

HUD MULTIFAMILY HOUSING SOUTHEAST REGIONAL NEWS

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



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Providing Quality Housing in Your Community



Secretary Tours Miami Opportunity Zone



In March 2019, Secretary Carson traveled to Miami to tour Tuscany Village Housing Complex, an apartment community located in an Opportunity Zone. Tuscany Village Housing Complex was recently built to provide affordable housing for low-income, elderly families in the neighborhood. This Miami community is just one of 427 Opportunity Zones which were designated by the Florida Governor as areas in need of economic revitalization. Secretary Carson was joined for the tour by Miami Mayor Francis Suarez.

Photo: Secretary Carson tours Tuscany Village Housing Complex with Miami Mayor Francis Suarez.

Making Louisville's Homeless Population Count

Volunteers from the Louisville Field Office joined a record number of more than 300 volunteers for the city's annual Point-in-Time (PIT) Homeless Count. It was bitterly cold outside as volunteers fanned out across Louisville and Jefferson County in a collective effort to locate individuals and families living on the streets and in encampments. It was a stark reminder of what unsheltered homelessness looks like. They witnessed a woman experiencing a psychotic episode and a couple whose propane heater set their tent ablaze. The HUD team also discovered a group of people living in a makeshift shelter with a large wood-burning stove where they were burning trash.

Last year, Louisville and Jefferson County's Continuum of Care reported nearly 1,000 people sleeping outdoors when it was 11 degrees. The local PIT count is successful due to the ever-growing support of volunteers.

Photo: Volunteers gather for the Louisville Point in Time Count.



Section 202 Supportive Housing for the Elderly Program

HUD is providing up to \$50 million in Capital Advance funding for the development and operation of supportive rental housing for very-low income persons aged 62 years or older and for project rental subsidies in the form of a Project Rental Assistance Contract (PRAC) to maintain on going affordability.

This funding, leveraged with other financing sources, will expand affordable housing opportunities and include supportive services such as transportation, continuing education and/or health that will allow seniors to live independently and to age in place. These are the first funds for construction of new elderly housing under the Section 202 program since 2010. Multifamily is looking forward to supporting the construction of new units, with deep rental assistance, for the most vulnerable members of our communities. HUD hosted a webinar in April which can be viewed by clicking [here](#).

Due to the regulations associated with NOFAs, there is limited information that can be shared about the NOFA. Any questions may be sent by email to 202CapitalAdvanceNOFA@hud.gov. HUD will maintain a repository of questions answered on the [Funding Opportunities](#) webpage. The FY 2018 Section 202 Supportive Housing for the Elderly Program Capital Advance Notice of Funding Availability (NOFA) is now posted on Grants.gov and can be accessed by clicking [here](#).

Civic Towers in Miami Celebrates Ribbon Cutting



Civic Towers, owned by Redwood Housing Partners, is a combined site of 345 subsidized units divided in two buildings: Civic Towers, a 195-unit family apartment, and Civic Towers Senior, a 150-unit elderly project.

Located in Miami, Florida, the property was undergoing a substantial rehabilitation when Hurricane Irma caused major damage to both buildings in September 2017. The structures were deemed uninhabitable, and residents were relocated to hotels. Water intrusion required the substantial rehabilitation to start over, but the owners worked diligently under difficult circumstances to rebuild

the apartments.

Redwood Housing Partners purchased Civic Towers in February 2017, which at the time was a severely troubled property. Per HUD guidance, to assume a Housing Assistance Payment contract of a troubled property, a substantial rehabilitation is required. Redwood principals, Jeff Green and Ryan Fuson, started rehabilitation of the property in March 2017. Work included the replacement of the exterior panels, new kitchens, new baths, flooring, lighting, landscaping, etc. The initial plan was to complete renovation within one year of purchase (February 2018); however, the work turned out to be more than expected. Exterior panels had to be special ordered, fabricated individually, and shipped to the site. In addition, the work was disturbing the remaining residents, therefore the owner worked to rehouse tenants in groups to hotels and their possessions were placed in storage units. Having struggled with many setbacks, contractors were making significant progress by the end of the summer.

