey, Fresno, Kings and Tulare.

Ours is a “virtual” team, with staff stationed in the San Francisco, Fresno, Honolulu, Sacramento and Phoenix HUD Field Offices. As such, whenever applications require technical review, the work is often performed by a combination of our available staff in any of these five local offices. Pictured below are our San Francisco office-based staff.



Seated (left to right) are: Richard Brawn and Flo Campit. Richard is the only full-time Senior Appraiser assigned to our team. He handles the site acceptability and land appraisal reviews.

Flo is the only full-time Financial Analyst on our team. She performs all of the duties related to the accounting and financial aspects of our applications and all construction-related activities.

Standing (left to right) are: Bill Rogina, Dottie Johnson, Lee Bartok and Michael Hayes.

Bill is the team Supervisory Project Manager with the overall responsibility for the team’s performance.

Dottie is the team’s Program Assistant, responsible for all monitoring and tracking duties to assist the Team members and the managers regarding project status updates.

Lee is one of the team’s Construction Analysts, with the responsibility for reviewing all Architectural and cost aspects of our underwriting activities.

Michael is the team’s sole Senior Project Manager, and his depth of knowledge and experience enables him to accept responsibility for our most complex proposals.

Manuel (not available for photo) is one of our Project Managers with overall responsibility, working closely with other HUD staff and our non-profit clients, for the successful development of the specific Section 202 and 811 projects assigned to him.



The members of our “virtual” team from the Phoenix HUD Field Office, who have the primary responsibility for all proposals in the State of Arizona, are pictured at left.

Front is: Lavona Llewellyn. Lavona is the Asset Management (AM) Team Leader in the Phoenix Office. She works with the HUD AM staff to assist the Production staff in the review and approval of all of the Section 202 and 811 proposals in Arizona.

Standing (from left to right) are: Tony Perez, Sandra King, Don Landry, Rosie Ortega and Kevin Hutchinson.

Tony is the Supervisory Project Manager in Phoenix, with the primary responsibility for the successful development of all Production activities in the State of Arizona.

Sandra is one of our Mortgage Credit Analysts. She performs all of the duties related to the accounting and financial aspects of our applications, as well as the financial responsibilities associated with all construction activities.

Don is another one of the team’s Construction Analysts, with the responsibility for reviewing all of the architectural and cost aspects of our underwriting activities in Arizona.

The Section 202 / 811 Team *(continued)*

Rosie is a Project Manager with overall responsibility, working closely with all other HUD staff and our non-profit clients, for the successful development of the specific Section 202 and 811 projects assigned to her in the state of Arizona.

Kevin performs the team's appraisal duties in Arizona. He is responsible for the site acceptability and land appraisal reviews there.

Sally (not available for photo) is the Multifamily Housing Director in the Phoenix Office. As such, she has the overall leadership responsibilities for all housing activities for HUD in the State of Arizona.



Jason Dongses



Rhea Perales



Cheryl Fukunaga

Jason Dongses, Rhea Perales and Cheryl Fukunaga (pictured above) are also members of our "virtual" team. They are stationed in the Sacramento, Fresno and Honolulu HUD Offices, respectively. Their primary responsibilities include all Section 202 and 811 proposals in the Sacramento Office jurisdiction, i.e., the northeastern portions of the State of California and the State of Hawaii.

Jason is a Construction Analyst with the responsibility for reviewing all of the architectural and cost aspects of our underwriting activities in his area.

Rhea is both a Project Manager and a Mortgage Credit Analyst. She has overall responsibility, working closely with all other HUD staff and our non-profit clients, for the successful development of the specific Section 202 and 811 projects assigned to her. She also performs all of the duties related to the accounting and financial aspects of her applications, including all of the financial duties associated with construction.

Cheryl is both a Project Manager and a Mortgage Credit Analyst. She has overall responsibility, working closely with all other HUD staff and our non-profit clients, for the successful development of all of our Section 202 and 811 in the State of Hawaii.

San Francisco Industry Meeting

The San Francisco Office's Quarterly Industry Meeting was held on April 27, 2006. After a brief introduction, Angela Corcoran, Chief of the Asset Management Branch, discussed several current policy and procedure changes that affect the industry, such as: Section 504 compliance, Student Eligibility for Section 8 housing, reasonable and necessary operating expenses relating to front-line management activities, etc. She then responded to questions previously submitted by industry partners.

The featured speaker was Mr. Wayne Waite. Mr. Waite is the Regional Energy Representative for the U.S. Department of Housing and Urban Development for the San Francisco Region. Mr. Waite discussed HUD's Energy Action initiative and the San Francisco Regional office's energy strategy.

Christine Day and Robert Dutra gave updates on section 8 funding and TRACS. In addition, CAHSA and AHMA provided information on upcoming events. The meeting was then turned over to CAHI, the Northern California PBCA who discussed industry partners' concerns.



Participants listen intently to Wayne Waite, Regional Energy Representative for HUD

The next industry meeting is scheduled for July 20, 2006.

How Supportive Housing Can Change Lives

Continued from Page 1

It is easy to imagine, then, that when Ikaika experienced a paralyzing injury he became distraught, angry and depressed. He went through a number of years being angry before he found the strength to accept his injury and to focus on the fact that he had friends and family that cared about him and wanted him to succeed in life. He now advocates for persons with disabilities every chance he gets. He wants to educate people so they feel comfortable around persons with disabilities.



