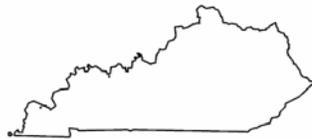


# Kentucky Housing Partner



September 2007

Louisville Multifamily Program Center

Volume 17, No. 3

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## HEAT GETS MONEY FLOWING AND BRINGS ABOUT CHANGE 2 !!

August finds Mr. HUD enjoying a string of triple digit temperature days. As everyone knows, he is genetically geared to endure all extremes of temperature and he particularly enjoys the heat. It's a good thing because there has been a lot of heat to absorb lately over the delayed payment of monthly Housing Assistance Payments. It seems there was a problem concerning how much money could be allocated to contracts as they were being renewed. Fortunately it appears that after an intervention by Mr. HUD ("No sweat," he said. "As that wise sage, Charlie Shive has often said, 'If you can't stand the heat, get out of the oven.')" the money will begin to flow again soon.

Mr. HUD notes that the long awaited and eagerly anticipated Change 2 to the occupancy handbook has finally arrived. Those who have not already done so can download the new book from HUDCLIPS.

See elsewhere in this newsletter for information about an introductory training opportunity in October.



Because of the overwhelming demand, Mr. HUD will make a brief appearance to sign autographs and rub shoulders with his adoring fans.

Mr. HUD is sad to announce that we must once again say good bye to a member of the HUD family. Mr. HUD's good friend Gene Snider passed away this summer. Gene had a hand in the financing and construction of many of the HUD associated properties in Kentucky for many years. Even though he retired a few years ago Mr. HUD will miss his friendly smile and good counsel.

## 2007 Housing Management Conference Wrap-Up



The 2007 Southeastern Affordable Housing Management Association (SAHMA) and Kentucky Housing Corporation Housing Management Conference, held at the Galt House East in Louisville, May 15-17, "was best to date," according to one conference attendee.

Wild Wild West. . .Blazing Trails for Housing featured two days of sessions presented by nationally known speakers from within the housing industry. This year's conference brought a total of 760 industry personnel from Kentucky, Ohio, Indiana, Illinois and Tennessee.

(continued on page 7)

# MULTIFAMILY HOUSING RENTAL HOUSING INTEGRITY IMPROVEMENT PROJECT (RHIIP)

## JOIN THE RHIIP LISTSERV!!

The Multifamily Housing RHIIP Listserv was established to provide the latest RHIIP related news, occupancy tips and other items of information for the stakeholders of the various HUD subsidized multifamily programs. If you are interested in subscribing to the Listserv, please visit: [www.hud.gov/subscribe/maillinglist/cfm](http://www.hud.gov/subscribe/maillinglist/cfm). The weekly postings will be archived on the Multifamily RHIIP webpage after every five postings.

The RHIIP website is: <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>.

## HUD HANDBOOK 4350.3 REV-1 CHANGE 2 UPDATES

THERE IS AN ERROR IN THE DATE IN PARAGRAPH 3-13.A.2.F OF THE HANDBOOK PERTAINING TO DISABLED STUDENTS RECEIVING SECTION ASSISTANCE. THIS SUBPARAGRAPH SHOULD READ:

*f. IS NOT A PERSON WITH DISABILITIES, AS SUCH TERM IS DEFINED IN 3(B)(3)(E) OF THE UNITED STATES HOUSING ACT OF 1937 (42 U.S.C.1437A(B)(3)(E)) AND WAS NOT RECEIVING SECTION 8 ASSISTANCE AS OF NOVEMBER 30, 2005. (SEE DEFINITION E IN FIGURE 3-6);*

**A PAGE CHANGE WILL BE ISSUED TO CORRECT THIS ERROR.**

A SENTENCE WAS INADVERTENTLY LEFT OUT OF PARAGRAPH 19, SIZE OF DWELLING, WHEN THE REVISIONS WERE MADE TO THIS PARAGRAPH. THE PARAGRAPH SHOULD READ AS FOLLOWS:

### *19.SIZE OF DWELLING*

*THE TENANT UNDERSTANDS THAT HUD REQUIRES THE LANDLORD TO ASSIGN UNITS \*\*IN ACCORDANCE WITH THE LANDLORD'S WRITTEN OCCUPANCY STANDARDS. THESE STANDARDS INCLUDE CONSIDERATION OF UNIT SIZE, RELATIONSHIP OF FAMILY MEMBERS, AGE AND SEX OF FAMILY MEMBERS AND FAMILY PREFERENCE.\*\* IF THE TENANT IS OR BECOMES ELIGIBLE FOR A DIFFERENT SIZE UNIT, AND THE REQUIRED SIZE UNIT BECOMES AVAILABLE, THE TENANT AGREES TO:*

