Kentucky Housing Partner

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Mr. HUD's Christmas Shopping List

Mr. HUD has awakened from his tryptophan induced hibernation which resulted from being very thankful during his annual Thanksgiving feast and football extravaganza. He was, as always, especially thankful for his partners; the owners, agents, managers, maintenance people, the staff at KHC and the folks in the Louisville HUD office; in seeing to the provision of affordable housing in Kentucky.

Now it's time to turn his attention to the coming season of gifting and football bowling. Some day, when Mr. HUD has some extra time between monitoring the activities on various beaches and snow covered mountain tops around the globe he will fix the BCS system so that a true champion can be crowned. Meanwhile, as his staff is out finding the perfect gifts for his regular list he has a special gift wish list for consideration.

For KHC - a contract at last.

For Michael Johnson and the Conference committee - a successful conference in May. The Down on the Farm theme is here at last.

For owners who have restructured - a meaningful and flexible replacement reserve schedule.

For the US Congress – some common sense.

For the Louisville office of HUD – sufficient funds and authority to continue to do the work of affordable housing as it has in the past.

For the pesky editor of this newsletter – a box of dark chocolate.

And last but not least, for David Williams - a happy retirement. Mr. HUD remembers David when he showed up unexpectedly in Louisville, wet behind the ears and fresh out of appraiser school. He didn't stay an appraiser long, moving to Multifamily Loan Management in 1980 and from there he watched many of the New Construction Section 8 projects come on line and mature. He worked with troubled projects, the LIHPRHA-Preservation program and the beginnings of the market rent restructuring program; experienced the first version of the occupancy handbook and the transition from 25 to 30 percent of income; attended, presented at and

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Mr. HUD's Christmas Shopping List

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planned annual conferences and documented most of them with a camera.

He spent several years helping underwrite loans and for the past several years has been the Supervisor for Asset Management. David has an open invitation to join Mr. HUD at any of his beach and mountain resorts or on the yacht anytime.

Mr. HUD and all of Multifamily will miss him very much.

Enjoy your retirement David!!

Notice H 2011-29, Tenant Participation Notice

The purpose of this notice is to address sanctions and the use of civil money penalties as tools to enforce the Department's commitment to tenant participation individually and through legitimate tenant organizations as defined in 24 CFR 245.110. This notice applies to Section 236, Section 221(d)(3) BMIR, Rent Supplement Program, former Section 8 LMSA, and former 202 and 811. See the notice for a full list of programs this notice applies to.

24 CFR.100 provides tenants the right to establish and operate an organization with the purpose of addressing issues related to their living environment. A tenant organization is considered legitimate if it is established under 24 CFR.100 for the aforementioned purpose, meets regularly, operates democratically, is representative of all residents in the building, and is completely separate from owners and management.

The following activities are among those protected activities of the organization: distributing leaflets, initiating contact with tenants, offering assistance to participate in tenant organization activities, and convening meetings on-site independent of management. Tenant's also have the right to formulate responses to the following actions: rent increases, partial payment of claims, conversion of utilities, reductions in utility allowances, converting units to non-residential use, cooperative housing, or condominiums, major capital additions, and loan prepayment.

The notice also states owners and agents must reasonably make common areas available for meetings and may charge a reasonable fee for the space. Please note there is a fee approval process outlined in the notice. Owners and agents may not impede residents associations from attempting to exercise their rights by doing any of the following: unreasonable denial of meeting space, repeatedly sending management to meetings when they have not been invited by the association, evicting or threatening to evict, attempting to influence the organization and attempting to form a competing organization.

Owners, agent, principals, and affiliates who violate any provision of 24 CFR Part 245 may be liable sanctions defined in the notice. These sanctions include debarment, suspension, limited denial of participation, and civil money penalties.

A Note from Social Sarah

Happy holidays to all my friends! I hope everyone is doing well and taking some time to relax during the holiday season. I know that is a challenge though. There's just so much going on during this time of year and if you are anything like me you hate to miss a thing! I am actually writing this column while many of you are out at the stores getting those black Friday special deals. I've already done my fair share of shopping and boy was it crazy! I hope everyone got everything they went for.