Hale Kuha'o



Ikaika

Hale Kuha'o helped Ikaika take his first steps to regaining independence, and has allowed him to be in control of certain aspects of his life again. His unit (as are all units in Hale Kuha'o) is equipped with an Environmental Control Unit (ECU) that provides a number of innovative features. The ECU is a voice activated computer system that recognizes Ikaika's voice and follows his commands to open and close the windows and draw and open the drapery, operate the lights, television and stereo, answer the telephone, adjust his electric bed, and open the door to his unit and the secured project door for guests, which he is able to see on his computer monitor. Ikaika is also able to open the door to his apartment and the secured doors to the project from the outside with an electronic key card instead of a key. He generously volunteers to demonstrate the ECU to all those interested. Every year he welcomes students visiting from Japan to his apartment. He wants to heighten their awareness and to demonstrate the innovative technology and approaches to daily living that can be used to improve the lives of persons with disabilities.

In 2004, Ikaika graduated from the University of Hawaii with a degree in Computer Science. His next goal is to return to the University of Hawaii to obtain a master's degree in teaching or counseling. Before I concluded my visit, he presented me with a DVD of his life and reflections. I was able to experience his performances as a dancer, to see how his life evolved to being an advocate for the disabled and to see his joy when he is with family and friends.

When a child is born, it is a tradition that kupuna, or family elder, give the child a Hawaiian name. Ikaika was given the name Kekeikikoikaikaokalani by his grandfather. The name translates to "a strong child." When Ikaika was younger, he thought the name represented the physical strength he was able demonstrate through his weight training and dance. He now realizes his grandfather gave him the name because of the strength he has in his heart and mind, which is allowing him to accept his disability and do something productive with his life. The name truly suits him, and Hale kuha'o is proud to be a part of Ikaika's story.

Fraud Prevention

In September 2005, HUD's Office of the Inspector General published a brochure entitled "Fraud Prevention—Guidance for Managers of HUD Assisted Rental Housing Programs." The brochure outlines what can be done to combat fraud, how to report suspected fraud, and how to establish a fraud policy.

Copies of the brochure can be obtained at <http://www.hud.gov/offices/oig/index.dfm>, then click on Fraud Awareness Documents.

Fair Housing

In January 2006 the Department issued a new brochure, "Fair Housing Equal Opportunity for All", which outlines the provisions of the Fair Housing Act and provides useful information to residents and management about their rights under the law.

Copies of the brochure can be obtained at www.Hudclips.org. The Form Number is HUD-1686-FHEO.

Eugene Coleman Community House, San Francisco, CA



The Eugene Coleman Community House is located South of Market in San Francisco, across the street from the Moscone Convention Center West and one block from the Yerba Buena Park and entertainment area. The project has been developed on land owned by the San Francisco Housing Authority (SFHA) and leased to the project. The housing has been developed with mixed use – Section 202 supportive housing built over commercial space. The SFHA will receive 75% of the net commercial revenue after debt service for tenant services. Overall construction funding was approximately \$21 million dollars.

In addition to the residential apartments, Eugene Coleman Community House provides a sheltered courtyard and a recreation room. Tenants share a new landscaped outdoor area with the residents of two adjacent HUD assisted properties – Clementina Towers and Woolf House. HUD will provide project rental assistance (PRAC).

The development has been named after Eugene Coleman, a long-time leader in the South of Market area and one of the founders of the Tenants and Owners Development Corporation (TODCO).



Project/Location:
320 Clementina Street
San Francisco, CA

Description:
85 assisted units—55 studios
and 30 1BR units

Project Size:
83,121 Sq. Ft.

Unit Size:
0BR - 491 Sq. Ft.
1BR - 675 Sq. Ft.

Status:
Completed November 2005

Sponsors:
Tenants and Owners Development Corporation (TODCO)
San Francisco, CA

Architect:
Kwan/Henmi

Contractor:
Cahill Construction

Funding Source:
HUD Section 202 Capital
Advance: \$ 7,563,000

City and County of
San Francisco:
\$ 10,392,600

Federal Home Loan Bank's
Affordable Housing Program:
\$ 425,000

Northern California Community
Loan Fund:
\$ 65,000

San Francisco Redevelopment
Agency: Nearly \$1 million



EQUAL HOUSING
OPPORTUNITY

Weinberg Hale Kupa'a, Na'alehu, HI



W

einberg Hale Kupa`a, House of Strength, is the first residential group home to be located in Na`alehu, in the District of Ka`u on the southern coast of the Island of Hawaii.

The group home is located in a quiet residential subdivision approximately 1.5 miles from the town of Na`alehu. The dwelling is cooled by nature's trade winds and the residents enjoy an ocean view from the lanais at the rear of the dwelling. The grounds are tropically landscaped with naupaka, plumeria, hibiscus, spider lilies and palm trees.

Mental health services are available in Na`alehu. The Harry and Jeanette Weinberg Foundation provided funds for a van to meet the needs of the residents. The service provider is developing a work program for the residents to develop self-sufficiency. Residents of Weinberg Hale Kupa'a hope to sell crafts and produce to the local residents and tourists that visit the area.



Project/Location:

94-6733 Kamaoa Road
Na'alehu, Hawaii

Description:

Group Home for the
Chronically Mentally Ill
5 residents
1 resident manager

Project Size:

Site: 21,328 Sq. Ft.
Living Area: 3,441 Sq. Ft.