- A. MOVE WITHIN 30 DAYS AFTER THE LANDLORD NOTIFIES HIM/HER THAT THE UNIT OF THE REQUIRED SIZE IS AVAILABLE WITHIN THE PROJECT; OR*
- B. REMAIN IN THE SAME UNIT AND PAY THE HUD-APPROVED MARKET RENT.*

**A CORRECTED VERSION OF THE LEASE WILL BE POSTED WITH THE HANDBOOK ON HUDCLIPS.**

QUESTIONS REGARDING IMPLEMENTATION OF THE LEASE REVISIONS AND WHETHER THE INDEX WILL BE UPDATED AND RE-POSTED.

### LEASE:

- \*OWNERS MUST USE THE REVISED LEASE(S) ISSUED IN CHANGE 2 FOR ALL NEW ADMISSIONS.*
- \*LEASES FOR CURRENT TENANTS MUST BE EXECUTED BY NO LATER THAN THE TIME OF THE NEXT SCHEDULED ANNUAL RECERTIFICATION AND NO SOONER THAN THE 60-DAY NOTICE REQUIREMENT DISCUSSED IN PARAGRAPH 6-12 OF THE HANDBOOK.*
- \*SINCE THE REVISIONS TO THE LEASE ARE ISSUED BY HUD HEADQUARTERS, NO FURTHER APPROVAL FROM THE LOCAL HUD OFFICE OR THE CONTRACT ADMINISTRATOR IS NECESSARY.*

### INDEX:

*THE INDEX IS CURRENTLY BEING REVISED AND WILL BE POSTED WITH THE HANDBOOK ON HUDCLIPS WHEN THE REVISIONS ARE COMPLETE. WE WILL POST A LISTSERV NOTICE WHEN THE INDEX IS AVAILABLE.*

**GET YOUR  
RHIIP  
UPDATES  
HERE!!**

## **RHIIP OCCUPANCY TIP:**

- For gross rent changes, the owner must place in the tenant file, a copy of the HUD-50059 reflecting any change in the tenant rent, utility reimbursement, total tenant payment or assistance payment.
- See Paragraph 7-17 in HUD Handbook 4350.3 REV-1, for information on Gross Rent Changes.

## Eastern Kentucky Welcomes Two New Senior Living Communities

HUD recently joined the Mountain Housing Corporation to celebrate the grand opening of Blackberry-McCarr Senior Housing and Skeeze Ward Manor. Both affordable housing communities consist of one site with a total of 24 one-bedroom units for very low-income elderly individuals.



(Above) The Skeeze Ward Manor located in Inez, Kentucky features 24 one-bedroom units for very, low-income seniors and one two-bedroom unit for a resident manager.

Blackberry-McCarr Senior Housing and Skeeze Ward Manor were developed under HUD's Section 202 Supportive Housing for the Elderly Program with interest-free capital advances totaling nearly \$4.2 million dollars. The capital advances remain interest-free and do not need to be repaid as long as the housing remains available to very low-income elderly people for at least 40 years.



(Above) Ribbon cutting ceremony in Inez, Kentucky. From left: Denise Thomas (Big Sandy ADD); Patty White (Governor's Fletcher's Office); Bob Byrge (Snapp & Associates); Gene Myers (Laurel Run Management Group); Glen Fletcher (Martin County Magistrate); Greta Ward (Martin County Magistrate); Kelly Callahan (Martin County Judge Executive); Terry Fraley (Mayor of Inez); Craig Preece (Beech Fork Processing); Hubert Collins (State Representative); Charles Shive (HUD); Jim Booth (Beech Fork Processing); Darlynn Barber (U.S. Senator Jim Bunning's Office); David Michael (Inez Deposit Bank); Judy Rose (Federal Home Loan Bank of Cincinnati); and Pat Wooten (U.S. Congressman Hal Roger's Office);

In addition to the capital advance, HUD provided Skeeze Ward Manor with a Section 202 Demonstration Pre-development Grant in the amount of \$121,120 to cover any upfront expenses related to the development of the project prior to initial closing. Without this grant funding, such costs would not be reimbursable until closing or would have to come from other funding sources. Residents will not be required to pay more than 30 percent of their income toward their housing expense. These low rents are made possible by HUD's agreement to provide Project Rental Assistance of up to \$140,300 annually to supplement the rental income received from the residents.



