Housing and Urban Development

HUD’s mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination. To fulfill this mission, HUD will embrace high standards of ethics, management and accountability and forge new partnerships—particularly with faith-based and community organizations—that leverage resources and improve HUD’s ability to be effective on the community level.

The Importance of Rehabilitation

The study, available at www.huduser.org, finds that housing rehabilitation plays a critical role in the long-term viability of a wide range of affordable housing developments. Our nation’s affordable housing stock is aging, particularly in central cities, where the median housing unit is more than 40 years old. Today, at least $100 billion in housing rehabilitation is carried out each year—approaching or even exceeding investment in new housing construction.

Despite the growing importance of housing rehabilitation activities, challenges remain. Though several major HUD programs include a housing rehabilitation component, most rehabilitation activities are financed with no public financing. Any private financing sources use cumbersome application processes that limit available resources for rehab projects, and cities and counties place too many permit restrictions on rehab projects. Committed housing developers and forward thinking public officials, however, are confronting these challenges.
Best Practices

The report finds that successful rehabilitation efforts use innovative approaches to site acquisition, financing, construction and occupancy. Financing: In the area of financing, successful rehabilitation projects are drawing on HUD programs, such as Urban Development Action Grants and HOME, and layering in financing through tax credits and local public and private sources. Across the nation, organizations leverage public and private dollars to finance rehabilitation projects:

- In Miami, Florida, Little Haiti Housing Association has engaged in substantial rehabilitation projects by securing traditional construction loans with the prime rate plus additional basis points, and layered this financing with monies from the Community Reinvestment Group, a group of lenders in Miami-Dade County who extend 95% financing to nonprofit organizations for acquisition-rehab at below market interest rates.

- The City of Seattle enables organizations to sell development rights (known as transfer of development rights, or TDR) to finance rehabilitation projects.

Environmental: Rehabilitation projects often encounter environmental challenges such as upgrading to energy efficiency and mitigating dangers from outdated building materials such as lead based paint and asbestos. The City of St. Paul, Minnesota created a Lead Hazard Reduction program uniting environmental health officials with housing inspectors and rehabilitation developers to offer guidance, perform risk assessments and provide grants to address lead paint hazards in rehabilitation projects. In Illinois, nonprofit housing developers receive grants from the state’s Energy Efficient Affordable Housing program to cover costs of upgrading older housing with high efficiency heating and insulation equipment. Innovative new building materials are available to rehabilitation developers. The websites www.pathnet.org and www.buildinggreen.com offer resources on these issues.

U.S. Department of Housing and Urban Development

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April 13, 2007

To: HUd’s Multifamily Partners

From: Patricia Russie, Director of Asset Management
Michigan State Office

SUBJECT: Energy Efficient Promotion and Monitoring

As part of the Deputy Secretary’s initiative on energy, the Office of Multifamily Housing is participating in the Department’s Energy Action Plan. For fiscal year 2007, one of our plan goals is to continue encouraging the use of energy saving devices.

To assess progress toward this goal, we have been asked to collect data for various actions/activities including reserve for replacement releases. To assist us, please complete the enclosed tracking spreadsheet for any reserve for replacement releases you have taken since January 1, 2007 that included energy star eligible products. Energy Star eligible products could include items such as appliances, windows, refrigerators, furnaces, AC units and boilers. Also, if any rent increase or other strategy (i.e. fluorescent lighting) included energy efficient improvements, please include this information as well.

We are also including a revised Attachment 1 that is used when submitting an R&R request. This form has been revised to include a column to denote if a particular item was energy star compliant. We are requesting that you use this form or a replica of this form for all future reserve requests to allow us to continue to track this goal.

Thank you for your partnership efforts with HUD, including those pertaining to energy savings. We are requesting that you furnish the information above by May 31st, 2007 to either David Kimball in the Grand Rapids office or Kathy Szynyczak in the Detroit office.
HUD has joined with EPA and DOE to promote ENERGY STAR through all of HUD’s programs. Through a Memorandum of Understanding signed by Secretary Mel Martinez in September 2002, HUD will work with EPA and DOE to expand the use of ENERGY STAR products in assisted and public housing, as in projects financed through other HUD programs, such as CDBG and HOME.

