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Des Moines, IA Kansas City, KS Oklahoma City, OK Omaha, NE St. Louis, MO

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Housing Notice H 2011-01:

Important Requirements for Project-Based Section 8, Section 202 or 811 Project Rental Assistance Contracts

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Notice H 2011-01 was issued on January 5, 2011, providing the regulatory reporting requirements and guidance for legal entities receiving federal assistance. Rental assistance payments made under Project-Based Section 8 or Section 202 or 811 Project Rental Assistance Contracts are covered under these requirements. Owners must obtain a DUNS number and have an active, valid registration in CCR within 60 days of the publication date of this Notice. **An owner's failure to obtain a DUNS number and CCR registration within the time-frame allotted may result in the suspension of housing assistance payments or rental assistance payments.**

The notice includes guidance for the following:

- Background on Public Law 109-282, The Federal Funding Accountability and Transparency Act of 2006
- Deadline for obtaining DUNS Numbers and Registration in CCR
- Process for Obtaining a DUNS Number and Registration in CCR
- Utilization of CCR and DUNS information

What's New on HUD Clips:

- Notice 10-21 — Optional Smoke-Free Housing Policy Implementation

What's New on HUDClips?

- Revised HUD 9887 and 9887 A — Monthly Accounting Reports

The Notice is posted on HUDCLIPS at:

<http://www.hud.gov/offices/adm/hudclips/notices/hsg/>

Breaking News...

The Fiscal Year 2010 Notice of Funds Available (NOFA) for the Section 202 and 811 programs has been posted and applications may be downloaded from [Grants.gov](http://www.grants.gov). Applications submitted for funding under the Section 202 NOFA are due on or before June 1, 2011. The deadline for applying for Section 811 funding is June 23, 2011. More information on both funding opportunities can be found by visiting their HUD's Funds Available page at the following:

Section 202: <http://www.hud.gov/offices/adm/grants/nofa10/grp202elderly.cfm>

Section 811: <http://www.hud.gov/offices/adm/grants/nofa10/grp811.cfm>

What's New in Development?

In August 2010 the Department began the use of loan committees as part of its approval process for the issuance of commitments under its FHA multifamily mortgage insurance programs. Under this policy, application packages (both pre-application and firm) meeting a certain unit and/or mortgage threshold are reviewed for acceptability by an individual program center with a secondary oversight review being conducted by the Hub or National Loan Committee. The loan committee review provides feedback on the merits of a proposed application and determines the final approvability of a commitment with any needed conditions. The transition to using loan committees is to promote a more uniform and consistent underwriting methodology to further enhance the Department's management of credit risk.

Housing Notice H2010-13, issued on July 19, 2010, provides an overview of the Hub and National Loan Committees. The Notice fully details the requirements for submitting to the committees and presents the operational structure of both the Hub and National committee. Housing Notice H2011-04, issued on February 14, 2011, slightly modifies H2010-13, by removing properties refinancing under Section 227(a) (7) from being subject to committee approval.

The current loans types subject to loan committee approval and the related threshold limits are detailed in the following chart:

Loan Amount/ Unit Count	Program Type		
	220, 241, 221(d)(3), Market Rate 221(d)(4)	Affordable 221(d)(4) (Rental Asst. or Tax Credit)	223(f) and 232 or 232/223(f) processed by Multifamily
up to 75 units or \$5 Million	Program Center Approval Only	Program Center Approval Only	Program Center Approval Only
76 to 150 units or \$5 to \$15 Million	Hub Loan Committee	Program Center Approval Only	Program Center Approval Only
151 to 250 units or \$15 to \$50 Million	National Loan Committee	Hub Loan Committee	Hub Loan Committee
greater than 250 units or \$50 Million	National Loan Committee	National Loan Committee	National Loan Committee



Bookkeeping Expenses:

Owners/Agents: Please be advised that the cost of bookkeeping services for a project performed as part of a centralized bookkeeping system are treated as a project cost and should not be treated as a special fee. Such expenses are paid out of the project funds based on actual costs and the amount payable out of project funds is provided in Chapter 6, paragraph 3.37. In addition, see page 6-30, Figure 6-2 – “Costs Paid from Project Account – 1st section – “Reimbursement of all costs related to maintaining a centralized or project

based accounting functions of the project, including resident certifications, worksheets, and monthly subsidy billings, as well as monthly accounting reports required by the owner or HUD. Includes prorated costs on a per unit basis for centralized accounting systems, including hardware, software and technical support. Agents can be reimbursed for the prorated cost to the project of personnel providing property-specific accounting and computer services. The cost to the project for such services provided by the agent may not exceed the cost of procuring comparable services from an independent vendor. Each year, the agent must determine that these costs are at or below the market and maintain such evidence on-site.”

Review **HUD Handbook 4381.5, Rev-2, Section 3.7 (c)** for further guidance.

PROPERTY HIGHLIGHTS...