(Above) Ribbon cutting ceremony for Blackberry-McCarr Senior Housing. From left: Tony Carrico (Board Member); Bob Byrge (Snapp and Associates); Diane Thacker (Board Member); Eric Ratliff (Big Sandy ADD); Gene Myers (Laurel Run Management Group); Jannas Hatfield (Board Member); Ray S. Jones (State Senator); Hilman Dotson (Pike County Magistrate); Wayne T. Rutherford (Pike County Judge Executive); Sandy Runyon (Big Sandy ADD); and Katherine Calloway (HUD).

We congratulate Mountain Housing Corporation and their development team for their efforts in bringing these developments to reality.



Groundbreaking for Bay Pointe Apartments.

From Left: David Michael (Inez Deposit Bank); Walter Blevins (KY State Senator); Teddy Preston (Mayor of Louisa); Bob Byrge (Snapp & Associates); Charles Shive (HUD); Sherry McDavid (Executive Director of FIVCO ADD); Gene Myers (Laurel Run Management Group); and Judy Rose (Federal Home Loan Bank of Cincinnati).

## ..... And Breaks Ground on a Third!

HUD also recently joined the Mountain Housing Corporation to celebrate the groundbreaking of Bay Pointe Apartments in Louisa, Kentucky. This community is also being developed under HUD's Section 202 Supportive Housing for the Elderly Program with an interest-free capital advance in the amount of nearly \$2.5 million dollars. The building will feature 22 one-bedroom units for very, low-income seniors and a two-bedroom manager's unit. Construction is scheduled to be complete in the fall of 2008.

# 2007 CONFERENCE AWARDS

## KHC/HUD/SAHMA AWARDS

### KHC/HUD AWARDS

- \* RESIDENT OF THE YEAR—LLOYD JONES, COX MANOR APTS
- \* BEST CURB APPEAL—COLLEGE HEIGHTS APTS
- \* 110 PERCENT AWARD—BEVERLY MERRILL, GARDENS AT GREENUP
- \* BEST NEWSLETTER—THE INSIDE STORY, CHRISTIAN CARE COMMUNITIES
- \* MOST IMPROVED PROPERTY—CASTLE VILLAGE
- \* MANAGER OF THE YEAR (ELDERLY)—DEBBIE BUCKLEY, BRUCE II
- \* MANAGER OF THE YEAR (FAMILY)—TEAM, CAMBRIDGE APTS IN COVINGTON
- \* MANAGER OF THE YEAR (SPECIAL NEEDS HOUSING)—LISA MUENCH, INDEPENDENT LIVING I, II, III
- \* OUTSTANDING MANAGEMENT COMPANY—HAYES-GIBSON INTERNATIONAL
- \* OUTSTANDING PROPERTY SUPERVISOR—BETH STOLTS, ALCO MANAGEMENT
- \* OUTSTANDING ELDERLY PROPERTY—FARMDALE ADULT TOWERS
- \* OUTSTANDING FAMILY PROPERTY—WALNUT HILL/CENTRAL STATE MANAGERS
- \* OUTSTANDING MAINTENANCE PERSON (ELDERLY)—ROBERT FARRINGTON, MCKEE MANOR
- \* OUTSTANDING MAINTENANCE PERSON (FAMILY)—STEVE MARTINI, MT. VERNON I & II
- \* OUTSTANDING TRACS/VOUCHER PROCESSING—KATHY HOWARD, HILLCREST
- \* HUMANITARIAN AWARD—PHYLLIS ROUSE, MANAGER OF JACKSON HOUSE APTS