ENERGY STAR is a voluntary labeling program designed to identify and promote energy efficient products and appliances. ENERGY STAR-labeled products save energy and money and protect the environment. Improving energy efficiency in HUD-financed and HUD-assisted housing can generate significant savings for property owners and building residents. There are three key ENERGY STAR applications:

ENERGY STAR Products and Appliances

ENERGY STAR appliances are significantly more energy efficient than standard models. There are 31 different products that have the ENERGY STAR label, including refrigerators, clothes and dish washers, HVAC equipment, windows, and lighting.

ENERGY STAR for New Homes

Single family and low-rise multifamily homes can achieve the ENERGY STAR label. ENERGY STAR qualified homes must be at least 30 percent more energy efficient than homes built to the 1993 Model Energy Code, or 15 percent more efficient than state energy codes, whichever is more rigorous. These savings are based on heating, cooling, and hot water energy use and are typically achieved through a combination of building envelope improvements, high performance windows, controlling air infiltration, efficient furnaces, air conditioners and domestic hot water equipment and sealed ducts.

ENERGY STAR for Existing Homes

EPA has developed a range of tools for improving the energy efficiency of existing homes. These include a focus on sealing ducts and adding insulation, as well as diagnostic tools such as the Home Energy Advisor and the Home Energy Yardstick that homeowners can use to identify possible energy efficiency improvements.

Benefits

HUD spends more than 10% of its annual budget—an estimated $4 billion on energy. These funds are distributed through utility allowances to renters, housing assistance payments to private building owners, and operating grants to public housing authorities. HUD estimates that installing basic efficiency measures in public housing alone can save taxpayers at least $800 million over the next 10 years.

Renters can save 15% to 20% on their energy bills by installing ENERGY STAR qualified products such as refrigerators, room air conditioners, and lighting.

ENERGY STAR qualified new homes can save 30% a year or more ($200 to $400) on heating and cooling bills.

Source: http://www.hud.gov/energy/

HUD’s Guidelines on Limited English Proficiency (LEP) were published in the Federal Register on January 22, 2007, and became effective on February 21, 2007. The LEP Guidelines are based upon Title VI of the Civil Rights Act of 1964. HUD’s implementing regulations for Title VI forbid recipients from “utiliz[ing] criteria or methods of administration which have the effect of subjecting individuals to discrimination because of their race, color, or national origin” (24 CFR 1.4). Executive Order 13166 required federal agencies that administer assistance, including HUD, to publish guidance on how recipients can provide meaningful access to LEP persons and thus comply with Title VI. EO 13166 recognizes that when a recipient agency administering federal funds does not provide language translation or interpreter services to its clients and potential clients who are limited in English proficiency, it may, even if inadvertently, be acting to limit effective participation in its programs by those racial and ethnic groups which are likelier than the general population to lack proficiency in English.

Limited English Proficiency – Multifamily Housing

The LEP Guidelines require HUD’s programs to take into account the need to provide language assistance to recipients who are limited in English proficiency. Programs must consider the language services that a recipient may offer and the language needs of its current program participants and applicants. Programs also must consider outreach to potential clients through evaluation of the language needs of the program eligible population in the housing marketing area (generally, the county). Information about the needs of the general population can be obtained from various sources, but an easily-accessible one is found on the U.S. Census Bureau’s American Fact Finder website under American Community Survey table B16001. This table lists the number of persons in a geographic area who speak English less than well, also referencing their primary language of fluency.