Unit Size:

5 Bedrooms: 495 Sq. Ft.

Status:

Construction completed:
November 2005

Sponsor:

Steadfast Housing
Development Corporation
Honolulu, HI

Architect:

Michael Miki, AIA
Luersen Architects

Contractor:

Ivan Mochilda Contracting, Inc.

Funding Source:

HUD Sec. 811 Capital
Advance: \$ 697,600

Federal Home Loan Bank of
Seattle: \$ 44,750

Harry and Jeanette Weinberg
Foundation, Inc.:
\$ 122,000



EQUAL HOUSING
OPPORTUNITY

La Playa Apartments, San Francisco, CA

Project/Location:

770 La Playa Street
San Francisco, CA

Description:

13 - 2BR/ 1BA assisted units
plus a 1BR/1BA manager's unit

Project Size:

Site 9,480 square feet;
Gross floor area 17,100 sq. ft.

Unit Size:

1BR: 552 sq. ft.
2BR: 785-810 sq. ft.

Status:

Construction completed
June 2006

Sponsor:

Progress Foundation
San Francisco, CA

Architect:

Kodama-Diseno

Contractor:

Swinerton Construction

Funding Source:

HUD Section 811
Capital Advance: \$ 1,585,000

City & County of San Francisco:
\$ 1,595,100

State of California MHP:
\$ 663,100



EQUAL HOUSING
OPPORTUNITY



Ocean Beach Pavilion

Ocean Beach, on the western shore of San Francisco, was a popular recreation area for nearly a century. In 1884, the Ocean Beach Pavilion, a large concert/dance hall (shown above) was built just south of the Seal Rock House. Ocean Beach continued as a recreation destination through the 1950's. A roller coaster was built next to the Ocean Beach Pavilion, and the area evolved into the Playland-at-the-Beach amusement park. Today, only the beach and the Cliff House remain; virtually all signs of this destination as a recreation area are gone, replaced by condos, shopping and now, La Playa Apartments. Located near the corner of La Playa and Cabrillo Streets, La Playa Apartments completes the reuse of the old Playland site.

On February 23, HUD Regional Director Richard Rainey joined Mayor Gavin Newsom and Supervisor Jake McGoldrick in congratulating the Progress Foundation on the completion of La Playa. Steve Fields, Progress Foundation Executive Director and his staff, have created an attractive, supportive residential environment with individual apartments for families with at least one adult with a mental disability. Services such as individual counseling, crisis intervention, and assistance in obtaining entitlements are available to eligible residents of La Playa Apartments.



Dina Titus Estates, Las Vegas, NV

Project/Location:

5050 Missouri Avenue
Las Vegas, NV

Description:

19 units
15 - 1BR and 3 - 2BR
assisted units plus a 2BR
manager's unit.

Project Size:

46,221 sq. ft.

Unit Size:

One-bedrooms (540 sq. ft)
Two-bedroom (800 sq. ft)

Status:

Construction completed
July 2005

Sponsor:

Accessible Space, Inc.
St. Paul, MN

Architect:

Rami I. Atout,
Creative Design Architecture

Contractor:

B & H Construction, Inc.
Raymond J. Hoffman,
President

Funding Source:

HUD Section 811 Capital
Advance: \$ 1,821,000

Clark County, NV (HOME
Program): \$ 750,000

US Bank & FHLB Des Moines:
\$ 90,000



EQUAL HOUSING
OPPORTUNITY



A

fter years of being an advocate for persons with disabilities, Nevada State Senator Dina Titus was honored with a building in her name that will house very low-income physically disabled residents.

Dina Titus Estates now joins four other HUD assisted Section 811 buildings sponsored by Accessible Space, Inc., in the Las Vegas/Clark County area. They are Carol Haynes Apartments, Ray Rawson Villas, Sandy Robinson Apartments, and George and Lois Brown Estates. They provide accessible one and two-bedroom apartments for adults with physical disabilities. Located at 5050 Missouri Avenue on the northeast side of Boulder Highway, Dina Titus Estates is near a city park and close to public transportation, making it close to shopping, restaurants and other entertainment venues. Particular attention was given to creating a fully accessible building design. Features include a hands free main entry system, six-foot wide corridors, three-foot wide doors throughout, lever action hardware, ample turning space in kitchens and bathrooms, roll-under counters and sinks, and roll-in showers. Community features are a multi-purpose room, a laundry room with a nearby lounge, plus a patio area with roll-under accessible picnic table and gas grill.



Multifamily Asset Management Program News

WELCOME TO THE NEIGHBORHOOD!!!!

The 2006 Regional Technical Assistance Workshop (RTAW) was held in San Diego, California at the Hyatt Regency Islandia on April 5 –7, 2006. More than 150 Neighborhood Networks stakeholders from over a dozen states gathered to attend the three day conference.

The central theme of this year's RTAW was "Uniting Neighbors, Strengthening Communities." Topics for the three day general sessions included:

- ▶ Consortia Prove there is Strength in Numbers, discussing the importance of consortiums;
- ▶ Taking your Center to the Next level, discussing center classification and model centers;
- ▶ We're in this together: Getting Residents Involved, a panel discussion on how to build resident participation;
- ▶ Keeping up with Technology, a discussion on different programs and technological advances that can be used in Neighborhood Network Centers.

Concurrent session topics addressed a wide range of topics, such as Fundraising, Learn What's Key to Becoming a 501(c)(3), Make Sure Residents are Safe at Home, Microenterprises offer Big Potential, Neighborhood Networks 101 (discussing a History of Neighborhood Networks), Partnership Development and other topics assisting new and established centers.