Then, Hurricane Irma hit Miami in September 2017. Civic Towers, due to the rehabilitation, was vulnerable to the storm and the City of Miami deemed the structures damaged to the point that not only the units being renovated were unsafe, but all the apartments were declared uninhabitable. This resulted in all residents having to be relocated at once. The owners secured hotel rooms and available apartments, in addition to providing storage facilities for resident belongings.



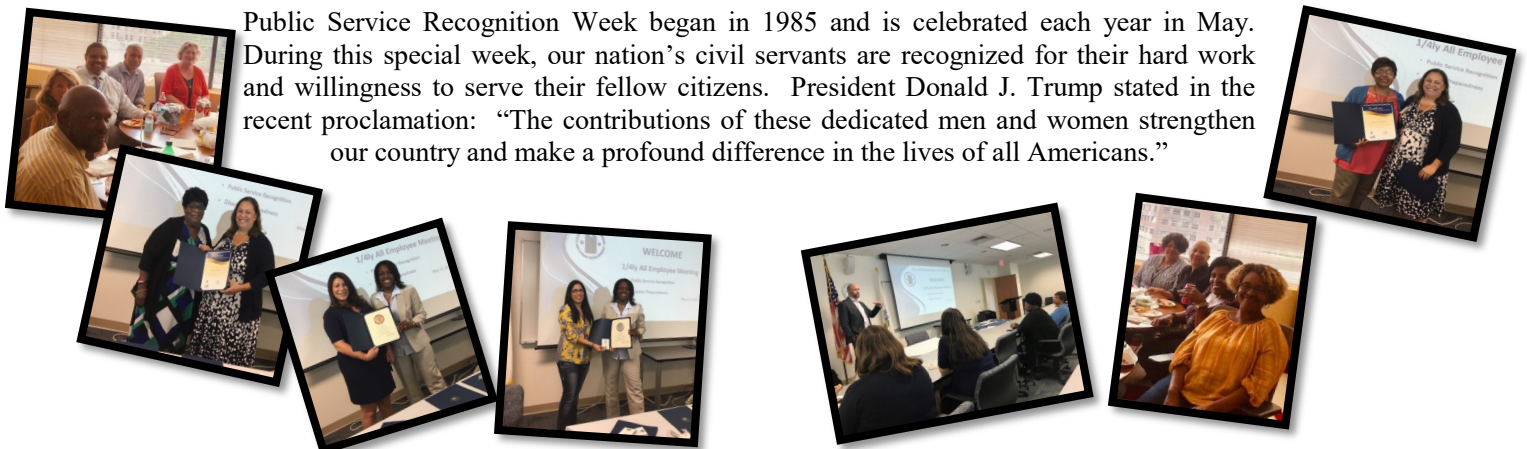
A new set of permits, strategies and workflow was set in place and the renovation work started over.

It has been over two years since the rehabilitation began on Civic Towers; however, we are proud to say the substantial rehabilitation has been completed and residents have returned to a home they can be proud of and enjoy for many years to come.



Public Service Recognition Week

Public Service Recognition Week began in 1985 and is celebrated each year in May. During this special week, our nation's civil servants are recognized for their hard work and willingness to serve their fellow citizens. President Donald J. Trump stated in the recent proclamation: "The contributions of these dedicated men and women strengthen our country and make a profound difference in the lives of all Americans."



HUD TELLS PUBLIC HOUSING AUTHORITIES AND PRIVATE OWNERS TO PROTECT RESIDENTS FROM CARBON MONOXIDE

Department to propose new rule to make optional CO detectors mandatory

HUD News, HUD Public Affairs

HUD No. 19-049

WASHINGTON – In an effort to protect families living in federally subsidized housing from potentially deadly carbon monoxide (CO), the U.S. Department of Housing and Urban Development (HUD) recently sent all public housing authorities and private owners of HUD-subsidized housing a notice to remind and encourage them to install working CO detectors in their properties. Read HUD's Notice H 2019-05 by [clicking here](#).