Factor 2: Frequency of contact with the program:

The more frequent the contact with a particular language group, the more likely the need for enhanced language services in that language. If an LEP individual accesses a program or service on a daily basis, a recipient has greater duties than if the same individual’s program or activity contact is unpredictable or infrequent. However, even recipients that serve LEP individuals on an infrequent or unpredictable basis should devise a plan as to how it will be able to respond when a LEP individual seeks services. Recipients should also consider whether
This analysis includes determining if, within a Housing Marketing Area (HMA), there are more than 1,000 people in any individual language group who speak English less than well, or if any such group represents more than five percent of the eligible population (if at least 50 people). If such groups exist within the HMA, written translation of certain documents, especially those that would be considered vital to participation, should be undertaken. The Guidance recognizes that translation of materials into all relevant languages may be a multiple-year project.

Once a recipient has conducted the four-factor analysis, what is the next step? The Guidelines encourage, but do not require, that the four-factor analysis be reduced to a form of need. Following from that, the next step would be for a recipient to develop a Language Access Plan (LAP), which may also be reduced to writing. The LAP identifies the recipient’s immediate and longer-term plans for providing language services, which might include:

(a) identifying LEP individuals who need language assistance;
(b) measures by which a recipient’s staff will provide language services;
(c) how a recipient will train its staff to implement the LAP;
(d) providing public notice of the language services recipient provides; and
(e) self- assessment and monitoring by the recipient of its LAP.

Notwithstanding the provisions of these new LEP Guidelines, HUD regulations for its funded programs already contain the long-standing requirement to affirmatively further fair housing choice. For example, the AFHMP regulations and corresponding HUD Form 935.1 may require outreach to certain racial and ethnic groups which would be “least likely to apply” without targeted outreach and marketing, and to devise an effective strategy to reach these groups (24 CFR 200.600, et seq.). There are LEP populations within the HMA of a subsidized complex, the AFHMP regulations and corresponding HUD Form 935.1 may require outreach to certain racial and ethnic communities could increase frequency of contact or participation.

Factor 3: Importance of service, information, program or activity: The more important the activity, information, service or program, or the greater the possible consequences of the contact to LEP persons, the more likely the need for language services. A good measure of the importance of a program is whether a HUD regulation makes the contact compulsory. For example, annual recertification of income and eligibility is a compulsory requirement of most housing assistance programs funded by HUD, and therefore the need for oral interpretation and written translation services during the recertification process is much greater than the need for translation of a guest speaker’s remarks at a holiday pot-luck for residents.

Factor 4: Costs versus resources and benefits: Smaller recipients with more limited budgets are not expected to provide the same level of language service as larger recipients with larger budgets. Also, reasonable steps to provide language access may cease to be reasonable when costs substantially exceed the benefits. The Guidelines provide ideas on how a recipient may maximize services and minimize costs, such as centralizing or sharing interpreter and translator services to achieve economies of scale. The Guidelines also provide an in-depth analysis of how a recipient will balance a mix of LEP services, determining what is both reasonable and necessary based upon this four factor analysis. However, the Guidelines note that no matter how few LEP persons the recipient is serving, oral interpretation services should be made available in some form. And, while an LEP person may elect to use members of his or her own family or friends to provide oral interpretation, the Guidelines include important cautions, especially regarding use of children, and the importance of preserving confidentiality, and achieving timely and competent interpretations and translations.

As part of the four-factor analysis, the Guidelines also provide a framework for determining into what languages written documents should be translated. This may be used to establish a “safe harbor” of presumptive compliance by HUD, and is based upon the number and percentages of the market area-eligible population or current beneficiaries and applicants who speak a specific language.
Homeownership: Michigan

Owning a home is a big part of the American Dream. Here are some resources that can help you buy, maintain and keep your home.