### HUD AWARDS

- \* BEST NEW PROJECT—DAY SPRINGS WOODS, LOUISVILLE
- \* BEST PRAC 202—MARION MANOR, LOUISVILLE
- \* BEST PRAC 811—RALL PLACE, LOUISVILLE
- \* BEST RISK SHARING—MASON'S POINT APTS, PHILLIPS DEVELOPMENT CORPORATION
- \* BEST NEIGHBORHOOD NETWORKS CENTER OF THE YEAR—SHAWNEE APTS, NEW DIRECTIONS HOUSING CORPORATION
- \* BEST SERVICE COORDINATOR OF THE YEAR—NANCY HILTIBRAND, PANORAMA EAST
- \* 100% REAC SCORES—BAPTIST HOUSING, HALLMARK GROUP HOME, JACKSON VALLEY APTS., NEW DAY GROUP HOME, RALL PLACE, SEPTEMBER PLACE ANNEX, SPRING VIEW APTS., STEWARD MANOR, WINDSOR PLACE APTS.
- \* MULTIFAMILY HOUSING PRODUCTION AWARD—R.A. WILLIAMS COMPANY INC., LEXINGTON
- \* KENTUCKY AFFORDABLE HOUSING HALL OF FAME—GARRY D. WATKINS



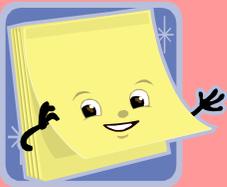
### SAHMA AWARDS

- \* GRAND PRIZE POSTER ART WINNER—DEBRA ELLIS
- \* POSTER ART WINNER—BOBBY MILLER
- \* POSTER ART WINNER—KELLY BUNCH
- \* POSTER ART WINNER—HAILEE WILSON
- \* POSTER ART WINNER—CHRISTOPHER LAWLESS
- \* COMMUNITIES OF QUALITY PRIZE—BECKY BLACK



FOR MORE 2007 CONFERENCE INFO, SUCH AS PICTURES AND MORE, PLEASE VISIT KENTUCKY HOUSING CORPORATION'S WEBSITE AT:

[HTTP://WWW.KYHOUSING.ORG/PAGE.ASP?SEC=76&ID=748](http://www.kyhousing.org/page.asp?sec=76&id=748)



## Service Coordinator Notes

The purpose of the Service Coordinators in Multifamily Housing Program (SC) is to assist the elderly and individuals with disabilities to obtain specific community-based supportive services they need to continue living independently. HUD provides three-year grants to owners of eligible housing projects to employ and support a SC program. The grants provide funding for eligible costs, including salary and fringe benefits for the employment of a SC, quality assurance, training and travel, supplies and materials, and other administrative costs. Each year the SC grant funding is announced through a Notice of Funding Availability (NOFA). The awarding of the grants is conducted through a lottery process. The 2007 Service Coordinators in Multifamily Housing Grant NOFA closed in June. The lottery process awarding the funds will take place soon.

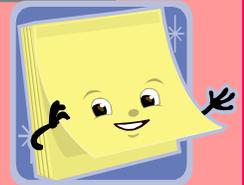
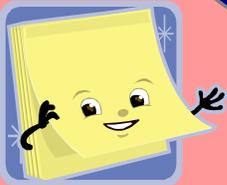
Planning for the 2008 Housing Management Conference is underway. Due to the success of the 2007 Service Coordinator Training Track, it was decided to continue having a two-day session for Service Coordinators. The 2008 conference will be held April 29 to May 1, 2008. Start making plans now to attend!

The Kentucky Association of Service Coordinators (KASC) is growing and still going strong in its efforts to promote service coordination in Kentucky. KASC met in May at the Housing Management Conference and elected Board of Directors and met again in August at the Puritan Apartments. KASC membership is open to anyone interested in Service Coordination. KASC meets quarterly and includes one hour of training during the meeting program. If you are interested in joining KASC or would like more information, please contact Dawn Davis of New Directions Housing Corporation at (502) 589-7120.

Several service coordinators from Kentucky will be convening in Salt Lake City, Utah, for the 2007 National Service Coordinator Conference the first week of October. The conference will provide more than 80 workshops and up to 18.75 CEUs of training that meet the HUD training requirements for service coordinators.

**IMPORTANT REMINDER:** The semi-annual reports are due by October 30, 2007, covering the period of April 1, 2007 to September 30, 2007. All service coordinators need to submit the form HUD-92456, Semi Annual Performance Report. Grant recipients also need to submit the Financial Status Report (SF-269A form) to account for grant funds spent and received this reporting period. The forms may be downloaded from [www.hudclips.org](http://www.hudclips.org).

If you have any questions about the Service Coordinator programs, please contact Donna Dudgeon, Project Manager, at 502-582-6163 x 386.



Did you know the HUD model lease is available in Spanish?