I always dread the winter after the holidays. It's cold and gray and not nearly as easy to get outside in the sunshine. During the winter I usually do my "spring cleaning." It just makes more sense to do it then rather than when the weather is warming up as long as the tasks are inside. If you get bored this winter and cleaning isn't enough to keep you busy try a new workout plan, visit local museums (this is especially great if you have children), or get creative and do something crafty. Until next time, stay warm and happy holidays!

Social Sarah

Mark to Market Extended as Part of the FY 2012 Budget

As part of the FY 2012 appropriation bill passed by Congress and signed by the President last week, the Mark to Market program was reinstated and extended through FY 2015. All authority and requirements to refer above-market Section 8, FHA-insured assets into M2M are fully restored. The language is a straight extension of the authority, without an expansion or changes to the program. Referrals can now resume according to standard protocols. If you have any questions, please contact Theodore Toon with the Office of Affordable Housing Preservation in Washington, DC at (202) 708-0001.

Don't Throw Your Money Away!

Did you know that 40% of your energy consumption comes from heating, cooling and ventilating? Did you also know that up to 30% of the energy used to heat and cool your home is lost through leaky ducts? In all multifamily buildings, whether served by a central furnace, individual HVAC units or boiler, insulation and sealing are crucial for achieving desired performance and comfort.

With forced-air heating and cooling systems, the return ducts deliver air back to the heating and cooling system for conditioning. Typically, equipment is designed to condition return air that is at or near room temperature. Leaky return ducts allow cold air in the winter and hot air in the summer to be drawn from the outdoors back into the HVAC system reducing efficiency.

To keep some of the leaky air from escaping, use draw bands and mastic to seal duct joints and around elbows where leaks commonly occur. Don't use duct tape. Duct tape does not adequately seal the joints and has a short lifespan!

Insulate all ducts located in unconditioned spaces (such as attics and crawl spaces) to R-8. Ducts located within conditioned spaces should be insulated as well. R-4.2 is adequate.

HUD Louisville Office Participates in World Habitat Day

During the week of World Habitat Day, nearly a dozen HUD Louisville Field Office team members met early in the morning at the Habitat for Humanity of Louisville Headquarters. There they spent the day framing all of the exterior walls for a local two-story home being built to Energy Star standards for a single mother and her two children. The construction volunteers worked diligently to finish all the walls before the end of the day. This work effort put the house project ahead of schedule and exceeded the expectations of the Habitat for Humanity volunteer coordinators.

This is the second year in a row that employees from the HUD Louisville Field Office took part in World Habitat Day. Participation, as well as interest in the event, doubled this year and the enthusiasm at the worksite was evident. Not only did the effort help the family becoming new homeowners, it also helped to forge new relationships among the HUD employees from various program divisions. This is a great benefit to both HUD and its customers as an example of employees working together as "One HUD."

HUD volunteers pose in front of the walls that they constructed for World Habitat Day. Pictured from left to right include: David Railey (Field Policy and Management Division), Jared Ison (Public Housing Division), Janet Estey (Multifamily Housing Division), Sarah Andino (Multifamily Housing Division), Katherine Calloway (Multifamily Housing Division), Anne Roark (Public Housing Division), Mary Mayrose (Public Housing Division), Donna Dudgeon (Multifamily Housing Division), Milton Suggs (Multifamily Housing Division), Jess Carlson (Multifamily Housing Division).

Kentucky Transitions—Money Follows the Person Program

The Kentucky HUD office is pleased to partner with Kentucky Housing Corporation and the Department for Medicaid Services on the *Kentucky Transitions – Money Follows the Person Program*. The program allows individuals and families to move from an institutional setting into community-based affordable housing with the ability to live independently. An individual is eligible for transition if they are Medicaid eligible and have been receiving services through the Medicaid program in the institutional setting for at least one month prior to transition.

Money Follows the Person also provides financial assistance in the form of security deposits, moving expenses and in some instances unit modification costs. Unit modification assistance may also be provided by local city government entitlement entities.

This program is a win-win opportunity for everyone involved. Not only does it provide a chance for the clients to live successfully throughout the community, but it also helps fill some of those vacancies within the housing authorities and multifamily projects.

So how do I get started you ask?

First, KHC will assist eligible participants in locating safe, decent and affordable housing. The individual must be income eligible based on the income limits set by HUD.