A groundbreaking session entitled "A Partnership with NASA is Just One Small Step Away," encouraged participants to develop a conceptualization of a new neighborhood on Mars and what steps would be needed to develop that neighborhood. Participants enjoyed doing hands-on crafts, writing articles on life on Mars and preparing classified ads, stories and other articles for an imaginary Mars newspaper. The session ended with a video program on a Neighborhood Networks center in the Boston area that currently partners with NASA to coordinate and provide technical assistance to the teachers and participants. The program opened up possibilities and it was fun to watch each child grow in knowledge and experience.

RTAW was full of information, provided interaction and a chance to network with other centers to see what innovative ideas they are using.

For further information, the Neighborhood networks Initiative website is neighborhoodnetworks.org, or you can contact Diana C. Mann at (415) 489-6647 in the San Francisco Office.

Enterprise Income Verification (EIV) System

HUD is actively working with The Department of Health and Human Services (HHS) to provide owners/agents information regarding verification of residents' and applicants' income. The new EIV system will contain a database of new hire data, tenant wage information, and will incorporate the current TASS information for SS and SSI. TASS will be phased out by September 2006.

Beginning in July, all multifamily users will have to obtain access rights to EIV from the Multifamily Help Desk. Information will be provided on the TRACS homepage, included in the TRACS forum, and sent to all properties that transmit vouchers. MF will also have its own EIV website similar to the current website for PIH.

New Special Claims Processing Guide

On July 5, 2006, a new Special Claims Processing Guide was announced. The Guide is effective for all special claims submitted on or after August 1, 2006, and was developed to assist in the reduction of errors in the administration of HUD's rental housing assistance programs. The Guide provides detailed guidance for the processing of Special Claim requests and is intended for use by HUD staff, Contract Administrators, and Owners and Management Agents of Section 8 project-based contracts.

The Guide is available on HUDCLIPS under "What's New" or can be accessed through the HUDCLIPS Library under "Guidebooks" at <http://www.hudclips.org>. Questions regarding the Special Claims Guide should be directed to the Special Claims Mailbox at :

Special_Claims_Comment_Box@hud.gov.



Multifamily Asset Management Program News

Eligibility of Students for Section 8 Assisted Housing

New Section 8 eligibility guidelines may affect student residents. An April 10 notice in the Federal Register provided additional guidance concerning the implementation of new Section 8 student eligibility restrictions. The rule only applies to Section 8 programs administered by the Office of Housing and the Office of Public and Indian Housing. It does not apply to HUD's Public Housing program.

Under the new law, the eligibility of a student seeking Section 8 assistance will be examined along with the income eligibility of the student's parents. Both the student's income and the parent's income must be separately assessed for income eligibility, unless the student can demonstrate their independence from their parents. In addition, the financial assistance of the student in excess of tuition is included as annual income when determining the student's eligibility, unless the student is over the age of 23 with dependent children. The new law does not apply to students who are living with their parents in Section 8 assisted housing or living with parents that are applying to receive Section 8 assistance.

If a student currently living in Section 8 assisted housing who is under the age of 24, not a veteran, unmarried, and does not have a dependent child is determined to be ineligible at recertification, his or her assistance will be terminated. The student cannot be evicted from the unit as long as he/she is in compliance with the terms of their lease, but the student will no longer be eligible to receive Section 8 assistance. If the ineligible student is residing in a household other than with the student's parents, the assistance will be terminated for the entire household. However, if the ineligible student moves out of the household, the household would again be eligible for Section 8 assistance, if available.

To determine a student's independence from their parents, the owner should use practices and criteria already in place. These practices and criteria are the same that are currently in paragraph 3-16 of Handbook 4350.3 REV-1. These criteria are:

- ☞ The student must be of legal contract age under state law.
- ☞ The individual must have established a separate household from parent(s) or legal guardians for at least one year prior to application

for occupancy OR the individual must meet the U.S. Department of Education's definition of an independent student.

- ☞ The individual must not be claimed as a dependent by parents or legal guardians pursuant to IRS regulations.
- ☞ The individual must obtain a certification of the amount of financial assistance that will be provided by parents, signed by the individual providing the support.

Owners/agents should immediately update Tenant Selection Plans for the property to incorporate the policies for admittance of students. The revised Tenant Selection Plan should be completed before implementing the new student restrictions. Owners/agents should also notify applicants on their waiting list and current residents of the new student eligibility requirements.

RHIP Listserve

Did you know that the Rental Housing Integrity Improvement Project (RHIP) has established a Listserv? The national Listserv distributes weekly emails containing occupancy related tips and the latest RHIP news. Some of the topics in Recent RHIP messages include: Eligibility of Students for Section 8 Assisted Housing – Supplementary Guidance; RHIP Tips on Calculating Income from Assets; Medical Expenses; Medicare Prescription Drug Coverage; etc.

If you have not already done so and would like to register, please visit the Multifamily Housing RHIP webpage at <http://www.hud.gov/office/hsg/mfh/rhiip/mfhrhiip.cfm>.



Multifamily Management Asset Program News

Project Operating Expenses

HUD supports appropriate training to enhance the operation of residential housing. Recently HUD Headquarters issued guidance on reasonable and necessary project operating account expenses related to front-line management activities. This guidance aims to provide consistent parameters across HUD field offices for approval of payment for training expenses from the project's operating account.

