

HUD and VA Team Up For Louisville PIT



On an early morning last month, staff from the Kentucky Field Office braved the cold to volunteer for 2018 Point-in-Time (PIT) Count. The HUD volunteers teamed up with the Louisville, Kentucky Veterans Affairs Director and staff as well as local media to visit two of the city's homeless encampments. Individuals were encouraged to check-in to the nearest emergency shelter to escape the cold. The PIT team offered warm socks and goodie bags assembled by the children of the Kentucky Field Office staff.

This is the fourth year the Kentucky Field Office staff volunteered for the count. The experience provides staff an opportunity to connect with other agency partners and citizens. It puts into perspective the importance of HUD's work.

Mount Carmel Gardens Rededication Jacksonville, FL

The rededication ceremony for Mount Carmel Gardens was held on November 9, 2017. The ceremony represented nearly three years of planning and coordination between the non-profit Owner, Mount Carmel Gardens, Inc.; the developers, BREC Development, LLC and East Lake Community Development; the purchaser, MCG Senior Apartments, Ltd.; Florida Housing Financial Corporation; Jacksonville Housing Finance Authority; and HUD.

Mount Carmel Gardens is 207-unit high rise property originally developed in 1971, under the Section 236 mortgage program to provide housing to the elderly. HUD provides rental assistance under a Section 8 Housing Assistance Payment (HAP) Contract for 127 of the 207 units. In 2005, the 236-mortgage, was refinanced under Section 223(f) at which time the interest subsidy was decoupled. The property was highly leveraged with HOME and Elderly Housing Community Loan (EHCL) funds, one of which had become due and payable.

Over time, the financial condition began to decline and in 2011, the REAC in-

spection raised concerns regarding the physical condition. After a below average management and occupancy review in early 2012, the non-profit board took HUD's recommendation that they make a change in management and seek independent professional management seriously. As a result, in 2013, they engaged SPM Property Management to manage the property.

SPM Property Management worked through many challenges including the disrepair of the chiller system, which left the entire building with no air conditioning during the hottest time of the year, while a new system was manufactured.

The preservation transaction included the transfer of the ownership of the project and HAP contract from Mount Carmel Gardens, Inc. to MCG Senior Apartments, Ltd. The project was financed with cash collateralized bonds, State Apartment Incentive Loan program (SAIL), Extremely Low Income program (ELI), HOME, Low Income Housing Tax Credits as well as a 221 (d)(4) mortgage insured by HUD. These resources funded the acquisition

costs and \$7.3 million in substantial rehabilitation, which included, new cabinetry, countertops, doors, flooring, plumbing and piping replacement, HVAC system upgrades, electrical work, interior and exterior painting and expanded community space and amenities.

This effort by all stakeholders was successful and will ensure the continued viability of the project, and preservation of this affordable housing.



First Baptist Homes—Lumberton, North Carolina



On January 15, 2018, Sarah McLean, manager at First Baptist Homes, was the recipient of the Dr. Martin Luther King, Jr. Holiday Celebration award. This award is given by the Robeson County Black Caucus to someone in the community who goes above and beyond. Ms. McLean worked tirelessly to help all of the residents of First Baptist Homes, and others in Lumberton, North Carolina, who were affected by Hurricane Matthew.

Hurricane Matthew hit the Lumberton, North Carolina community in October 2016, forcing all of the elderly residents at First Baptist Homes I and II to leave their homes. The members of the households lost all of their belongings. The residents lived in hotels for over nine months. During a site visit, by Eileen Wooten, Account Executive for HUD, and Bhavna Patel HUD Branch Chief for the Greensboro Asset Management Office, Ms. McLean received glowing compliments from the property's residents. Residents shared that Ms. McLean routinely visited the hotel

and made sure their needs were being met.

Ms. McLean rallied the community and was very instrumental in the overwhelming support the properties received. Organizations supporting the properties included Belk Department Store which donated their furniture floor samples; Department of Social Services who brought rent payments current and helped with utilities; Bargain House, United Way of Robeson, and Designing Station who donated bedding, mattresses, box springs, and railings; Second Harvest contributed food; and Lumberton's First Baptist churches, the Robeson Baptist Association, First Presbyterian Church of Lumberton, Lumber Bridge Presbyterian Church contributed food, household goods, linens, toiletries and helped set-up the units. There were countless other volunteers supporting the properties. Each resident walked back into a fully furnished and equipped unit.