Second, a clear referral process needs to be in place and the appropriate forms should be completed. Contact Nichole Martinez 502-618-8133 or Mary Beatty 502-618-8104 to obtain the forms and a list of acceptable forms of verification.

Third, owners and agents are encouraged to create a preference to help individuals make it to the top of the waiting list. Providers will continue to apply current screening and suitability procedures.

Fourth, families will receive assistance through HHS with day-to-day activities such as bathing, taking medication, etc. for at least 12 months. A follow-up assessment will be completed to determine if continued assistance is necessary.

Fifth, if the applicants are unable to apply at the project-based site, a limited power of attorney can be provided for a person to meet with site staff on their behalf.

Sixth, once KY Transitions (KHC) representatives submit the referral packet the family should be able to begin the housing assignment process.

If you are interested in becoming a provider for these individuals/families and have questions or require additional information, please contact Nichole Martinez at 502-618-8133 or Mary Beatty at 502-618-8104.
If you have specific programmatic questions please contact Debbie White at 502-618-8156 or by email at deborah.f.white@hud.gov.

Need help locating rental housing?

Check out these resources:

KHC Rental Housing Directory
http://www.kyhousing.org/uploadedFiles/Rental_Assistance/AssistedRentalHousingReport.pdf

HUD Subsidized Apartment Search
http://www.hud.gov/apps/section8/index.cfm

Carol Galante—New Acting FHA Commissioner

On Thursday, November 17, 2011, Carol Galante had her nomination hearing for the position of FHA Commissioner and Assistant Secretary for Housing before the Senate Banking, Housing and Urban Affairs Committee. Carol has been a part of the housing policy team since 2009, first serving as Deputy Assistant Secretary for Multifamily Housing and then as Acting FHA Commissioner and Assistant Secretary for Housing.

Ms. Galante's entire professional life has been dedicated to real estate development and finance, community planning, and affordable housing and economic development. She served for 13 years as President and Chief Executive of BRIDGE Housing Corporation, the largest non-profit housing developer in California. She was responsible for leading an organization that blended business practices and entrepreneurial ideas with the mission to create affordable homes and apartments.

At HUD, Ms. Galante has overseen the largest increase in the history of HUD's Multifamily housing portfolio, while at the same time streamlining application processing and revising underwriting standards to better manage risk.

Ms. Galante has stated that her highest priority is the balancing of FHA's historic mission with responsible management of risk. During the economic recovery, the flow of mortgage capital necessary to restore our housing markets is vital. Therefore, FHA's Office of Risk Management and Regulatory Affairs has been formed.

Ms. Galante has received many honors including: *Multifamily Executive* magazine's 2008 Executive of the Year, California Homebuilding Foundation Hall of Fame 2008, *Builder* magazine's Top 50 Most Influential People in Home building 2006, San Francisco Business Times 2003 Deal Maker of the Year, Most Influential Women in the Bay Area, and the 2002 UC Berkeley College of Environmental Design Distinguished Alumna Award. She is a licensed real estate broker and holds a B.A. from Ohio Wesleyan and a Master of City Planning from UC Berkeley.

Marie Head—Deputy Assistant Secretary of Multifamily Programs

On November 8, 2011, Ms. Carol Galante announced that President Barack Obama and the Secretary of the U.S. Department of Housing and Urban Development (HUD), Shaun Donovan, appointed Ms. Marie Head as the new Deputy Assistant Secretary for HUD's multifamily housing programs. As Deputy Assistant Secretary, Ms. Head will be responsible for managing improvements to the multifamily market demand.

Ms. Head had been the president and CEO of Prudential Huntoon Paige since 2000. Prudential became the top FHA lender under her leadership. Ms. Head also spent 20 years at HUD's Atlanta HUB where she rose to the position of Production Chief.

Stay Updated! Check out all the New Housing Notices at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/hsg

! ! ! NEWS FLASH ! ! !

HUD posts Fair Market Rents for Federal fiscal year 2012 on-line at the HUD website.

Notice H 2011-32
Collection Procedures for Delinquent Section 202 Direct Loans

It is the Department's policy that any Section 202 loan that is not brought current or in a workout agreement within 90 days of a default will be recommended for foreclosure. Notice H 2011-32 was issued November 22, 2011 and discusses the procedure.