HUD Handbook 4381.5, REV-2, Chapter 6, paragraph 6.38(c), states that the project's operating account may be billed for "front-line" training activities if certain conditions are met. The handbook defines what are considered "front-line" activities.

Additional information regarding training costs for board members of resident owned/Cooperative Housing is also provided in HUD Handbook 4381, REV-2, Chapter 6, paragraph 6.38 (d).

Training of on-site front-line staff must clearly demonstrate a benefit to the project. For example, front-line staff participation in a meeting or conference is deemed a necessary and reasonable training expense when:

- The purpose of the conference is educational and beneficial to the project;
- The content is relevant to improving the employee's performance while conducting front-line activities;
- Most of the conference consists of planned, organized exchanges of information related to project operations; and,
- The conference allows for expansion or enhancement of the employee's current job performance related to front-line duties.

The expenses of training shall not include membership fees except to the extent that such fees are a necessary cost directly related to the training itself or that payment thereof is a condition precedent to undergoing such training.

Sacramento Industry Meeting

The HUD Sacramento Office held its first Multifamily Industry Meeting for 2006 on March 2nd, in the Stanford Room of the John E. Moss Federal Building. The Federal Building location was chosen because it is the future home of the Sacramento HUD Office. (The office is scheduled to move the summer of 2006.) Approximately 55 guests attended the meeting, including San Francisco HUD staff and representatives from California Affordable Housing Initiatives, Inc. (CAHI).

Topics of discussion included the new Form 9834, the new RHIP Listserv, electronic submission for 2530's, and Reserve for Replacement procedures - including an energy conservation reminder. In addition, Angela Corcoran, Chief of Asset Management in the San Francisco HUD office, talked about the new student eligibility rule from the 12-30-05 Federal Register and common errors found during CAHI's management and occupancy reviews. Lupe Rea from the Social Security Administration gave a presentation on the new Medicare prescription drug program, CAHI staff members addressed MOR tips and other PBCA updates, and Rick Taylor from CAHSA updated participants on its activities.

HUD Sacramento received very positive feedback from the participants, as well as several excellent suggestions for future meeting topics. Sacramento's next industry meeting will be held in the summer of 2006.

The next Asset Management Industry Meeting for the Sacramento office will be held in September 2006. It is anticipated the meeting will be held, again, in the Stanford Room of the John E. Moss Federal Building.

More APPS Information

The Active Partner Performance System (APPS) Electronic Filing is required of all participants effective July 1, 2006. HUD expects participants interested in new business opportunities in multifamily programs to have completed their baseline information during the extended implementation period.

If participants fail to enter baseline information prior to June 30, 2006, any new and/or revised participation in multifamily programs will be delayed until after the APPS system inputs are completed. Additional information concerning the APPS system can be obtained at:

<http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm>

Frequently Asked Questions: New HUD-9834, Management and Occupancy Review Form

- Q. Question 3b states "Based on a sampling of units and common areas, for all other deficiencies noted in the REAC inspection (other than EH&S), as applicable, verify that corrective actions have been taken. Have the deficiencies been corrected?" What do we do with no answers to these questions if the score is above 60?
- A. If the score is above 60 and both of the responses to the questions in item 3 are "No," the Reviewer should still issue a finding if the deficiencies noted in the REAC inspection have not been corrected.
- Q. When the PBCA does the REAC follow-up can they also look at units for which special claims have been filed, specifically damage claims?
- A. No.
- Q. If a property is a 236 with Section 8 units, does the CA include 236 units in the sample if EH&S items were noted in those units?
- A. No. CAs would only sample the Section 8 units.
- Q. Question 6(b) states "Walk through at least two vacant units that are ready for occupancy. Assess and document unit readiness." If there are no vacant units ready for occupancy, do we still go into vacant units?
- A. Yes, vacant unit assessment determines not only the condition of the units ready for occupancy, but assesses the owner/agent's entire process of preparing the unit for occupancy.
- Q. Do we still check all interims for the last year for every file we review?
- A. Existing guidance related to tenant file reviews does not specifically address the number of years of documentation the reviewer should assess. Therefore, in the interim, the Reviewer will be responsible for reviewing the original documents in the tenant file for the initial move-in year and all information relevant for the current year. In the event an error is found in a specific tenant file, a full audit of that file should be conducted as far back as the documentation and problem exist.
- Q. Question 19(d)(x) states "Were utility reimbursement checks distributed within 5 business days of receipt of the housing assistance payments?" We are not sure of how well this is to be documented. If the tenants come into the manager's office and pick up the checks, should we require that a log be kept which the tenant must date and sign when picking up the check? If the checks are mailed to the tenants from a district management office, what documentation should we require to show that this was done within five days of the receipt of the HAP payment?
- A. The owner could either document the files indicating when the HAP was received and the utility reimbursements distributed to the tenants or have available for the reviewer the check register showing receipt of HAP and distribution of checks to tenants showing that the processing was completed by the owner within the required 5 days. Either way would be acceptable.
- Q. If the Reviewer is aware that the information provided by the owner/agent for Part A of Addendum B is incorrect, can the Reviewer discuss the issues with the owner/agent in an effort to enter accurate information into REMS?
- A. If the Reviewer questions the validity of the information provided by the owner/agent, Reviewers must contact the owner/agent to discuss the issues. If the owner/agent is adamant that the information provided is true and accurate, the Reviewer should enter the information into REMS and document the project file.