Restoring the properties was certainly a collaborative effort that involved many groups. Immediately following Hurricane Matthew, the Robeson Disaster Recovery Committee was formed. The committee is comprised of representatives from the Department of Social Services, City of Lumberton, FEMA, Robeson County, North Carolina Emergency Management, United Way, local churches, and various organizations. The group was formed to jump start the recovery and to monitor and respond to the needs of the community. Ms. McLean attended the weekly meetings and kept the group abreast of the issues her residents were facing.

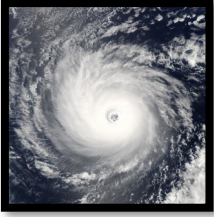
Bi-weekly calls were held with representatives of the lender for the property, the managing agent, owner representative, and various HUD representatives. Discussions during the calls included renovation progress, funding sources, and the status of the residents. The focus was kept on the satisfactory restoration of the properties and moving the residents back to their homes. Conference calls were also held with other government entities such as FEMA, HUD CPD-Greensboro Office, North Carolina Emergency Management and North Carolina Community Development Initiative Capital, an organization that provides grants and low interest loans to areas affected by Hurricane Matthew.

First Baptist I and II each received a grant from North Carolina Community Development Initiative Capital. The grants provided needed funds which assisted in the restoration of the properties.

First Baptist Homes has a great success story due to the overwhelming support they received from the community.



HUD Grants \$243 Million to U.S. Virgin Islands and \$1.5 BILLION TO PUERTO RICO To Help Them Recover from Hurricanes Irma and Maria



WASHINGTON - The U.S. Department of Housing and Urban Development (HUD) recently awarded funds to help the U.S. Virgin Islands and Puerto Rico recover from Hurricanes Irma and Maria. HUD's Deputy Secretary Pamela Hughes Patenaude announced the disaster recovery grants with the Governors of the Virgin Islands and Puerto Rico during a recent tour of the damaged islands.

These recovery funds were awarded and provided through HUD's Community Development Block Grant - Disaster Recovery (CDBG-DR) Program and will support long-term recovery, including infrastructure, seriously damaged housing, and economic recovery on the islands. [Click here](#) for more information on the Program.

On September 8, 2017, President Trump signed Public Law 115-56 which appropriated \$7.4 billion in CDBG-DR funding for major disasters declared in calendar year 2017. To distribute these funds, HUD is required by law to direct the funds to the areas most impacted by qualifying disasters HUD will continue to work with the governments of the islands to address its remaining unmet needs.

CDBG-DR grants support a variety of disaster recovery activities including housing redevelopment and rebuilding, business assistance, economic revitalization, and infrastructure. Grantees are required to spend the majority of these recovery funds in "most impacted" areas as identified by HUD. HUD will issue administrative guidelines for use of the funds to address grantees' long-term recovery needs, particularly in the area of housing recovery.



Legal Focus



The Office of General Counsel provides legal opinions, advice and services for all HUD programs and activities. OGC represents the agency in litigation and enforcement actions; provides legal services in connection with the development, preparation and presentation of the Department's legislative initiatives; has primary responsibility for the development of HUD program regulations; and assists in the development of HUD programs and policies.

The Office of General Counsel includes the General Counsel, a Principle Deputy General Counsel, three Deputy General Counsel, and two Senior Counsel. OGC Headquarters is divided into eight functional offices from which legal services are provided to HUD Program Administrators. Each office is headed by an Associate General Counsel. Headquarters also consists of the Enforcement Center. Field Legal Services are provided by ten Legal Service Centers headed by a

Regional Counsel and 40 Field offices headed by an Association Regional Counsel for Housing Finance and Programs.

The Office of Insured Housing performs legal work as "program counsel" for the Assistant Secretary for Housing -Federal Housing Commissioner. The Office has responsibility for providing legal advice for those Federal Housing Administration (FHA) programs authorized under the National Housing Act (NHA) and the Mark-to-Market program authorized under the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA). The Office interprets legislative and regulatory requirements for loan origination, loan servicing, and payment of FHA insurance benefits on multifamily and single family mortgage loans as well as the disposition of properties acquired in exchange for these insurance benefits. The Office provides counsel for the approval of FHA lenders and mortgagees and provides legal

assistance on issues related to troubled projects, defaulted loans, and the restructuring of project mortgages in the Mark-to-Market Program. The Office has two divisions: the Multifamily Mortgage Division for the FHA Multifamily Programs and the Mark-to-Market Program, and the Single Family Mortgage Division for FHA Single Family Programs and Lender Approval.

