## HUD MULTIFAMILY HOUSING SOUTHEAST REGIONAL NEWS



Serving: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico/Virgin Islands, South Carolina and Tennessee

**APRIL 2019** 

VOLUME 4, ISSUE 3
Inside this issue:

#### Ashley I at Scholar's 2 Landing 2019 FL & SC SAHMA 3 FL & SC PBCA Staff 4 5 SE Region Endorsements City Rescue Mission REAC Notice H2019-04 6 Median Gross Rents 7 **REAC Physical** Inspections Changes Fair Housing Act 8 Fair Housing LIHTC Notice H 2019-03 **RAD** MF Seek and Find 10 Disaster Guidance 11 From the Editor 12 MF LISTSERV

# Multifamily Housing Matters



# Ashley I at Scholar's Landing Atlanta, Georgia



U.S. Department of Housing and Urban Development (HUD), Atlanta Housing Authority, Georgia Department of Community Affairs, and the Integral Group broke ground on the first phase of Ashley I at Scholars Landing located in the heart of the Atlanta University Center. The new development will help meet the growing need for affordable housing in the city. The state-of-the-art garden-style development will provide 135 units of affordable housing in the Westside Promise Zone and provide residents access to broadband internet.

"I want to thank the City of Atlanta, Atlanta Housing Authority, Georgia Department of Community Affairs, and Integral Group for making this possible," said HUD Southeast Regional Administrator, Denise Cleveland -Leggett. "It takes public and private collaboration to achieve what is before us today and I'm proud of our partners and look forward to more ground breakings as we work to meet the needs of those we serve."

In 2015, the Department awarded the City of Atlanta a \$30 million Choice Neighborhood grant, which is being leveraged into \$400 million to develop the Atlanta University Center, Ashview Heights and Vine City communities.



## 2019 Florida and South Carolina SAHMA Conference



## North Tampa Housing Development Corporation CGI Federal—Contract Administrator Staff



Pictured above from left are: Lorie Craft, Central Services Manager; Cedric Hernandez, State Program Manager; Rebecca Kuntz, Local Services Supervisor; Dorothy Swayze, Local Services Supervisor; Rhanda McKowns, Local Contract Specialist

## South Carolina State Housing Finance and Development Authority — Contract Administrator Staff



Pictured above from left are: Bonnie Lybrand, Management and Occupancy Review Manager; Laura Tanner, Assistant Director of Compliance Monitoring; Carl Bowen, Director of Rental Assistance and Compliance; Audrey Wenhold, Contract Renewal Manager; and Melissa Robinson, Voucher Manager

## Southeast Region Multifamily Housing Loans Endorsed in FY 2019

Criteria	#Loan	<b>#Units/ Beds</b>	Amount (Millions)
241 Improvement/Additions Apts/Coops	1	26	\$7,400,000
NC/SR	38	6,120	\$677,300,000
Refinance 223f and A7 Purchase	36	6,108	\$457,400,000
Risk Sharing	0	0	0
Total	75	12,254	\$1,142,100,000

## City Rescue Mission — Jacksonville, Florida



During the month of December 2018, Multifamily staff in the Jacksonville Satellite Office collected personal care items for donation to City Rescue Mission. City Rescue Mission serves homeless individuals and families in the city of Jacksonville. This event was a success through cross collaboration between various divisions which included: Asset Management, Community Planning & Development, the Office of Field Policy and Management, Legal, Operations, Production, and Public Housing.

In addition to the collection of personal care items, staff members assisted in serving lunch to the homeless at City Rescue on December 4, 2018.

HUD staff who organized the event and those who participated in serving lunch to the homeless were:

Vicki Abel, Kendall Allen, Kevin Chung, Yvonne Coffman, Adrian Cross, Debra Gaddy, Patricia Hodges, Jamie Karpman, Belinda Koros, Milo McGriff, Amy Peterson, Sheila Pickney, Brian Van Dorsten, and Michelle Whitfield.



## **REAC Notice Cut to 14-Day Notice**

**HUD News No. 19-013** 

WASHINGTON – The U.S. Department of Housing and Urban Development (HUD) announced on February 22, 2019, it is dramatically reducing the advance notice it provides to public housing authorities (PHAs) and private owners of HUD-subsidized apartment developments before their housing is inspected to ensure it is decent, safe and sanitary. HUD's new standard provides PHAs and private owners of HUD-assisted housing 14 calendar days' notice before an inspection, a dramatic reduction from the current notice which can frequently extend up to four months. Click here to read HUD Notice H-2019-04.