Getting Started

Housing counseling agencies - free or low-cost counseling services for buying, renting, defaults, foreclosures, credit issues and reverse mortgages

Predatory lending - beware if you're buying or refinancing your home; don't become a victim of unfair lending practices

Buying a Home

Assistance programs - resources and programs to help you buy and maintain your home

HUD homes for sale

Homeownership vouchers - some public housing agencies help you become a homeowner through the Housing Choice Voucher Homeownership Program

Owning and Maintaining Your Home

Home repairs - money for home improvements and repairs

Avoiding foreclosure - don't lose your home

More information can be found at the following website: http://www.hud.gov/offices/fheo/promotingfh/lep.cfm

Section 8 Contract Renewal Guide

On December 20, 2006, HUD issued new instructions for the renewal of Section 8 contracts under Option 4. Renewal of Project Exempted from OMFAR. Prior to these instructions being issued, renewed rents were the “lesser of” budget or OCAF at initial renewal. With issuance of these new instructions, the “lesser of” test applies at both initial and subsequent renewals. The new instructions become effective for all renewal packages submitted on or after April 19, 2007, unless the owner submits their renewal package earlier than 120 days prior to contract expiration to avoid the “lesser of” test.

Given this new requirement, it is especially important for owners to submit well-documented budget-based rent increase requests. If an owner's budget supports rent levels less than current rents, rents will be reduced to the level supported by the budget submitted.

Section 8 Funding

On February 14, Congress passed a Continuing Resolution for HUD for the remainder of the 2007 fiscal year. As a result, Section 8 funding will be even more limited than in past years. It will be extremely important for owner/agents to submit their complete requests for rent adjustments and contract renewals in a timely manner, at least 120 days prior to the anniversary date of the contract.

In addition, retroactive rent increases will not be allowed in situations where the owner has not submitted a complete rent increase prior to the 120-day submission date. The only allowable retroactive rent increases will be in situations where HUD was the cause of the delay. If the submission package has been received late by the PBCA, and the PBCA has insufficient time to process the rent adjustment/contract renewal prior to the effective date, the rents will be effective at least 30 days from the date processing is complete.
Owners of multifamily apartment complexes have an additional advertising tool for their properties through "The Apartment Multi-List" – "RentLinx", a free website that will list the property with local apartment and state apartment associations. All pertinent information is included in the listing, including property name and address, description, availability, amenities, floor plans units, rents, leases lengths, pet policies and photographs. Potential renters will be able to review the properties by searching for the rent, the number of bedrooms and bathrooms, availability or other criteria.

Registration for “Rentlnx” is easily done by accessing the website www.RentLinx.com and providing the required property information. The Michigan State Housing Development Authority (MSHDA) provides a tool for prospective renters through a free web based service “MichiganHousingLocator.com”, which will link with “RentLinx.com”. Properties that are listed on “RentLinx” will be searchable by potential renters on the Michigan Housing Locator.

Quadel and the National Leased Housing Association (NLHA) are co-sponsoring a two-day Assisted Housing Manager (AHM) occupancy workshop in Grand Rapids, Michigan on July 17th-19th. Quadel offers an optional AHM certification examination on the third day of the workshop. The course provides essential training for managers and owners of HUD-subsidized multifamily housing. It is both a comprehensive course for new, front-line housing management staff and a useful refresher for experienced or supervisory staff. This course covers occupancy requirements in detail for all programs covered by HUD Handbook 4350.3 REV 1.

Quadel offers the opportunity to offer four satellite broadcasts and live webcasts on energy efficiency and renewable energy technologies and techniques in affordable housing. Presented on-line in a series of four 3-hour modules, these webcasts offer the most current information and technical guidance on:

- Building Operations and Management: The First Step to Energy Efficiency - April 12, 2007
- Multifamily Retrofit and Remodeling Strategies - May 17, 2007
- New Construction Techniques - Energy Star Qualified New Homes, Green Building and Beyond - September 13, 2007

All webcasts 1:00 – 4:00 PM EST

Refresh your knowledge of Energy Star products and new homes, and the benefits of bulk purchasing. Find out about rehab and retrofits that provide quick returns on investment.

Learn cost-effective new construction techniques, including renewable energy. Training will be provided by nationally-recognized building experts. Participants are encouraged to participate in all four sessions in order to qualify for a "HUD Energy Champion" Course Completion Certificate.

Register online at www.hudenergytraining.com

Video archives of all webcasts are available at: www.hud.gov

Look for TOOLS, on the bottom left, and select webcasts.