Multifamily Asset Management Program Information

Verification of Medical Allowance

At the January 2006 HUD Industry Meeting in Sacramento, HUD fielded a number of questions in regards to medical allowances. Here is a recap of some of the answers and the references where the information can be found:

The RHIP Summary of Questions can be found at the following website: <http://www.hud.gov/offices/hsg/mfh/rhiip.cfm>; go to Deductions/Allowances pages 21-23, questions 84 through 93 talks about elderly and medical deductions.

In the HUD Handbook 4350.3 Rev 1 Chg 1, Medical Allowances are referenced in Chapter 5, Paragraph 5-9 (Key Requirements for Determining Adjusted Income). HUDclips.org has the most up to date 4350.3.

- ✓ Over the counter medicine must be prescribed by a doctor or other medical professional, otherwise they cannot be counted as a medical expense.
- ✓ To calculate medical expenses you can either use receipts for the last twelve months, or you can send a third party verification to project for the next twelve months. Keep in mind that all prescription receipts for over the counter medicine must be prescribed by a medical professional in order to count as a medical expense.
- ✓ When calculating Medicare expense through TASS, don't forget that NO in the Buy-In portion of the Medicare Data means Yes – the tenant is paying for Medicare, and it's counted as a medical expense. If it says YES in the Buy-In portion of the Medicare Data then, the tenant is not paying for Medicare, and it should not be counted as a medical expense.

New Forms!

HUD has published a new Contract Renewal Request Form, HUD-9624, and a new OCAF Rent Adjustment Worksheet, HUD-9625. These forms can be obtained at www.hudclips.org

Zero Income Residents

Many of our owners and agents have asked what they can do to address the number of zero income tenants in their properties.

HUD handbook 4350.3, in Appendix 3, Acceptable Forms of Verification, under zero income says, "owners may require the tenants to reverify zero income at least every 90 days." We would encourage owners and agents to reverify zero income status more often than the 90 days indicated above, since it is not expected that residents will remain at zero income for extended periods of time.

Owners/agents should include in their operating procedures their policy for addressing zero income residents. When verifying the status of a zero income resident, we recommend that owners/agents develop a set of interview questions to determine if there are any sources of income for the family. For example: How does the family pay for utilities? Does a credit report indicate that loans and other accounts are being paid on time and are current? You might develop an expense analysis listing items such as rent, auto, gas and electric, telephone, etc., and have the resident indicate the amount owed, if it is current or not, and the amount paid. Project staff can then ask more in-depth questions about income sources the family uses to pay these expenses.

Additional techniques that can be used to address zero income are: Verification beyond what the family discloses, i.e., verify if any family members are receiving TANF or unemployment benefits; obtain a credit bureau report to determine if there are indicators of current financial activity; capture the status of all current expenses on the application and recertification form, verify if any expenses are paid current, and determine if this conflicts with the claim of zero income.



Multifamily Program News

Western Lender's Conference

The Western Mortgagee Advisory Council (WMAC) sponsored its 7th Annual Western HUD Lender's Conference - the largest conference yet - on April 24-26, 2006 in Las Vegas NV. The WMAC was created in 1999 to address various issues HUD lenders face in the HUD offices located in the Western States of California, Arizona, Denver, Oregon, and Washington. The success of the council is evident in the growing membership, which now totals 17 lenders. HUB Directors in these Western States participate throughout the year with the WMAC through ongoing dialogue and semiannual meetings in each HUB office.

Attendance at this year's conference set a record with 165 attendees, which included 35 HUD staff, 24 lenders, and other industry members such as attorneys, engineers and appraisers.

This year's sessions were very topical and covered a wide range of subjects from Physical Capital Need Assessments and electronic 2530 form filing, to Affordable Housing. Also included in this year's agenda was Asset Management. Linda Monger from the Seattle HUD office and Angela Corcoran of San Francisco HUD fielded inquiries regarding TPAs, HUD-9807 and 9808 issues, and borrower asset management issues. Participants examined the disconnect between property requirements under MAP and HUD asset management requirements for releases from reserves for replacements.

WMAC President Jayne Hulbert of Deutsche Bank closed the conference by challenging participants to act upon the knowledge gained at the convention to create positive change. She stressed that MAP's viability will be the result of the industry and HUD working together to provide a product the customer will use.

Next year's Western HUD Lender's Conference is scheduled for April 23-25, 2007 at the Golden Nugget Hotel & Casino in Las Vegas NV.

COMINGS AND GOINGS

Congratulations to the following employees on their retirements:

Tom Frizzell, Housing Rep, Phoenix Office
Calvin Smith, Project Manager, Phoenix Office
Sammy Valenzuela, Construction Analyst, Phoenix Office

Congratulations to Michael Hayes, Senior Project Manager, who is leaving the San Francisco Office and transferring to the Portland HUD office in July.

EMPLOYEE OF THE YEAR AWARDS

Regional Director Richard Rainey announced that three Region IX staff members have been named "Employee of the Year".

Outstanding Manager/Supervisor of the Year:
John Phillips, Administrative Resources, San Francisco

Outstanding Professional/Technical Employee of the Year:
Enrique Ramirez, Single Family, Los Angeles

Outstanding Technical/Clerical Employee of the Year:
Larry Chauvet, Multifamily, San Francisco

WELCOME TO:

Bonita Hovey, Project Manager, transferred from Los Angeles to Sacramento Office

San Francisco Office

Margaret Salazar, Presidential Management Intern
Shannon Bergman, Housing Representative
Rod Nash, Housing Representative
Myra Smith, Mortgage Credit Analyst

Asset Management Program Information

TRACS Updates

The TRACS Discussion Forum has moved to a new site. HUD's "Let's Talk" Discussion allows people across the country to talk in one of HUD's online forums. The facility was created to allow interested people to talk with others about national or local public policies as they pertain to HUD's business. There are two types of forums: those that require a password and those that are open or unmoderated.