The Multifamily Mortgage Division provides legal advice and support to FHA in developing new programs as well as in managing the complex day-to-day operation of numerous existing programs that provide mortgage insurance on financing for multifamily housing projects and health care facilities, the restructuring of project mortgage loans in the Mark-to-Market Program, the competitive and non-competitive sale of defaulted mortgage loans, and the disposition of projects following foreclosure.

Summer Excursion Program Benefits South Carolina Low-Income Youth Part II: “Educating Ourselves Through Exposure”

Ira Banks, Regional Manager, Southern Development Management Company, tasked himself to provide children residing at four 100% subsidized low-income Multifamily Housing Properties (Mt. Zion AME Apartments, Florence, SC; Mt. Pisgah Apartments, Sumter, SC; EME Apartments, Charleston, SC and EME Apartments of Conway, SC) the chance to enjoy and share a unique educational experience offered during a one-day road trip.



Kudos to a flourishing partnership, Ira's vision became a reality with an initial excursion on June 30, 2016. Subsequently, a second trip occurred on June 20, 2017, when 153 youth and chaperones boarded chartered buses with a destination of Charleston, South Carolina, to visit *Patriot's Point* and *The South Carolina Aquarium*. It was an exciting trip that included a delicious lunch at CiCi's pizza. To commemorate the event, all of the children and chaperones were provided identical tee shirts with the phrase “*learning the key to our future*” printed on the back and their property name on the front.

At Patriot's Point, the children were greeted by an informative tour guide and granted permission to board authentic military vessels (USS Yorktown Aircraft Carrier, USS Laffey Naval Destroyer and USS Clamagore Submarine). It was a wonderful day which allowed each child the opportunity to learn, ask questions, and personally imagine what it would have felt like to be a member of the United States military and serve on such awesome and powerful vessels. Everyone relished in delightful stories of battles and lessons in astronomy, aviation, history, and oceanography. The day of learning ended with a visit to *The Aquarium* where the children were enthused to see creatures of the sea and discover facts regarding their habitats.

The Board of Directors for EME Conway; EME Charleston, Mt. Zion AME and Mt. Pisgah Apartments believe such an opportunity will inspire learning and expose each participating child to greater possibilities for personal growth and development. Children could grasp the true meaning of patriotism, history, and the benefits of belonging to such a great country as the United States of America.

A special thank you to Ms. Sharon Bingley, Ms. Tawanda Maxfield, and Ms. Lizzie Graves for organizing the event, and the Board Members, for championing the efforts of Ira Banks as he continues the visionary journey of *Educating Ourselves Through Exposure*.

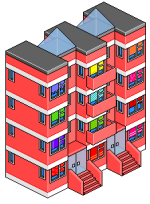


Median Gross Rents

Updated Median Gross Rents by Zip Code are Now Available on the Section 8 Renewal Policy Site on hud.gov.

Median Gross Rents are used to determine when HUD will procure a third party rent comparability study (RCS) in conjunction with Sec. 8 PBRA rent setting. Section 9-14 of the Section 8 Renewal Policy Guide 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, 2018. [Click here](#) for a list of Median Gross Rents and [click here](#) for the Section 8 Renewal Policy.



Southeast Region Multifamily Housing Loans Endorsed FY 2018

Criteria	#Loans	#Units/ Beds	Amount
NC/SR	35	5,538	\$660,100,000
Refinance 223f and A7 Purchase	40	6,459	\$397,800,000
Risk Sharing	1	48	\$700,000
Total	76	12,645	\$1,058,600,000

Preferences in HUD Multifamily Assisted Housing

Apply now for technical assistance to promote the Homeless and Move On preferences in HUD multifamily assisted housing.

HUD is seeking multifamily assisted housing owners, property management companies, HUD Continuums of Care (CoCs), state housing agencies, and state housing departments interested in implementing Homeless or Move On preferences in HUD multifamily properties.

The full Request for Interest (RFI) and short application can be found by [clicking here](#).

HUD's Office of Multifamily Housing encourages assisted housing owners and property management companies to make their subsidized apartments available to individuals and families experiencing homelessness or who are transitioning out of perma-

nent supportive housing designated for formerly homeless households. HUD-funded CoCs, state housing finance agencies, and state housing departments can be key partners in implementing a preference. HUD has issued a [Program Notice](#) and [Toolkit](#) that provide step-by-step guidance to implement a homeless preference, allowing eligible, currently homeless households to move to the top of a property's waiting list.