HUD's notice reminds HUD-subsidized housing providers of their legal obligation to install working carbon monoxide detectors in those jurisdictions where these devices are required. In those states and local communities where CO detectors are not required, the Department is strongly encouraging housing authorities and owners to install them. Additionally, HUD indicated that it will propose new regulations to require working CO detectors in all HUD-subsidized housing programs nationwide.

"A simple, inexpensive, widely available device can be the difference between life and death," said HUD Secretary Ben Carson. "Given the unevenness of state and local law, we intend to make certain that CO detectors are required in all our housing programs, just as we require smoke detectors, no matter where our HUD-assisted families live."

Carbon monoxide is a byproduct of fuel-fired combustion appliances such as furnaces and water heaters. If not properly vented, this undetectable gas can be dangerous and even deadly. Last month, HUD's Real Estate Assessment Center (REAC) issued a notice to all HUD and HUD-contracted inspectors requiring them to collect data to determine the prevalence of CO detection systems in HUD-assisted properties subject to its Uniform Physical Condition Standards.

HUD's Notice H 2019-05 covers the following programs:

- Public Housing
- Section 8 Project-Based Rental Assistance

- Housing Choice Voucher (tenant-based or project-based)
- Section 202 (Supportive Housing for the Elderly), and
- Section 811 (Supportive Housing for Persons with Disabilities).

In those states where CO detectors are required, HUD is reminding owners, managers and agents of these housing programs to make certain they have working CO detectors in all their housing units/buildings. In those states where CO detectors are not required under state/local law, HUD is strongly encouraging these housing providers to install them.

HUD anticipates issuing further guidance and instructions on this important public health issue. In addition, HUD will undertake rulemaking for the Housing Choice Voucher, Multifamily and Public Housing Programs to add a requirement for functioning carbon monoxide detectors in units with fuel-fired/burning appliances, and/or an attached garage.



2019 Hurricane Season

The Atlantic hurricane season runs from June 1 through November 30 with the most active month being September. Be ready this year by:

- ⇒ Creating an emergency communication plan with your family before a hurricane strikes. Know where to meet in case you are separated.
- ⇒ Have emergency supplies that will last for at least 10 days. Don't forget about needed prescriptions!
- ⇒ Ensure your insurance will cover any possible damage caused by flooding.
- ⇒ Be familiar with your local community's evacuation plan and routes. Know your evacuation zone.
- ⇒ Consider what you will do with your pets if you have to evacuate.
- ⇒ Sign up for local emergency alerts. Download the FEMA app.
- ⇒ Visit www.ready.gov/hurricane for more important tips so that you are prepared.

Southeast Region Multifamily Housing Loans Endorsed in FY 2019

Criteria	#Loans	#Units /Beds	Amount (Millions)
241 Improvement/Additions Apts/ Coops	1	26	\$7,400,000
New Construction and Substantial Rehabilitation	48	7,592	\$828,500,000
Refinance 223f and A7 Purchase	49	8,571	\$691,900,000
Total	98	16,189	\$1,527,800,000

Multifamily Leadership Presented at Southeast Mortgagee Advisory Council



The 2019 annual SMAC conference was held in Atlanta, Georgia, in April. HUD leadership and staff led and provided interactive training related to processing, underwriting, closings, and servicing multifamily and senior housing properties under HUD's MAP and LEAN programs.

The Southeast Mortgagee Advisory Council (SMAC) was established to provide constructive advice and support to HUD's Multifamily hub office leadership and staff in the Southeast Region and to improve the effective delivery of

the FHA multifamily insurance programs. The Council exists to provide a forum for active FHA mortgagees to identify potential improvements in the consistent application of FHA programs, underwriting and processing guidelines; to develop and present potential solutions representing the shared position of participating mortgagees; and to provide the Southeast HUD offices regular access to active mortgagees for the purpose of a dialogue on issues related to the administration of the FHA mortgage insurance programs.