Hub Directors and Operations Officers will receive Section 202 delinquent mortgage reports on the first business day of each month. The Project Manager responsible for a delinquent loan listed on the report must send a delinquency letter to notify the Owner of the mortgage delinquency within 5 business days of receiving the report. The delinquency letter instructs the Owner to bring the mortgage current within 30 days or to contact the Project Manager to discuss what options are available if he/she cannot do so. The delinquency letter also informs the Owner that it is the Department's policy to begin foreclosure proceedings on any Section 202 loan that is not brought current or in a workout agreement within 90 days of a default.

In some circumstances, HUD may agree to a workable plan to stabilize a delinquent Section 202 property both financially and physically in order to minimize losses to the Department. One way to accomplish this objective is to enter into a workout agreement that provides the Borrower with debt service relief for a limited period of time. Owners who are unable to bring their mortgage current within 30 days should submit a request for relief to their Hub or Program Center Director following the guidance provided in HUD Handbook 4350.1, Multifamily Asset Management and Project Servicing, Chapter 11, Section 11-10, "Owner Request for Relief."

If the Owner does not bring the mortgage current or contact the Project Manager to discuss other options within 30 days of the date the delinquency letter was issued, the Hub Director must issue a declaration of default. The declaration of default must inform the Owner that if default is not cured within 30 days of the date the notice is mailed (or within such further time as HUD determines is necessary to correct the violation), HUD may, without further notice, declare a default under the regulatory agreement on the effective date of such declaration of default. The declaration of default must also inform the Owner of what actions HUD may take as defined in the regulatory agreement, including declaring the whole indebtedness immediately due and payable and proceeding with the foreclosure of the mortgage. If the Owner does not respond to the declaration of default within 30 days by bringing the mortgage current or stating his/her intent to enter into a workout agreement, the Hub Director should commence the foreclosure process. The Department may also pursue other enforcement actions such as limited denial of participation, debarment or suspension from HUD programs if the Owner does not bring the loan current and the Department determines that the default was the result of any deliberate or voluntary action on the part of the Borrower.

In some circumstances the Hub may be able to forestall or cure a default without entering into a workout agreement. In some cases the Hub or Program Center can waive the monthly deposits to the reserve for replacement deposits or by authorizing a release from a debt service reserve account. However, before granting any relief or waivers, the Hub Director must determine the sponsor's ability to advance funds to cure the default and insure that:

1. Except for the mortgage delinquency/default, the Borrower is operating in compliance with the mortgage, loan agreement and regulatory agreement;
2. Project management is satisfactory;
3. Rents are at a sustaining level;
4. The physical condition of the property is satisfactory with the last physical inspection score being 60 or above; and
5. The default is not the result of any deliberate or voluntary action on the part of the Borrower.

If the Project Manager or a property owner has questions that require more detailed information regarding a delinquent loan, the Project Manager should contact the OCFO's Accounting Center and request a detailed payment history.

Dash for VASH

On November 9th, members of the Kentucky Field Office participated in Dash for VASH in the Louisville and surrounding areas. Dash for VASH participants were broken down into two teams, one for the morning canvassing and the other for the afternoon canvassing session. HUD staff representing several divisions (Multifamily, Public Housing, Community Planning and Development and Field Policy Management) in the field office, put on their running shoes and literally dashed into local community centers, soup kitchens, churches and other locations to share information and DASH program pamphlets. The aim of this "exercise" was to increase awareness of the VASH program to increase program utilization. The initiative is a partnership between the Veterans Administration and HUD. VASH is a rental assistance program aimed at homeless veterans and their families and emphasis is placed on making more information available where likely to congregate or be in search of food or other assistance.

In order to accomplish the goal of eradicating chronic homelessness among veterans by 2015, the shared responsibilities have been divided as follows: 1) case management and clinical services are being provided through the Department of Veterans Affairs (VA) and 2) housing assistance is provided through HUD. HUD-VASH vouchers are used to provide assistance to eligible veterans and their families. Most vouchers are often tenant-based, however, on a case-by-case basis, project-based vouchers may be used.

The Veterans Administration Medical Center (VAMC) determines initial eligibility and screening for HUD-VASH. After eligibility is determined and the homeless veteran agrees to participate in case management, the VAMC refers the program participant to the local participating Public Housing Authority (PHA). To learn more about the program or details please contact Todd Dedas, Louisville VAMC, at 502-287-4176, or Randy Moler, Lexington VAMC, at 859-948-3473.