You can make your property a more inclusive and caring community by downloading the HUD model lease in Spanish from the HUD website!

[http://www.hud.gov/offices/hsg/mfh/gendocs/modelleases\\_sv.pdf](http://www.hud.gov/offices/hsg/mfh/gendocs/modelleases_sv.pdf)

Need help locating rental housing?

Check out these resources:

KHC Rental Housing Directory

<http://www.kyhousing.org/uploadedFiles/Rental/AssistedRentalHousingReport.pdf>

HUD Subsidized Apt. Search

<http://www.hud.gov/apps/section8/index.cfm>

**PROPERTY MANAGER FOR  
YORKTOWN SENIOR HOUSING PLEADS  
GUILTY ~**

***Embezzled over \$63,000***

LOUISVILLE, Ky. - Brian Smallwood, of Louisville, Kentucky, pled guilty to embezzling money from Yorktown Senior Housing I & II in Louisville, U.S. Attorney David L. Huber of the Western District of Kentucky announced today. Smallwood admitted that between April 1, 2005, and March 31, 2006, he embezzled over \$5,000 from Yorktown Senior Housing I & II. Smallwood was the management agent/property manager for Yorktown Senior Housing I & II in Louisville. The housing was subsidized by the Department for Housing and Urban Development. According to an audit, Smallwood embezzled or converted to his own use \$63,314 from the housing organization. The maximum potential penalties are 10 years imprisonment, a \$250,000 fine, and supervised release for a period of 3 years. The case is being prosecuted by Assistant United States Attorney James H. Barr and it was investigated by the Department of Housing and Urban Development, Office of Inspector General. The plea was entered before Chief Judge John G. Heyburn II, United States District Court, Louisville. Smallwood is scheduled to be sentenced before Judge Heyburn on October 25, 2007, at 11:30 a.m., in Louisville.

This article can be found at: [www.usdoj.gov/usao/kyw](http://www.usdoj.gov/usao/kyw)



**Handy Dandy  
Data Candy**

As HUD continues to develop e-government practices, broadcast notices from our office to property managers, agents, and owners are now sent ***exclusively via email***. In doing this, HUD relies on the quality of data in the REMS system. This data comes from many sources, but the most important source for contact information is YOU. Please keep your HUD project manager up to date on any and all changes in contact information, especially current email addresses. Since HUD will delete any email addresses that produce three (3) delivery failures, it is advisable that all property managers, agents, and owners keep a complete list of correct email addresses for your staff. **As updates are made to this list, please notify HUD via email of those changes immediately.**

Additionally, after sending out email messages to HUD partners, we have received automated email messages from several addressees, asking that we click a link for "verification". While we understand this is a security precaution on their part, because of HUD's stringent computer security policies, we cannot click unknown links of this nature sent in email messages. We recommend that HUD partners adjust their email settings to accept all mail from any address ending in "@hud.gov". No one other than a HUD employee or contractor will have an address with this extension.



**America's Affordable Communities Initiative**

**Workforce Housing: A Call to Action**



**At the first workforce housing conference presented by HUD, Deputy Secretary Roy A. Bernardi issued HUD's National Call to Action for Affordable Housing Through Regulatory Reform. This National Call to Action is an appeal designed to reduce or eliminate unnecessary regulations that price housing beyond the reach of millions of Americans.**

"Red tape is literally choking the life out of housing that's affordable to working families," said Bernardi. "Today, HUD is calling on local communities to join us as we identify and remove these man-made barriers that prevent teachers, police officers, firefighters and others from living in communities of their choice."

More than 100 state and local officials met at the HUD Workforce Housing Conference in Louisville, Kentucky, to learn more about how to reduce regulatory barriers in order to make housing more affordable in their communities.

At the time of the conference, more than 150 communities and organizations had already joined HUD's "Call to Action." Special recognition was given to Mayor Elaine Walker of Bowling Green, Kentucky, for being the first community to officially answer HUD's "Call to Action."

In May of this year, the City of Bowling Green received the Robert L. Woodson, Jr. Award for reducing burdensome regulations that unnecessarily inflate the cost of housing. With the award, HUD recognized Bowling Green as a national model for reducing unnecessary, outdated, and duplicative regulations that put the cost of housing out of reach of America's workforce.