Individualized technical assistance (TA) will be available through this RFI. CoCs and housing providers (both privately owned and state agencies) may receive individualized TA coaching, education, and concrete support from an assigned expert in implementing the multifamily Homeless and Move On preferences. This TA will help housing providers streamline their internal processes and improve rates of success in admitting

households who are experiencing homelessness or who were formerly homeless. TA will also include assistance in outreach to and relationship-building with local housing providers and homeless service agencies.

RFI Application and Timeline

The short RFI application was due by March 5, 2018. The technical assistance will begin in April 2018 and end in October 2018. The full RFI and application can be found by [clicking here](#).

Eligible applicants include: CoCs, multifamily housing owners, property management companies, state housing finance agencies, and state housing departments.



HUD Notice H 2018-01 Tenant Protection Vouchers

HUD is making up to \$5,000,000 available for Tenant Protection Vouchers (TPVs) for certain at-risk households in low-vacancy areas from Fiscal Year (FY) 2017 Appropriations.

The Consolidated Appropriations Act, 2017 (Public Law 115–31, enacted May 5, 2017) (referred to hereafter as the FY 2017 Act), provides that up to \$5,000,000 of the \$110,000,000 appropriated for TPVs may be made available for this purpose.

TPVs provided under this set-aside are considered “replacement” TPVs and are not subject to the re-issuance restrictions that apply to certain other TPVs under the FY 2017 Act. An owner is eligible to request assistance under this Notice in the form of either enhanced voucher or project based voucher (PBV) assistance. See Attachment D for more information about these types of voucher assistance. This Notice explains the eligibility and application requirements for TPV set-aside funding, in addition to describing how applications will be processed.

This Notice differs from the Fiscal Year 2016 Funding Availability for Tenant-Protection Vouchers for Certain At-Risk Households in Low-Vacancy Areas Notice PIH 2016-12/H 2016-07 in the following major ways:

- Revises application submission timing in two ways:

- ◇ 1. Owners may submit an application for a triggering event that occurred in the five years prior to the issuance date of this Notice or is anticipated to occur no later than 180 days of the Owner’s submission.
- ◇ 2. Applications may be submitted and processed on a rolling basis until funding under the FY 2017 set-aside has been exhausted or HUD issues a new Notice for FY 2018 TPV set-aside assistance, whichever comes first, unless Congress enacts language prohibiting the use of FY 2017 carryover funds or directing that such funds be used in a manner that is inconsistent with this Notice.
- Removes a previous triggering event category; properties with Rental Assistance Payments (RAP) contract expirations prior to FY2012 and properties with Rent Supplement contract expirations prior to FY 2000.
- Requires that owners indicate a preferred form of assistance (enhanced vouchers or PBV assistance) and whether the owner is willing to accept the other form of assistance where the PIH Field Office is unable to find a public housing agency (PHA) willing to administer the owner’s preferred assistance type.

- Adopts the Fair Market Rent (FMR) as a proxy for market rents (i.e., rents residents would have to pay in the absence of assistance) for the initial determination of at-risk residents where applicable. (The Small Area FMR (SAFMR) is used in metropolitan areas. In nonmetropolitan areas, the area-wide FMR is used.)
- Revises owner calculation of household income requirements.
- Consolidates previous household list requirements.
- Allows PHAs to rely on an owner’s determination of households’ rent burden.
- Allows owners and PHAs to use an owner’s most recent family income examination (form HUD-50059) if the effective date of the income verification is no more than 12 months old. The PHA may rely on the owner’s most recent family examination if the PHA determines that the examination is acceptable through sampling (see Attachment D for more information).
- Revises how low-vacancy areas are defined.
- Removes HUD internal standard operating procedures.



Excess PRAC Residual Receipts



Legislation (P.L. 115-56) allows for the continued use of Project Rental Assistance Contract (PRAC) residual receipt collections by the Department to support Section 202 and Section 811 contract renewal and amendment needs. In order to fulfil budgetary requirements for these programs, HUD will continue to collect excess residual receipts without interruption in fiscal year 2018. Owners should continue making remissions according to the protocols. This remission policy will remain in effect until otherwise directed by the Deputy Assistant Secretary for Multifamily Housing.



DEC Frequently Asked Questions



1. What is the role of the Departmental Enforcement Center (DEC)?

The DEC works with several of HUD's program areas, such as Public and Indian Housing, Community Planning & Development, Multifamily Housing and Single Family Housing. At the request of HUD program areas, the DEC ensures that federally funded/insured program funds are operated according to program guidelines/regulations. In addition, the DEC ensures that program funds are implemented in the most efficient and effective manner possible by conducting internal/external reviews, taking suspension and debarment actions, and pursuing civil money penalties or double damages, where there have been program violations.