Council Towers, St. Louis, Missouri



Council Tower Apartments is a 227-unit, 26-story project originally built in 1968 as a Section 202 project. The project is located near the Central West End neighborhood of St. Louis, MO with excellent access to shopping, community services, medical facilities and entertainment centers. In December 2010, a Section 221(d)4 substantial rehabilitation began with Use Agreements still existing to ensure that the affordability (Section 8 HAP contract) and age (62-years and older) restrictions are maintained for the next 20 years.

With the rehabilitation, each unit will have new carpet and vinyl floors, new cabinets and fixtures in the kitchen and bathrooms, and emergency call chains and grab-bars. The project includes a community room, lobby area, central laundry facility, and secured entry with security guards during the evenings and weekends. The rehabilitation will also involve the installation of new roofs, replacement of the entire east wall, a new driveway, provision of additional parking, and the replacement of essential mechanical systems.



Multiple layers of funding are involved in this process including: a \$15.8 million HUD mortgage, State and Federal Historic and Low Income Tax Credits, Tax Increment Financing, and the subordination of an existing flex subsidy loan. The transaction also involves a master lease to maximize the tax credit benefits, a financing structure increasingly utilized in multifamily transactions involving historic tax credits.

Neighborhood Networks:

Vine Street Manor, Kansas City, Missouri — 202 Elderly Property – 60 units

Vine Street NN's Center is located at Vine Street Manor, an elderly property consisting of 60 units. The Center is very active with resident activities, partnership meetings, health care fairs, and computer programs. Residents are hosting a kickoff of the 2011 Spring Planting Event.

The community garden was such a success during 2010 that partners are ready to begin planting and cultivating the soil. Plans are to increase the garden size and working with partners from Wendell Phillips School (K-8), Kansas City Community Gardens, Kansas City Bean Stalk for Youth, Vine Street Manor residents, church members and the community. The students will assist in establishing the garden. Community partners have agreed to provide various items for planting such as vegetables, fruit, trees and flowers.



Vine Street Manor residents, serving as floor monitors, recently completed a ten week course in Emergency Preparedness. They received training in first aid, CPR, fire control and evacuation procedures. The floor monitors have been certified by the City of Kansas City as "Emergency Responders." The computer lab offers a variety of programs and relies on generous support from partners as well as volunteers. Vine Street NN's was used for the initial formation of Hope Academy, a school for drop out students ranging from the ages of 16-24 years old. The Center has a partnership with Wendell Phillips School allowing students to use the computers and read to residents afterschool. Vine Street residents and area youth are being trained in computer usage with the help of staff from the Black Family Technology Group.

Personnel Changes:

Linda Grabowski, Sr. Project Manager in the Omaha Multifamily Program Center, retired on April 1, 2011, after 34 years of federal government service. Linda began her federal career as a summer employee with the National Park Service in 1967. She worked for several agencies early in her career, before settling with the Department of HUD in 1978. During her tenure with HUD, she worked in the Community Planning and Development Division, and moved to the Housing Division in 1980. Linda's plans for retirement include traveling and devoting more time to her grandchildren.

Jane Phillips, Contract Administrator Oversight Monitor, retired March 31, 2011, after 38 years of Federal service. She started her career February 14, 1972, with the IRS, and then worked for U.S. Civil Service Commission, and the U.S. Postal Service. Jane started her HUD career in March 1978. During her tenure with HUD, Jane worked in the Des Moines Program Center and came to Kansas City in November 1983. She also worked in Contracting obtaining the positions of Contracting Officer with an unlimited dollar amount warrant. Jane has worked in the Kansas City Multifamily Hub since 1995. Her retirement plans include travel, and enjoying life.

Attention FASS-FHA Users:

Blanket 30-day Extension

The Office of Asset Management approved a blanket 30-day extension for FASS-MF Multi-Family owners with a fiscal year ending 12/31/10.

REAC Tips on Physical Inspections Final Installment: By: Shanna McClarney

Our list of most frequently cited deficiencies for REAC physical inspections is at its end. Therefore, we all need to pay close attention to the last 10 deficiencies listed below and be sure to incorporate them into your physical inspection preparation.

Ten frequently cited deficiencies:

- 1) Auxiliary Lighting-the back up lighting must work even when the test light does not.
- 2) There should be no leaks in the domestic water supply including the hose bibs located on the building exterior.
- 3) Remove tripping hazards

on sidewalks and parking lots.

- 4) Maintain fences and gates in good condition.
- 5) Correct erosion and ruts in the ground.
- 6) Fire Extinguishers-maintain current certificates and be sure that tags/stickers are attached to the extinguisher, not located on a fixture, box, or on the wall. When fire extinguishers are removed, be sure that all associated hardware is also removed and any damage is repaired; you may be cited if it appears to the inspector that an extinguisher is missing.
- 7) Roof-be sure that mechanical exhaust vents are working and that drains are free of debris.

8) Maintain roof to ensure that there are no missing shingles and that the rubber membrane is not torn or damaged.

9) GFI outlet-make sure that test buttons do not trip or reset when manually tested.