2019 Alabama & Kentucky SAHMA Conference



The Southeastern Affordable Housing Management Association (SAHMA) holds its annual state conferences throughout the Southeast. Various speakers and representatives from the private sector, USDA, State Housing Finance Agencies, and HUD offices attend these conference to provide training and guidance to participating owners, agents and their staffs. HUD's Southeast Regional Administrator, Denise Cleveland-Leggett addressed attendees at the opening ceremony at the Kentucky SAHMA conference.



Representatives from the Atlanta, Jacksonville, Kentucky, and Birmingham HUD offices recently participated in the Alabama and Kentucky SAHMA Conferences by attending several of the training sessions and panels as technical resources.



B'nai B'rith Managers and Service Coordinators Meeting in Puerto Rico



The B'nai B'rith Managers and Service Coordinator Training meeting took place in San Juan, Puerto Rico. Staff from HUD Headquarters and the Jacksonville Satellite Office participated in the meeting panels, including the Disaster Preparedness Panel. Interactive discussions included professionals from HUD, the Consumer Financial Protection Bureau, and experts in the affordable senior housing industry. Presentations from the Red Cross and the local hospital were also provided. Janet Golrick, National Disaster Coordinator, represented the Department's Disaster Management Team during the meeting.



Updates To the Environmental Review Requirements for RAD Conversions

HUD has recently revised the Quick Reference Guide for Environmental Review Requirements for Rental Assistance Demonstration (RAD) conversions. This version provides a more streamlined organization of information, incorporates frequently asked questions that have come up over the past few years, and introduces simplified environmental reviews for RAD conversions to Project-Based Rental Assistance (PBRA). This guide is applicable to both components of RAD (i.e., for public housing, Mod Rehab, Rent Supp & RAP, and 202 PRAC conversions). HUD is working on developing a webinar and will announce the details in the coming weeks.

2019 Income Limits

HUD sets income limits that determine eligibility for assisted housing programs including Public Housing, project-based Section 8, Section 8 Housing Choice Voucher, Section 202 housing for the elderly, and Section 811 housing for persons with disabilities programs. HUD develops income limits based on median family income estimates and fair market rent area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county. For HUD's Multifamily Housing programs, the new 2019 income limits were effective April 24, 2019. [Click here](#) for access to HUD income limits.

Disaster Recovery

WASHINGTON – The U.S. Department of Housing and Urban Development (HUD) awarded nearly \$1.5 billion in May to support seven states in their recovery from major disasters that occurred last year, including Hurricane Michael, Hurricane Florence and devastating wildfires in California. These funds are provided through HUD's Community Development Block Grant – Disaster Recovery (CDBG-DR) Program and will address seriously damaged housing, businesses and infrastructure in hard-hit areas of these states. The CDBG-DR Program requires grantees to develop thoughtful recovery plans informed by local residents. Learn more about CDBG-DR and the State's role in long-term disaster recovery by [clicking here](#). "Last year's disasters left damaged homes, businesses and infrastructure in their wake," said HUD Secretary Ben Carson. "These recovery dollars will help the hardest-hit communities in these states and allow for residents to put their lives back together again."

STATE	ELIGIBLE DISASTER(S)	CDBG-DR ALLOCATION
California	Wildfires and High Winds 4407 & 4382	\$491,816,000
Florida	Hurricane Michael 4399	\$448,023,000
Georgia	Hurricane Michael 4400	\$34,884,000
Hawaii	Severe Storms, Flooding, Landslides and Mudslides 4365 & Kilauea Volcanic Eruption & Earthquakes 4366	\$66,890,000
North Carolina	Hurricane Florence 4393	\$336,521,000
South Carolina	Hurricane Florence 4394	\$47,775,000
Texas	Severe Storms and Flooding 4377	\$46,400,000
	TOTAL	\$1,472,309,000

On October 5, 2018, President Donald J. Trump signed [Public Law 115-254](#), which provides CDBG-DR funding for "disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared in 2018." In addition to the funds being allocated in October, HUD will allocate an additional \$205 million later in the year following a comprehensive analysis of the recovery needs in American Samoa and the Northern Marianas.