Pictured from left to right: Pat Gidron (veteran, Multifamily), Sonja Redmon (veteran, PIH), Jason Hare (veteran, Multifamily), Steve Thomas (CPD), Georgia Turner (PIH), David Railey (veteran, FPM), Anne Roark (PIH), and Milton Suggs (veteran, Multifamily).

A BIG CONGRATS TO KENTUCKY'S FY2010/2011 Section 202/811 Grant Selections!!!

SECTION 202

Wesley Murray Meadows
Project Location: Murray, KY
Sponsor: Wesley Corporation of Memphis
Capital Advance: $2,314,600
Three-year rental subsidy: $214,500
Number of units: 20

Most Blessed Sacrament Sr. Apts.
Project Location: Louisville, KY
Sponsor: Catholic Charities of Louisville
Capital Advance: $3,632,500
Three-year rental subsidy: $321,600
Number of units: 30

SECTION 811

Cedar Lake Washburn
Project Location: Louisville, KY
Sponsor: Cedar Lake Lodge Inc.
Capital Advance: $1,065,400
Three-year rental subsidy: $85,800
Number of units: 9

Bluegrass Steeplechase Estates
Project Location: Winchester, KY
Sponsor: Bluegrass Regional MH/MR Board
Capital Advance: $1,296,800
Three-year rental subsidy: $107,400
Number of units: 11

New Grantees:
Be sure to start reading Notice H 2011-18: Updated Processing Guidance for Section 202/811

http://portal.hud.gov/hudportal/documents/huddoc?id=11-18hsgn.pdf

2012 General Section for NOFAs Issued!

This notice provides prospective applicants for HUD's competitive funding with the opportunity to become familiar with the General Section of HUD's FY2012 NOFAs, in advance of publication of any FY2012 NOFAs. It also describes HUD's policy priorities based on its Strategic Plan for FY2010-2015, as well as submission requirements for FY2012.

Read the full notice : http://portal.hud.gov/hudportal/documents/huddoc?id=2012gensecNOFA.pdf

On October 20th, HUD aired the 2012 General Section webcast. It has been archived and is available for viewing at: http://portal.hud.gov/hudportal/HUD?src=/press/multimedia/videos

IMPORTANT! One important element covered in the general section is How to Register for Electronic Application Submission. Applicants must submit their applications electronically through Grants.gov. Before you can do so, you must complete several important steps to register as a submitter. The registration process can take approximately 2 to 4 weeks to complete. Therefore, registration should be done in sufficient time before you submit your application. To register, applicants must complete five sequential steps! See the Notice for more details!

Operating Cost Adjustment Factor (OCAF) has been posted for Kentucky

On October 26, 2011, Federal Register Docket Number FR-5569-N-01 established operating cost adjustment factors (OCAFs) for project based assistance contracts for eligible multifamily housing projects having an anniversary date on or after February 11, 2012. OCAFs are annual factors used to adjust Section 8 rents renewed under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA).

Section 514(e)(2) of MAHRA requires HUD to establish guidelines for rent adjustments based on an OCAF. The statute requiring HUD to establish OCAFs for LIHPRHA projects and projects with contract renewals or adjustments under section 524(b)(1)(A) of MAHRA is similar in wording and intent. HUD has therefore developed a single factor to be applied uniformly to all projects utilizing OCAFs as the method by which renewal rents are established or adjusted.

LIHPRHA projects are low-income housing projects insured by the Federal Housing Administration (FHA). LIHPRHA projects are primarily low income housing projects insured under section 221(d)(3) below-market interest rate (BMIR) and section 236 of the National Housing Act, respectively. Both categories of projects have low income use restrictions that have been extended beyond the 20-year period specified in the original documents, and both categories of projects also receive assistance under section 8.