In addition, HUD launched a series of listening sessions around the nation to gather input from the public and HUD stakeholders about a planned pilot program to test innovative new approaches to inspecting HUD-assisted properties. Initial listening sessions were planned in Philadelphia, Fort Worth, Atlanta, Detroit and Seattle

Currently, HUD's Real Estate Assessment Center (REAC) provides advance notice before a scheduled inspection which frequently ex-

tends up to 120 days. This amount of lead time allows certain public housing authorities and property owners to undertake cosmetic, 'just-in-time' repairs to their properties rather than adopting year-round maintenance practices.

"It's become painfully clear to us that too many public housing authorities and private landlords whom we contract with were using the weeks before their inspection to make quick fixes, essentially gaming the system," said HUD Secretary Ben Carson. "The action we take today is part of a broader review of our inspections so we can be true to the promise of providing housing that's decent, safe and sanitary to the millions of families we serve."

Today's notice is part of a wholesale reexamination of REAC's inspection process that Secretary Carson launched shortly after taking office. HUD will be consulting with PHAs and property owners over the next several months to discuss other improvements to REAC's process.

REAC is responsible for inspecting properties owned and operated by approximately 3,700 local public housing authorities nation-

wide. In addition, REAC-contracted inspectors evaluate approximately 23,000 privately owned apartment buildings. Combined, approximately 96 percent of these properties pass their inspections.

Still, it has been HUD's observation that many public housing authorities and private owners of HUD-subsidized housing have grown accustomed to REAC's 20-year-old inspection regime and, in some cases, invest more resources in passing minimal inspection requirements rather than satisfying their obligation to provide quality housing.

HUD employees and contract inspectors acting on behalf of HUD shall now provide property owners and their agents 14 calendar days of notice prior to their inspection. If an owner/agent declines, cancels or refuses entry for an inspection, a presumptive score of "0" (zero) will be recorded. If the second attempt results in a successful inspection within seven calendar days, the resulting score will be recorded.

<u>Click here</u> to read more about how HUD works to ensure taxpayer supported housing is decent, safe, and sanitary.

### **Median Gross Rents**

#### 2019 Median Gross Rents by Zip Code Available on the Section 8 Renewal Policy Site at www.HUD.gov

Median Gross Rents are used to determine when HUD will procure a third party rent comparability study (RCS) in conjunction with Section 8 PBRA rent setting. Section 8 Renewal Policy Guide, Section 9-14, provides instructions for comparing the median rents as derived by an owner's appraiser in a RCS with Census Bureau estimates of the median rents in the project's zip code. When the median rent in the owner's study exceeds 140 percent of the median gross rent by zip code, then HUD must commission a third party RCS for comparison purposes. The new median gross rents will be effective for any RCS signed by the owner's appraiser on or after February 11, 2019.

Click here to access the 2019 Median Gross Rents and other important Section 8 Renewal Policy information and forms.

## REAC Physical Inspections - Data Base Adjustment Modernization Work in Progress

#### Changes to the below documentation requirements for the Database Modernization Work in Progress will be effective on or after March 20, 2019

Properties and developments undergoing modernization work in progress may qualify for a database adjustment (DBA) for observed deficiencies actively being worked on at the time of the inspection.

What is supporting documentation for a DBA request based on modernization work in progress?

To request a database adjustment based on modernization work in progress at the time of inspection, the request must be submitted within the 45-day timeframe and include:

- 1. An executed contract with a copy of the scope of work, including change orders if applicable;
- 2. A notice to proceed with start and completion dates;
- 3. An affidavit from the contractor's authorized representative identifying:
  - a. The modernization work in progress that it was performing at the time of the inspection;
  - b. The identifiable location of the work in progress;
  - c. The work it has completed as of the date of the affidavit;
  - d. The date on which the work was completed; and
  - e. If the work is not completed as of the date of the affidavit, an explanation of why the work is still in progress and when it will be completed; and
- 4. Photographic evidence sufficient to show that the observed deficiencies have been corrected or are in the process of being corrected.

Documents submitted from the contractor(s) must be on the contractor's letterhead and include the contractor's licensing and contact information. Only the observed deficiencies that were in the process of being corrected by modernization work in progress at the time of inspection are eligible for consideration. Modernization work to be performed under an executed contract, but was not in progress at the time of the inspection, is not eligible for a database adjustment.