RAD Successfully Winds Down Rent Supplement Legacy Program

HUD's Office of Multifamily Housing has recently hit a milestone: the last properties with contracts under the 1960s-era "Rent Supplement" (Rent Supp) rental assistance program were preserved and converted to project-based Section 8 assistance under the Rental Assistance Demonstration (RAD). RAD not only protected tens of thousands of residents from displacement, but also allowed owners of Rent Supp properties to successfully preserve 13,670 affordable homes. By shifting onto the Section 8 platform, owners have also been able to access new financing to make property improvements, thereby ensuring quality affordable housing options for years to come. "This is the first legacy HUD assisted housing program we have fully wound down through RAD, converting a decades old program to the modern and cost-efficient Section 8 platform while still preserving assistance for low-income families. It's a true win-win for residents and for the

American taxpayer," said Tom Davis, Director of the Office of Recapitalization in the Office of Multifamily Housing Programs.

Background of Rent Supp

In 1965, Congress authorized rent supplements on behalf of needy tenants living in privately owned housing. This was the first rental assistance program that worked with privately-owned housing, a departure from previous programs that provided housing assistance only through the public housing portfolio. Congress experimented with several other forms of assistance in the following years until, in 1974, Rent Supp and its contemporary programs were replaced by the Section 8 New Construction and Substantial Rehabilitation program, now known as project-based Section 8. Project-based Section 8 has become one of the largest and most successful of HUD's rental assistance strategies.

While the early projects under the

pre-Section 8 experimental programs continued to operate, providing important affordable options for low-income households, these owners could not extend their Rent Supplement contracts to preserve these units as affordable housing. As the original contracts reached maturity, both the rental assistance and the affordability restrictions were set to expire and the affordable units lost forever.

RAD's Creation Preserves 13,670 Rent Supp Units

Recognizing the need to preserve the assistance at these properties and protect the vulnerable populations living there, in 2012 Congress authorized the conversion of the remaining 249 properties supported by Rent Supp contracts through RAD to project-based Section 8. This resulted in successfully preserving 13,670 affordable homes.

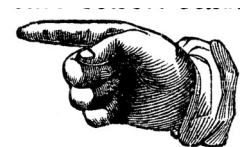
Read more about the RAD program at: www.hud.gov/rad.

ABLE Account Notice Published

RHIIP Listserve Posting #424—The Office of Multifamily Housing Programs issued a joint Notice, [Notice H-2019-06](#), with the Office of Public and Indian Housing that provides guidance regarding the federally mandated exclusion of ABLE accounts from the calculation of income and assets under the Achieving a Better Life Experience Act of 2014 (ABLE Act). Amounts held in ABLE Act accounts are excluded from asset calculations, and any distributions from ABLE accounts are excluded from income calculations.

[Notice H-2019-06](#) provides HUD-assisted housing programs with clear guidance on the treatment of:

- Distributions from ABLE accounts
- Contributions made by the designated beneficiary
- Contributions made by others into the ABLE account
- Rollovers from existing ABLE accounts; and
- Requirements for verifying ABLE accounts



Click [here](#) to view the Notice in full.

Kentucky Housing Corporation Contract Administrator Staff



Pictured are Lisa Temple, HAP Voucher Specialist; Shannon Brown, Resident Liaison; Melissa Corbett, Manager of Subsidy Administration; Stacie Sutton, Assistant Director; Anita Toll, HAP Voucher Specialist; Pauline Betts, HAP Voucher Specialist; Heather Johnson, Contract Renewal Specialist; Melissa Luttrell, Claims Specialist; Mary Bell, HAP Voucher Specialist.