The OCAFs provided in the Federal Register notice and applicable to eligible projects having a project based assistance contract anniversary date of on or after February 11, 2012, are calculated as the sum of weighted average cost changes for wages, employee benefits, property taxes, insurance, supplies and equipment, fuel oil, electricity, natural gas, and water/sewer/trash using publicly available indices. The weights used in the OCAF calculations for each of the nine cost component groupings are set using current percentages attributable to each of the nine expense categories. These weights are calculated in the same manner as in HUD's November 8, 2010 notice. Average expense proportions were calculated using three years of audited Annual Financial Statements from projects covered by OCAFs. The expenditure percentages for these nine categories have been found to be very stable over time, but using three years of data increases their stability. The nine cost component weights were calculated at the state level, which is the lowest level of geographical aggregation with enough projects to permit statistical analysis.

KENTUCKY'S OCAF EFFECTIVE FEBRUARY 11, 2012 IS 1.8%.

The Federal Register Notice can be found at: http://www.gpo.gov/fdsys/pkg/FR-2011-10-26/pdf/2011-27816.pdf.

2012 Income Limits Released on December 1, 2011

Effective December 1, 2011, HUD multi-family property managers must use the new income limits posted on the HUDUser web site at http://www.huduser.org/portal/datasets/il/il12/index.html. The new income limits must be used for all new move-in transactions starting with move-ins effective December 1, 2011. A "Frequently Asked Questions" page has been set up at http://www.huduser.org/portal/datasets/il/il12/FAQs_12.pdf.

Due to the Housing and Economic Recovery Act of 2008 (Public Law 110-289) these income limits may not be applicable to projects financed with Section 42 Low Income Housing Tax Credits (LIHTC) or Section 142 tax exempt private equity bonds. These projects should use the Multifamily Tax Subsidy Project Income Limits available at http://www.huduser.org/portal/datasets/mtsp.html. The 2012 income limits for these properties were also posted today. The MTSP (tax credit) income limits must be implemented within 45 days. The MTSP income Limits are used to determine qualification levels as well as set maximum rental rates for projects funded with tax credits authorized under Section 42 of the Internal Revenue Code (the Code) and projects financed with tax exempt housing bonds issued to provide qualified residential rental development under Section 142 of the Code.

Note: The limits identified in the MTSP Income Limits tables and MTSP Documentation system as "HERA Special" Income Limits are only for use by projects in service in 2007 or 2008.

Service Coordinator Notes

Service Coordinators play an important role in coordinating the provision of supportive services to low income elderly to promote independent living, prevent premature and inappropriate institutionalization, and thereby improving the quality of life for the residents they serve. A 2008 HUD study found that service coordination in Section 202 housing allows tenants to remain in their homes roughly 10% longer (6 months) than residents of similar developments without service coordination. The study also found that keeping a resident at home in supportive 202 housing costs less than half to 2/3 of the cost of housing that same person in a nursing home.

In September 2011, HUD announced the award of the FY 2010 Service Coordinator in Multifamily Housing grant funds. However, HUD HQ is in the process of revising its funding procedures which is holding up the distribution of these grant funds. It is anticipated that the funding procedures will be finalized in the next few weeks. Hopefully, grant awardees will be able to start their service coordinator programs in early 2012.

There is going to be a FY 2012 Notice of Funding Availability (NOFA) for service coordinator grant funds. If interested in applying for a service coordinator grant, go to www.grants.gov to sign up for the notification service to be notified when the NOFA is announced.

Remember, the 3.6 percent cost-of-living adjustment (COLA) will begin with Social Security payments in January 2012. Increased payments for SSI beneficiaries will be gin on December 30, 2011. The standard Medicare Part B monthly premium will be $99.90 in 2012.

Lastly, for most of us, the holidays are a time to gather with friends and family, celebrate, reflect on the past and plan for the future. However, for some, especially older individuals, the holidays can be a difficult time. During the holidays, older adults may feel more acutely the passing of time, the absence of parents, siblings and friends who have died, and the distance of loved ones who have moved away. Traditional reunions and rituals that were observed in the past may not be possible and in their absence, the holidays may seem devoid of meaning. The American Geriatrics Society offers seniors some tips on how to avoid feeling blue during the holidays:

- Get out and about.
- Volunteer.
- Accept and express feelings.
- Recognize the signs of depression, which include: sadness that won't lift; loss of interest or pleasure; changes in appetite and weight; sleeping much more than normal; crying often; feeling restless or tired all the time; feeling worthless, helpless or guilty; slowed thinking; thoughts of death or suicide.