10) Emergency Egress/ Blocked Access-items such as non-breakaway security bars or A/C units in windows must be properly installed or removed.

Good luck dear readers!

What's the 411 on Annual Financial Statement Electronic Filing? By: Mike McConnell

By April 31, 2011, over 35,000 HUD Business Partners – in our Multi-Family, Public Housing Authorities and Lender program areas – will submit annual financial statements through HUD's Secure Systems over the Internet. To help facilitate this year's electronic filing, the Office of Public and Indian Housing Real Estate Assessment Center's Technical Assistance Center (TAC) is reaching out to insure that all filers have ACTIVE User IDs and CURRENT Passwords.

HUD Secure Systems security protocol mandates that;

- >>> Users must change Passwords every 60 days
- >>> User ID's become inactive (requiring reactivation) after 90 days without logging on

For many of HUD's electronic filers, this year's annual submission will be the first time since last year that they logged onto and used Secure Systems. That means a significant number of filers will need to have their User IDs reactivated by the TAC, or have their passwords reset, before they can submit this year's financial statements.

To allow the best customer service possible, all users with a 12/31 fiscal year end date are encouraged to submit their electronic filings as soon as possible. Passwords can be reset in one of four ways;

- a) when prompted,
- b) under 'System Login, Password Reset at <http://www.hud.gov/offices/reac/online/reasyst.cfm>
- c) from the side bar menu after logging into Secure Systems, or
- d) contacting the TAC by phone or email.

User ID's can only be reactivated by contacting the TAC by phone or email.

When contacting the TAC for User ID reactivation, users will be asked to verify Secure System information, which includes:

- >>> User ID
- >>> Mother's Maiden Name
- >>> Last 4 Digits of Your Social Security Number

For more information regarding the latest updates to PIH-REAC Business Area products and security procedures, go to the following website: <http://www.hud.gov/offices/reac/>

The TAC operates between the hours of 7:00am to 8:30pm EST, Monday thru Friday. Please contact them at (1-888-245-4860) or by E-mail at REAC_TAC@hud.gov. They anticipate heavy call volumes during this activation period. The suggested times to contact the TAC for User ID and Password activations are 7:00am to 8:30am and 6:30pm to 8:30pm EST, Monday thru Friday. The latest updates to HUD's IT Security Policy can be found on the following link:

<http://www.hud.gov/offices/adm/hudclips/handbooks/admh/2400.25/index.cfm>

A Leader in Energy Efficiency and Conservation Practices: By: James Cohen

Monarch Villas, located in Papillion, Nebraska, a recently refinanced 202/8 Direct Loan has “gone green” throughout hallways and common areas. They have diligently researched and are replacing all current non-energy saving lighting and ballasts. The ballasts have 30-year unconditional warranties. The T-8 fluorescent tubes carry a minimum 5-year warranty.

Energy Savings

The energy efficient lighting products purchased for the project will cut energy cost while providing improved lighting. Reducing energy usage through more efficient lighting is one of many ways to reduce operating cost. In addition, with the unmatched warranties, it will also reduce labor cost due to fewer replacements needed.

Earth Safe

With the cost of disposal of the old florescent lighting, having fewer burnouts also lessens the carbon foot print on the environment.

Usage in the Community

Inevitably, as people age, their need for better lighting increases. A person in their late 50's needs two to three times more light than a 20-year old. The two-fold solution of combining improved light quality with energy saving design solves the greatest problems facing lighting in today's housing communities. By using lamps that produce more "seeable" light, tenants will be able to live and work safer, more efficiently, more productively, and more comfortably. All this while using less of this nation's precious resource, our energy supply.

Return on Investment

With "Premium Quality" lighting products, the property will be able to reduce energy cost by 50 to 80 percent, depending on application and usage. When labor and disposal cost are also factored in, they are planning to recover the initial cost in 24 to 36 months, with continued savings for many years to come.



Kansas City Multifamily Hub News

*Kansas City Multifamily Hub
Gateway Tower II, Room 300
400 State Avenue
Kansas City, KS 66101*

Phone: 913-551-6812

Fax: 913-551-6818

Apartment List Request Line: 913-551-6861

**Check us out on the
web:**

www.hud.gov

Contact Us...

Des Moines Field Office:

Phone Number: (515) 284-4736

Fax : (515) 284-4743

Kansas City Field Office:

Phone Number: (913) 551-6812

Fax: (913) 551-6818

Oklahoma City Field Office:

Phone Number (405) 609-8410

Fax : (405) 609-8406

Omaha Field Office:

Phone Number: (402) 492-3113

Fax: (402) 492-3163

St. Louis Field Office:

Phone Number: (314) 539-6382

Fax: (314) 539-6356

Tulsa Satellite Office:

Phone Number: (918) 292-8900

Fax: (918) 292-8983

Multifamily Newsletter Team:

Margaret Burley

Krystle Carter

Brandi Copeland

Sue Hempel

Shanna McClarney

Charles Miller

Tangela Weiss

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