2. When is enforcement action taken?

The DEC attempts to work cooperatively with non-compliant owners. For those who refuse to follow the Department's statutory and regulatory requirements, the DEC takes appropriate enforcement action. This can take the form of various sanctions, including suspension and debarment from Government business. Civil money penalties also may be imposed. In more serious cases involving multifamily housing, the Department can abate owners' federal subsidy payments and, if necessary, foreclose on properties.

3. Why is enforcement action taken?

When owners of HUD-assisted properties do not live up to their responsibility to provide clean, safe and sanitary housing, the DEC steps in and takes action. Enforcement action may be taken against owners with physically substandard properties, those with financial audit findings, and those owners who fail to submit annual financial statements. The DEC may pursue civil money penalties or double damages where program violations have occurred. In general, the DEC refers to the U.S. Justice Department or local US Attorney's Offices cases of civil violations of laws governing HUD programs. Criminal referrals are made to HUD's Office of the Inspector General.

4. Explain further what enforcement tools may be used.

These tools include suspension and debarment, which are administrative enforcement actions that exclude HUD business partners from further participation in HUD and all other Federal Executive Branch procurement and non-procurement programs. Civil money penalties may be pursued against property owners who violate HUD's statutes and regulations. Judicial actions may be initiated with the assistance of the Department of Justice against project owners who fail to operate their properties in compliance with HUD's requirements. Two general types of remedies exist for judicial actions - those against the owner participant and those against the project itself. Participant-based remedies include litigation for breach of contract, which may involve the Double Damage Statute and statutory actions like the False Claims Act. Project-based remedies may involve the appointment of a receiver, a change in management, an injunctive action, a recommendation to foreclose, and/or abatement of housing assistance payments.

5. Whom do I contact if I have questions about the DEC's enforcement activities?

For referrals to the Departmental Enforcement Center based on physical/financial condition and on an owner's failure to timely submit an audited annual financial statement to HUD, check with the [DEC's Satellite Offices](#) that handle cases based on the project's location. Due to workload distribution, sometimes the matter may be handled by a DEC office other than the offices listed above. Please call the office identified for your area and DEC staff will identify the analyst assigned to the referral for you.





HUD Acronyms



See how many you know. Answers are on the last page.

- | | |
|-----------|-----------|
| 1. ACC | 1. _____ |
| 2. ADA | 2. _____ |
| 3. AFHMP | 3. _____ |
| 4. AFS | 4. _____ |
| 5. AHAP | 5. _____ |
| 6. APPS | 6. _____ |
| 7. BLI | 7. _____ |
| 8. CFR | 8. _____ |
| 9. CPD | 9. _____ |
| 10. DUNS | 10. _____ |
| 11. EC | 11. _____ |
| 12. EGI | 12. _____ |
| 13. EPA | 13. _____ |
| 14. FEMA | 14. _____ |
| 15. FHEO | 15. _____ |
| 16. FOIA | 16. _____ |
| 17. HAP | 17. _____ |
| 18. HQS | 18. _____ |
| 19. REAC | 19. _____ |
| 20. TRACS | 20. _____ |

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.

Answers for the HUD Acronyms Quiz

1. Annual Contributions Contract
2. Americans With Disabilities Act (Section 504)
3. Affirmative Fair Housing Marketing Plan
4. Annual Audited Financial Statements
5. Agreement to Enter into a Housing Assistance Payments Contract
6. Active Partners Performance System
7. Budget Line Item (in LOCCS)
8. Code of Federal Regulations
9. Community Planning and Development
10. Dun and Bradstreet Numbering System
11. Enforcement Center
12. Effective Gross Income
13. Environmental Protection Agency
14. Federal Emergency Management Administration
15. Fair Housing and Equal Opportunity
16. Freedom of Information Act
17. Housing Assistance Payments
18. Housing Quality Standards
19. Real Estate Assessment Center
20. Tenant Rental Assistance Certification System

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 internet site that you joined.

*The following is a list of Multifamily mailing lists by state in Southeast Region IV:

- Birmingham Multifamily Program Center
- Florida MF Production-Insured
- 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
- MS Multifamily Partners
- NC Multifamily Partners
- San Juan Field Office Multifamily Program Center
- SC Multifamily Partners

**Jacksonville Satellite Office
FHA Office of Multifamily Housing
400 West Bay Street, Suite 1015
Jacksonville, FL 32202
904-232-1777
FAX: 904-232-1532**