Before processing a database adjustment, REAC may contact the contractor for additional information or visit the property to verify the information submitted in the appeal.

For more information on REAC physical inspections, database adjustments, and technical reviews, <u>click</u> <u>here.</u>



## **April is Fair Housing Month**



## Fair Housing Act

On April 11, 1968, President Lyndon Johnson signed the Civil Rights Act of 1968. Title VIII of the 1968 Act is also known as the Fair Housing Act. The Fair Housing Act prohibits discrimination concerning the sale, rental, and financing of housing. Initially, the Fair Housing Act prohibited discrimination because of race, color, religion and national origin. Later, protections from discrimination because of sex, disability and familial status were added. Click here to read more about the Fair Housing Act.

# Fair Housing Advertising and Marketing



Discriminatory housing advertisements are illegal under the Fair Housing Act and other federal civil rights laws. Note that in HUD's housing programs, certain types of affirmative fair housing marketing are required by federal law.

In nearly all housing, including private housing, public housing, and housing that receives federal funding, the Fair Housing Act prohibits the making, printing, and publishing of advertisements that indicate a preference, limitation or discrimination because of race. color, religion, sex, disability, familial status, or national origin. The prohibition applies to publishers, such as newspapers and directories, as well as to persons and entities who place real estate advertisements in newspapers and on websites. It also applies where the advertisement itself violates the Act, even if the property being advertised may be exempt from the provisions of the Act. Other federal civil rights laws may also prohibit discriminatory advertising practices.

Examples of advertising that may violate the Act include phrases such as "no children," which indicates discrimination on the basis of familial status, or "no wheel-

chairs," which indicates disability discrimination.

Federal law requires that applicants for participation in HUD's subsidized and unsubsidized housing programs pursue affirmative fair housing marketing policies. This is to help ensure that individuals of similar income levels in the same housing market area have a like range of housing choices available to them regardless of their race, color, religion, sex, disability, familial status, or national origin.

If you believe you have experienced housing discrimination involving advertising or marketing, you can file a complaint with HUD.

<u>Click here</u> to learn more about Fair Housing.

### **Notice H 2019-03**

## **Low Income Housing Tax Credits Pilot Program**

Section 221(d)(4) and Section 220 New Construction and Substantial Rehabilitation Multifamily Projects with Low Income Housing Tax Credits ("LIHTC" or "Tax Credit") Pilot Program

With this Notice and related Mortgagee Letter, HUD is announcing a new phase to the Department's Low-income Housing Tax Credit Pilot Program (the "New Pilot") under the authority of the Housing and Economic Recovery Act of 2008, Public Law 110-289, in subtitle B of Title VIII, cited as "the Housing Tax Credit Coordination Act of 2008 (HERA)", for streamlining the review process for FHA mortgage insurance application processing. The New Pilot covers New Construction and Substantial

Rehabilitation projects under Section 221(d)(4) and Section 220 of the National Housing Act. This guidance describes how the New Pilot will work for such projects, including project eligibility criteria, underwriting criteria, application requirements and the HUD application review process.

The New Pilot continues and expands the Department's support for the LIHTC program which is the primary source of creating new and preserving existing multifamily affordable housing units, and the primary tool for encouraging the investment of private capital in affordable rental housing. The New Pilot is particularly important at this period in the LIHTC market when the amount of equity invested in many projects has been re-

duced due to the lowering of corporate tax rates. The somewhat higher leverage available to a LIHTC project with an FHA insured mortgage can help fill the gap in the project's sources of funds and make a project financially feasible to fund. The streamlined process in the New Pilot is intended to further align HUD's Section 221(d)(4) and Section 220 platform with the programmatic requirements of the LIHTC program and further improve HUD's responsiveness and application processing times.

For details and to view the entire Housing Notice 2019-03, <u>click</u> here.

## **Rental Assistance Demonstration (RAD)**

RAD was created in order to give public housing authorities (PHAs) a powerful tool to preserve and improve public housing properties and address the \$26 billion dollar nationwide backlog of deferred maintenance. RAD also gives owners of three HUD "legacy" programs (Rent Supplement, Rental Assistance Payment, and Section 8 Moderate Rehabilitation) the opportunity to enter into long-term contracts that facilitate the financing of improvements.