The new TRACS Discussion Forum is a password forum with a moderator ready to interject or respond to issues and questions when necessary. This new TRACS Discussion Forum is designed to facilitate communications between the industry and TRACS.

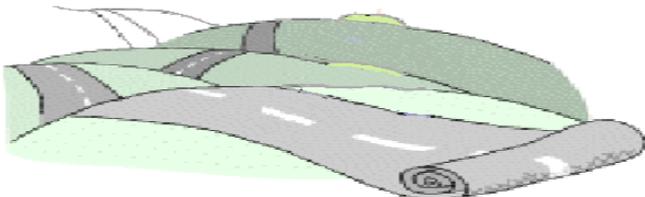
The new TRACS Discussion Forum was operational April 3. To access the Discussion Forum, link on the TRACS main page at <http://www.hud.gov/offices/hsg/mfh/trx/trxsum.cfm>. To access the TRACS forum, cursor down the discussion forum list and click on the TRACS link. The HUD's Discussion Group user registration login screen should appear.

New TRACS Fatal Error

On a MAT10 certification submitted to change the head of household, all relevant 'previous' fields on the MAT 10 must be populated with valid values that match the tenant's most current certification: previous effective date, previous head last name, previous head first name, and previous head birth date. TRACS uses the 'previous' values submitted on the MAT10 to locate and de-activate the certification for the previous head of household. TRACS will generate a new fatal error (F0130) unless all 'previous' fields are populated with valid values.

90% Compliance Review

As of April 1, the Minimum Tenant Compliance Percentage increased from 85% to 90%. All vouchers must meet the 90% compliance requirement before payment will be approved through LOCCS.



4th Quarter Expiring Contracts

Every year Section 8 funding is touch and go in the 4th quarter of the fiscal year ending September 30. It is extremely important for owners and/or agents to submit their contract renewal documents to your PBCA or HUD **now!** If expiring 4th quarter contracts are not renewed prior to the end of the fiscal year, funds available for those renewals may be recaptured. Since 1st quarter funding usually isn't available until mid-November, owners who fail to renew in a timely manner may not receive voucher payments for October and November.

Please get your paperwork in now so that these contracts can be renewed promptly and there will be no disruption of voucher payments.

Emergency Capital Grants for Eligible Projects

The May 22, 2006 Federal Register, Vol. 71, No. 98 announced the availability of approximately \$30 million in grant funds to make emergency capital repairs to eligible multifamily projects owned by private nonprofit entities that are designated for occupancy by elderly tenants.

Capital repair needs must relate to items that present an immediate threat to the health, safety, and quality of life of the tenants. These grants intend to provide one-time assistance for emergency items that could not be absorbed within the project's operating budget and other project resources, and where the tenants' continued occupancy in the immediate future would be jeopardized by a delay in initiating the proposed cure.

Applications must be submitted to the local HUD Multifamily Program Center and will be approved on a first-come, first-served basis. Although there is no deadline, timely submissions are critical since funds will be awarded for emergency capital repair grants until they are expended.

You can view the complete submission requirements in the Federal Register at the following website:

<http://www.gpoaccess.gov/fr/search.html>

(Select Vol. 71 and search for "Emergency Capital Repairs").

Development Corner

Section 202/811 Initial Closings

Sierra Gateway Senior Residence, Section 202, 80 units, Fresno, California
Providence Senior Housing, Section 202, 50 units, San Francisco, California
Glendale Haciendas, Section 202, 61 units, Glendale, Arizona
Haight Street Senior Housing, Section 202, 40 units, San Francisco, California

Section 202/811 Final Closings

Hale Mahaolu Eono 5, Section 202, 5 units, Lahaina, Hawaii
Hale Mahaolu Eono, Section 202, 20 units, Lahaina, Hawaii
Winchester Senior Housing, Section 202, 11 units, Elko, Nevada
Crocker Amazon Senior Apartments, Section 202, 37 units, San Francisco, California
Harry & Jeanette Weinberg Kea'au Senior Housing Project, Section 202, 20 units, Keaau, Hawaii
Sycamore Place II Senior Housing, Section 202, 40 units, Brentwood, California
703 Cedar Street Senior Housing, Section 202, 11 units, Garberville, California