HUD Controlling Closing Documents Regulatory Agreement, form HUD-92466M

The Regulatory Agreement is the only loan document between FHA and the borrower. It requires the borrower to comply with HUD program obligations. If the borrower fails to comply with the Regulatory Agreement or program obligations, HUD will:

- Demand corrective action with a time to cure.
- Declare default of the Regulatory Agreement and instruct the lender to default the loan under the Security Instrument.

The Regulatory Agreement includes Section 50 signatories. While the loan is non-recourse, the signatories must accept personal liability for certain bad acts and misuse of project funds such as:

- Receiving project funds that they were not entitled to receive.
- Authorizing a conveyance of the property (or a portion of it) without prior HUD approval.
- For their own acts that authorize violation of select sections of the Regulatory Agreement.

Reasonable Modifications Under the Fair Housing Act—Questions and Answers

Who is entitled to a reasonable modification under the Fair Housing Act?

Persons who meet the Fair Housing Act's definition of "person with a disability" may be entitled to a reasonable modification under the Act. However, there must be an identifiable relationship, or nexus, between the requested modification and the individual's disability. If no such nexus exists, then the housing provider may refuse to allow the requested modification.

If a disability is not obvious, what kinds of information may a housing provider request from the person with a disability in support of a requested reasonable modification?

A housing provider may not ordinarily inquire as to the nature and severity of an individual's disability. However, in response to a request for a reasonable modification, a housing provider may request reliable disability-related information that (1) is necessary to verify that the person meets the Act's definition of disability (*i.e.*, has a physical or mental impairment that substantially limits one or more major life activities), (2) describes the needed modification, and (3) shows the relationship between the person's disability and the need for the requested modification. Depending on the individual's circumstances, information verifying that the person meets the Act's definition of disability can usually be provided by the individual herself (*e.g.*, proof that an individual under 65 years of age receives Supplemental Security Income or Social Security Disability Insurance benefits or a credible statement by the individual). A doctor or other medical profes-

sional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may also provide verification of a disability. In most cases, an individual's medical records or detailed information about the nature of a person's disability is not necessary for this inquiry.

Once a housing provider has established that a person meets the Act's definition of disability, the provider's request for documentation should seek only the information that is necessary to evaluate if the reasonable modification is needed because of a disability. Such information must be kept confidential and must not be shared with other persons unless they need the information to make or assess a decision to grant or deny a reasonable modification request or unless disclosure is required by law (*e.g.*, a court-issued subpoena requiring disclosure).

What kinds of information, if any, may a housing provider request from a person with an obvious or known disability who is requesting a reasonable modification?

A housing provider is entitled to obtain information that is necessary to evaluate whether a requested reasonable modification may be necessary because of a disability. If a person's disability is obvious, or otherwise known to the housing provider, and if the need for the requested modification is also readily apparent or known, then the provider may not request any additional information about the requester's disability or the disability-related need for the

modification.

If the requester's disability is known or readily apparent to the provider, but the need for the modification is not readily apparent or known, the provider may request only information that is necessary to evaluate the disability-related need for the modification.

Who must comply with the Fair Housing Act's reasonable modification requirements?

Any person or entity engaging in prohibited conduct – *i.e.*, refusing to allow an individual to make reasonable modifications when such modifications may be necessary to afford a person with a disability full enjoyment of the premises – may be held liable unless they fall within an exception to the Act's coverage. Courts have applied the Act to individuals, corporations, associations and others involved in the provision of housing and residential lending, including property owners, housing managers, homeowners and condominium associations, lenders, real estate agents, and brokerage services. Courts have also applied the Act to state and local governments, most often in the context of exclusionary zoning or other land-use decisions. *See, e.g., City of Edmonds v. Oxford House, Inc.*, 514 U.S. 725, 729 (1995); *Project Life v. Glendening*, 139 F. Supp. 2d 703, 710 (D. Md. 2001), *aff'd*, 2002 WL 2012545 (4th Cir. 2002).

Visit HUD.Gov for more information on Fair Housing.

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