#### **Five Things You Should Know About Public Housing Conversions:**

- 1. RAD allows public housing agencies to leverage public and private debt and equity in order to reinvest in the public housing stock. This is critical given the 25.6 billion dollar backlog of public housing capital improvements.
- 2. In RAD, units move to a Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the units remain permanently affordable to low-income households.
- 3. Residents continue to pay 30% of their income towards the rent and they maintain the same basic rights as they possess in the public housing program.
- 4. RAD maintains the public stewardship of the converted property through clear rules on ongoing owner-ship and use.
- 5. The RAD program is cost-neutral and does not increase HUD's budget. This program simply shifts units from the Public Housing program to the Section 8 program so that providers may leverage the private capital markets to make capital improvements.

<u>Click here</u> to learn more about the RAD Program.



## Multifamily Seek and Find



L	Ε	Z	С	M	U	N	J	S	R	F	0	P	С	Q	С	Н	W	L
Y	С	Ε	Χ	G	С	V	Z	Т	Χ	R	А	Y	Q	Т	E	В	Y	J
D	I	Т	Y	R	N	V	K	А	S	Χ	U	Х	D	D	0	Q	I	Q
W	Т	Y	В	0	0	D	Q	N	Y	F	D	P	D	L	0	А	M	N
0	0	K	N	U	I	G	D	D	В	Q	Т	R	E	Р	М	P	Т	Ι
R	N	E	I	N	Т	G	J	A	Y	0	A	N	P	E	Т	L	М	А
K	J	Z	0	D	I	S	R	R	Q	Y	E	0	R	F	P	J	Y	R
V	W	Z	J	J	L	I	G	D	P	R	R	I	Н	L	E	J	А	Т
G	Y	A	А	В	0	E	N	A	G	Т	С	N	A	N	С	R	В	G
N	В	N	F	I	M	S	N	Y	U	A	Н	N	I	I	I	E	Р	N
I	Y	Y	R	Н	E	L	K	N	G	G	N	A	Т	А	S	S	С	I
S	F	M	А	С	D	G	I	L	N	I	Т	P	S	Т	P	I	F	V
U	I	N	М	Z	N	Т	С	I	N	K	J	F	K	N	I	D	G	I
0	L	Q	E	A	I	N	D	G	F	В	J	P	A	I	Х	E	V	L
Н	A	Н	V	E	Y	L	N	E	Н	С	Т	I	K	А	G	N	Z	S
J	U	0	S	В	I	Z	N	L	0	Н	E	V	L	М	F	Т	Χ	М
P	Q	K	М	U	D	Y	P	G	E	R	V	L	A	N	I	Χ	F	G
P	0	L	В	D	М	A	Q	L	A	S	R	E	V	I	N	U	Z	J
V	Т	М	Р	С	А	Т	Ε	G	0	R	Y	E	W	R	K	М	D	Y

America	Join	Standard
Building	Kitchen	Train
Category	Living	Universal
Demolition	Maintain	Work
Energy	Notice	Xray
Frame	Opportunities	Yard
Ground	Planning	Zany
Housing	Qualify	

Resident

Ice

### Reminders of Procedures in the Event of Property Damage and/or Resident Displacement Caused by a Severe Weather Event

The Multifamily Southeast Region of HUD wants to remind you of the procedures and tools available for owners and residents impacted by Severe Weather Events. This information will make post-recovery efforts go more smoothly if an event occurs that impacts your residents and/or your property. Find HUD's guidance by <u>clicking here</u>. HUD encourages you to review this material and HUD Handbook 4350.1 Chapter 38, Multifamily Emergency/Disaster Guidance before an event occurs.

Following an event that impacts residents and/or properties, HUD has reporting obligations based on information staff obtains from Owners and Management Agents of HUD insured and/or assisted properties. Owners and Management Agents are obligated to <u>immediately report</u> physical damage to a property interior or exterior that has resulted from a fire, flood, wind, severe cold, or other natural disaster or weather event. It is most efficient for all parties if Owners and Agents proactively report to HUD. Owners are encouraged to complete and forward damage assessments to HUD. Please use the forms as follows:

- For a FEMA Declared Emergency or Disaster: Preliminary Disaster Assessment (Appendix A-3 of Chapter 38 of Handbook 4350.1.)
- For an Event not declared by FEMA: Basic Damage Assessment

Please forward the appropriate assessment form within 24 hours of the damage. The form should be legibly handwritten or typewritten and emailed to:

<u>AtlantaDisasterAssistance@hud.gov</u> for properties assigned to an Account Executive reporting to the Atlanta Regional Office,

<u>DamageAssessmentsFlorida@hud.gov</u> for properties assigned to an Account Executive reporting to the Jacksonville Satellite Office.