Initial/Final Endorsements

Lone Mountain and Rainbow Apartments, Section 221d4, 417 units, Las Vegas, Nevada
Sunset Ridge Apartments, Section 223(f), 100 units, Reno, Nevada
Immanuel Campus of Care, Section 223(f), 528 beds, Peoria, Arizona
Greenview Apartments, Section 223(f), 136 units, Tucson, Arizona
Amador Residential Care Facility, Section 223(a)(7), 38 beds, Jackson, California
Meadows Apartments, Section 223(a)(7), 30 units, Jackson, California
The Meadows, Section 223(f), 336 units, Sunnyvale, California
Burlingame Villa Assisted Living, Section 223(a)(7), 27 beds, Burlingame, California
El Portal Gardens, Section 223(a)(7), 81 units, San Pablo, California
Baywood Apartments, Section 542(c), 77 units, Oakland, California
Hacienda Rehab & Health Care Center, Section 223(f), 133 beds, Hanford, California
Ceatrice Polite Apartments, Section 221d4, 91 units, San Francisco, California
Marymount Greenhills Retirement Center, Section 223(f), 159 beds, Millbrae, California
Parkview Christian Estates, Section 223(a)(7), 99 units, Modesto, California
Gateway Apartments, Section 542(d), 130 units, Menlo Park, California
Healdsburg Convalescent Center, Section 232, 93 beds, Healdsburg, California
Marina Village Apartments, Section 221d4, 240 units, Sparks, Nevada
Villa Del Rey Retirement Inn, Section 232, 120 beds, Merced, California
Boulder Apartments, Section 221d4, 462 units, Las Vegas, Nevada
Sycamore Lane Apartments, Section 221d4, 158 units, Davis, California
Andover Place Apartments, Section 223(f), 308 units, Las Vegas, Nevada
Las Palomas Apartments, Section 223(f), 272 units, Las Vegas, Nevada
Sonoma Hills Place Apartments, Section 223(f), 340 units, Las Vegas, Nevada
Woodmark at Sun City, Section 223(f), 133 beds, Sun City, Arizona
Chai House, Section 223(f), 70 units, San Jose, California
Monterey Pines, Section 223(a)(7), 324 units, Richmond, California
Creskide Terrace, 57 units, Section 223(f), El Sobrante, California

Issuances

Notice H-2005-21, Income calculation and verification guidance regarding the Medicare Prescription Drug Plan – Part D Program

Notice H-2006-01, Extension of Housing Notice H 2005-10, Employee Purchases of HUD-Owned Single-Family Properties

Notice H 2006-02, Extension of Housing Notice H-2005-11, \$1 Home Sales Local Government Program

Notice H 2006-03, Reinstatement and Extension of Notice 96-19, Telecommunications Service Contracts between Telecommunications Service Providers and Project Owners

Notice H 2006-04, Extension of Housing Notice H 2005-09, Revitalization Area Evaluation Criteria – Single Family Property Disposition

Notice H 2006-05, Reinstatement and Extension of Notice 03-28, Guidance on Asset Management Issues Concerning Bond Financed Section 8 Projects

Notice PDR-2006-02, Transmittal of Fiscal Year 2006 Income Limits for the Public Housing and Section 8 Programs

Mortgagee Letter 06-03, Refinancing of FHA Insured Multifamily Project Mortgages Pursuant to Section 223 (a)(7)

Federal Register, December 1, 2005, Section 8 housing Assistance Payments Program – Contract Rent Annual Adjustment Factors, Fiscal Year 2006; Notice

Federal Register, December 29, 2005, Electronic Submission of Applications for Grants and Other HUD Financial Assistance; Final Rule

Federal Register, December 30, 2005, Eligibility of Students for Assisted Housing Under Section 8 of the U. S. Housing Act of 1937; Final Rule

Federal Register, January 10, 2006, Lead; Renovation, Repair, and Painting Program; Proposed Rule

Federal Register, January 12, 2006, Renewal of Expiring Section 8 Project-Based Assistance Contracts; Final Rule

Federal Register, January 12, 2006, Renewal of Expiring Section 8 Project-Based Assistance Contracts; Proposed Rule

Federal Register, January 20, 2006, HUD's Fiscal Year 2006 Notice of Funding Availability Policy Requirements and General Section to the SuperNOFA for HUD's Discretionary Programs; Notice

Federal Register, February 14, 2006, Fair Market Rents for Fiscal Year 2006 for Housing Choice Voucher, Moderate Rehabilitation Single Room Occupancy and Certain other HUD programs; Supplemental Notice on 50th Percentile Designation; Notice

Federal Register, March 6, 2006, Final Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy program for Fiscal Year 2006; Revised; Notice

Federal Register, March 14, 2006, Implementation of Mark-to-Market Program Revisions; Proposed Rule

Fair Housing Brochure, HUD-1686-1-FHEO, September 2005

Rent Schedule Low Rent Housing, HUD-92458, (11/05)

**U.S. Department of Housing and Urban Development
Office of Multifamily Housing, 9AHM
600 Harrison Street
San Francisco, CA 94107-1387**



CALENDAR

July, 2006

- 12 Maintenance Day 2006, AHMA-NCNH, Oakland, 510-452-2562
- 12 - 14 Management and Occupancy Review Specialist, NCHM, Sacramento, www.nchm.org
- 18 - 20 AHM Occupancy Training and Certification, Quadel, San Diego, www.quadel.com
- 19 Preventing Sexual Harassment: Training Supervisors, AHMA-NCNH, Oakland, 510-452-2562
- 19 - 21 Certified Occupancy Specialist, NCHM, Los Angeles, www.nchm.org
- 20 San Francisco Multifamily Industry Meeting, 600 Harrison Street, 3rd Floor, San Francisco
- 24 - 25 Advanced Inspection, NMA University, Las Vegas, www.nanmckay.com

August, 2006

- 9 - 11 Certified Manager of Housing, NCHM, San Francisco, www.nchm.org
- 23 - 25 Certified Occupancy Specialist, NChM, Las Vegas, www.nchm.org
- 23 - 25 Certified Occupancy Specialist, NChM, Sacramento, www.nchm.org

September, 2006

- 25 - 27 AHM Occupancy Training and Certification, Quadel, Sacramento, www.quadel.com
- 27 - 29 AHM Occupancy Training and Certification, Quadel, Fresno, www.quadel.com