If you notice that an older person seems depressed, encourage them to talk about how he or she is feeling and acknowledge their difficult feelings. You should also encourage them to talk to a health-care provider. Many people don't realize when they're depressed. Depression is a medical illness that can be treated and managed.

Have a happy and safe holiday season!

Wilart Arms Ribbon Cutting Ceremony

A celebratory fresh beginnings ceremony for Wilart Arms Apartments was held in Louisville on December 15, 2011. Wilart Arms, formally known as Hallmark Plaza, was built in 1976. It became severely deteriorated and was a scar on the neighborhood. Gangs ruled the upper floor of the property. With the help of funding from the City of Louisville, KHC, Citizens Union Bank and the Federal government (using stimulus funds), the totally blighted property was transformed by The Housing Partnership into a beautiful, safe and secure apartment complex. Forty of the 66 residents receive Section 8 Housing assistance.

During the ceremony, Jesse Shobe was recognized as a valuable resident and employee. Mr. Shobe moved into the property in 2000 and was then hired to help clean the property. Eventually, Mr. Shobe began to work with maintenance, always trying to keep the property in a livable condition for all residents. The Wilart Arms courtyard was dedicated to Mr. Shobe as recognition of his efforts to maintain the property.

Update on Section 202 and Section 811 Funding for Fiscal Year 2012

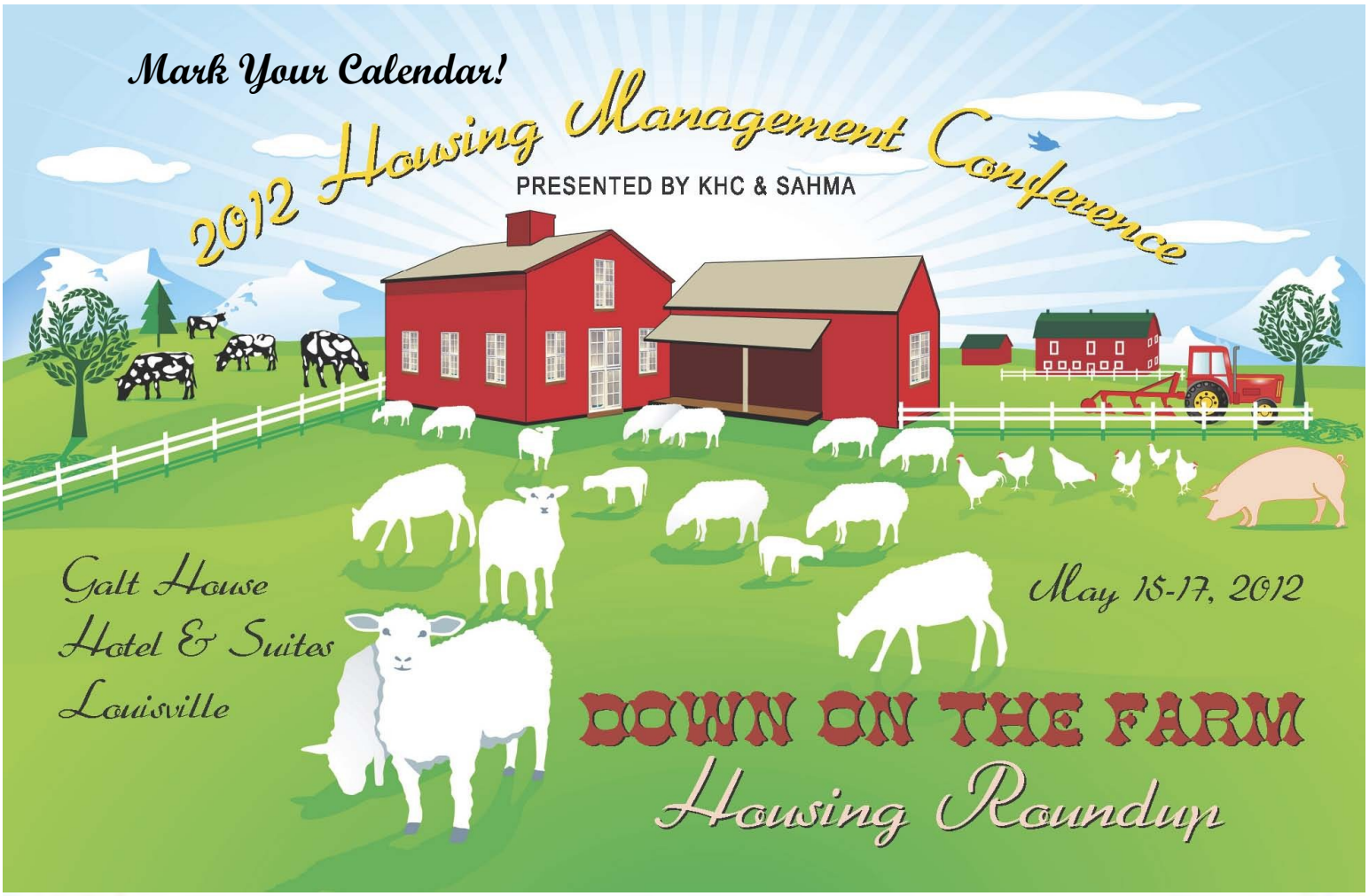
Congress passed a full year spending bill for HUD for Fiscal Year (FY) 2012 requiring significant spending cuts across the Department's budget. Section 202 and Section 811 appropriations unfortunately do not provide for any new Capital Advance funds to support NOFAs for new construction activities. However, there will still be funds available to renew all PRAC contracts and for implementation of new authorities. The following details how FY 2012 funds will be used:

- Existing PRAC Renewal Obligations: Funding will be available to support all PRAC renewal costs for existing Section 202 and Section 811 properties.
- Assisted Living Conversion Program: HUD will be issuing a NOFA for approximately $25 million in FY 2012. Under the Section 202 Supportive Housing for the Elderly Act of 2010, funds provided under this program can now be used also for conversion of properties to "Service-Enriched Housing" in addition to licensed residential care facilities. Service-Enriched Housing does not require facility licensure.
- Section 811 Project Rental Assistance Demonstration: Under a new authority created by the Frank Melville Supportive Housing for the Elderly Act of 2010, HUD will be issuing a NOFA for approximately $75 million in FY 2012. Eligible applicants will only be state housing or other appropriate governmental agencies. Funds can be used to layer operating assistance into buildings for supportive housing set-asides for persons with disabilities. More information on this new authority can be found on the Section 811 webpage on hud.gov.
- Section 202 Senior Preservation Rental Assistance Contracts: Under a new authority created by the Section 202 Supportive Housing for the Elderly Act of 2010, new Section 8 HAP contracts will be made available starting in FY 2012 for Section 202 Direct Loan properties with units not currently covered by a rental assistance contract.
- Service Coordinator Program: A NOFA will be issued for approximately $11 million for new Service Coordinator funding.
- Capital Advance New Construction: No funds will be available for this purpose in FY 2012 for either Section 202 or Section 811.
- Emergency Capital Repair Program: No funds will be available for this purpose in FY 2012.
- Predevelopment Grants: No funds will be available for this purpose in FY 2012.
- Capital Advance and PRAC Amendments: Extremely limited funds will be available for this purpose for the balance of FY 2012. The priority for amendment money will be those projects that require PRAC-only amendments. While funds remain available, capital advance amendment funds can also be requested to support those projects that have already gone through initial closing and require additional funding to get to final closing.

Changes to APPS with the December 3, 2011 Release (v9.4)

With the new release of APPS on December 3rd, the following changes were made to enhance the system functionalities.

- HUD users will no longer incorrectly receive the error message "Your applicant ID is invalid or missing from 2530 submission. You will need to re-enter an applicant TIN" when using the edit participant detail option on the 2530 Submission page.
- HUD users will be able to search by TIN/SSN on the Flag Status Report page. Previous options were to search by Organization name or individual's last name and first initial.
- The name of the HUD user who modified the status of a flag will appear to the right of the Status column on the Flag List page.
- SPM's will receive an email notification when a PM assigns a submission to their name from the Change Submission Review Status page.
- The email address field is a required field on the 2530 Edit Contact Information page.
- Industry users will not be able to submit a Modified TPA/Org Change submission if they have not made any changes to their organization/participant profile.
- For Organization Change Submissions, only the names of the Applicant and the new participants added to the organization structure will appear in the signature section of the 2530 submission package.



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