To find your assigned Account Executive, please look on one of the following websites:

https://www.hud.gov/states/georgia/working/localpo/mfhsg

https://www.hud.gov/states/florida/working/mf

Updated reports should be submitted as additional information becomes available concerning resident displacement or regarding the level/amount of damage sustained. HUD must be notified of all events and all damages sustained to the property. Vacancy data must be provided for all properties. We ask that vacancy updates are provided on an ongoing basis throughout the event and additional vacancies submitted as they become available. Vacancy updates can be sent per property (or per management agent/owner portfolio) to <a href="mailto:atlantadisasterassistance@hud.gov">atlantadisasterassistance@hud.gov</a> or <a href="mailto:damageassessmentsflorida@hud.gov">damageassessmentsflorida@hud.gov</a> in a table or in Excel in the following format:

Property Name	iREMS ID	State	Studio	One BR	Two BR	Three BR	Four BR	Total

#### **OWNER RESPONSIBILITIES**

Owners/agents are responsible for:

- Developing an emergency relocation plan to relocate residents prior to the storm especially at 202/811 elderly or disabled properties and nursing homes;
- Developing a pre-disaster checklist that is shared with tenants in case of a disaster;
- Ensuring that the property and records are secured and that residents' possessions and valuables are secured and protected to the greatest extent possible.
- Contacting FEMA for on-going guidance and instruct residents to register with FEMA through 1-800-621-FEMA (3362), or www.fema.gov.
- Applying for assistance with FEMA, Small Business Administration, Housing Finance Agency and others;
- Contacting the local HUD office following a disaster;
- Providing a status report for the residents and property condition;
- Ensuring that residents provide emergency contact numbers;
- Determining the extent of damage, security needs, resident property protection needs, etc.
- Contacting the property's insurance provider to apply for property and business interruption claims;
- Maintaining inventory of all residents, property, phone numbers, mailing address, and emails;
- Determining which residents have been displaced due to unit damage or a failure of a major building system such as the electrical system, etc.; and
- Tracking each displaced resident's temporary location and maintain contact information for each displaced resident, particularly if the property will likely have units off-line for more than 30 days.

#### REMINDER TO OWNERS IN AFFECTED AREAS:

Owners should not evict tenants from their unit in order to make hurricane related repairs. The Department encourages you to revisit the instructions provided in Chapter 38 of Handbook 4350.1 for related Emergency/Disaster Guidance.

### A Note from the Editor



We hope this issue of the Multifamily Housing Southeast Regional News was beneficial to you and your staff. It is our intention to provide you, our customers, with a newsletter several times throughout the year about events, changes, and issues that affect you. Please feel free to forward the newsletter on to anyone who would benefit from it. Suggestions for topics are always welcome. Please direct your suggestions to my attention, Janice S. Gordon, Senior Account Executive, (aka Editor in Chief) via email at: Janice.S.Gordon@hud.gov. You may also contact me by telephone at 904-208-6003.

To receive future copies of this newsletter, if you did not receive this one directly, please contact your local HUD Multifamily Office, or sign up for the Jacksonville, Florida Multifamily LISTSERV.

Jacksonville Satellite Office FHA Office of Multifamily Housing 400 West Bay Street, Suite 1015 Jacksonville, FL 32202

## HOW TO JOIN A MULTIFAMILY LISTSERV

A Multifamily LISTSERV is an electronic mailing list for housing partners. The goal is to provide our partners with notices, updates, and technical information electronically instead of by mail. You are encouraged to join a LISTSERV by following these instructions:

- · www.hud.gov
- Click on RESOURCES
- Search Mailing List
- Arrow down and select a state from the list
- Click on the appropriate multifamily link \*
- Enter your complete email address

You will receive a confirmation email which needs to be responded to within the required time frame and then you will be added to the list. This will enable you to receive a copy of all messages that are transmitted from this list. To unsubscribe, please do so from the same webpage site that you joined.

## \*The following is a list of Multifamily mailing lists in Southeast Region IV:

- Alabama Birmingham Multifamily Program Center
- Florida Jax/Orl MF HSG
- Atlanta Multifamily Housing Hub Partners
- Georgia Multifamily Business Partners
- KY MF Owners and Management Agents
- Louisville Multifamily Program Center
- KY Multifamily Partners
- Mississippi Multifamily Partners
- North Carolina Multifamily Partners
- San Juan Field Office Multifamily Program Center
- South Carolina Multifamily Partners