Ways in which Mayor Walker and the city of Bowling Green are implementing innovative strategies to reduce regulatory barriers that result in more affordable housing includes:

Continued on page 11



## Haven't received one of our newsletters?

You can now view any of the Kentucky Housing Partner newsletters on-line at:

<http://www.hud.gov/local/ky/news/hsgpartners.cfm>

### New instructions and POC information for obtaining access to the Systematic Alien Verification for Entitlement (SAVE).

The Department's rental assistance is restricted to United States citizens and eligible non-citizens. Owner's and agents are responsible for ensuring the documents provided by non-citizen applicants are valid.

The SAVE Branch of the Department of Homeland Security (DHS) provides access to an automated verification system consisting of immigration status and employment eligibility. Owners must obtain an access code and user ID from DHS, requests should be submitted to [Voneka.S.Bennett@hud.gov](mailto:Voneka.S.Bennett@hud.gov) via email or telephone at (202) 402-2055.

The owner's request must include the following:

- ✦ Name of apartment complex
- ✦ Section 8 Contract number for the property
- ✦ Physical address for the property (no PO Box's)
- ✦ Phone and Fax number for the property
- ✦ Name and email address of the contact person

The request will be forwarded to DHS for processing (approximately 3 business days); the owner will be notified by email that he/she has been granted access.

## 2007 Housing Management Conference Wrap-Up... continued

The conference kicked off on Tuesday with an opening presentation by Toni Blake, industry expert. Toni engaged attendees with her humor of the every day occurrences for property owners, agents, and on-site personnel. She reminded us of how often we call upon maintenance for those not-so-pleasant requests and that better communication is paramount within this industry. Tuesday sessions also included renowned body language expert, Jan Hargrave, who showed us the signs of untruthfulness. Safety/security information was presented by the Louisville Metro Police Department, basic lock mechanism was one option for maintenance personnel, service coordinators had an educational line-up for the day, and Carson Hayes conducted an excellent presentation on occupancy. Other sessions featured on Tuesday were, Kentucky Housing updates, Fair Housing, Lead-Based Paint/After the Inspection, Legal and REAC.

Wednesday sessions included all day tracks for Family, Elderly, Maintenance, Tax Credit, and Special Needs housing communities. Owner/Agents and Service Coordinators also had a full day of educational sessions.

Thursday's closing session featured "America's Funniest Professor," Dr. Carl Hurley. Dr. Hurley's presentation brought the humorous message that we must laugh at ourselves from time to time in order to carry the burdens of everyday life and we must find the humor in it all in order to continue to achieve our goals.

Approximately 350 attendees experienced the presentation of *Oklahoma* at the Derby Dinner Playhouse on Tuesday evening. Wednesday's evening activities included a night out in the wild west town, where conference goers experienced line dancing, bull riding, and old time photos. A good ole fashion pie toss also took place with some of the HUD and Kentucky Housing staff being the victims.

This year's sponsored charitable organization was the Indian Summer Camp (ISC) and all of the fundraising efforts led to overwhelming results. The record-breaking amount raised for ISC totaled \$25,275.00! This will enable a total of 51 children to attend camp. The fundraising activities included a general store, pie toss, old time photo booth, bull riding, and the ever-so-popular silent auction. Several properties conducted outside fundraising activities prior to conference and contributed monetary donations as well. On behalf of SAHMA, Kentucky Housing, and the entire conference committee, thank you to everyone who had a part in helping with this in any way.

For further details, visit Kentucky Housing Corporation's webpage for session handouts, pictures and more at:

<http://www.kyhousing.org/page.asp?sec=76&id=748>.

# OAHP's MARK-TO-MARKET RECAP

SUBMITTED BY MR. DAVID G. HENDY, PRESIDENT  
STERN-HENDY PROPERTIES, INC.

.....

Having been in the multifamily housing business for thirty years, both owning and managing affordable housing throughout Ohio and Kentucky, I am pleased to share our experiences with the Full Mark-to-Market Mortgage Restructuring Program offered by The Office of Affordable Housing Preservation (OAHP). We have completed a full restructuring of six of our properties and have two in process. We plan on taking most, if not all, of our properties through the program over the next three to four years. Currently, the Mark-to-Market Program has been extended to September 30, 2011.

The process begins with OAHP assigning a contractor (PAE) who hires an engineer to prepare a twenty-year capital needs assessment. The Physical Needs Assessment determines when all components of the property must be replaced to extend the useful life of the property for at least 20 years.

The PAE also hires an Appraiser who evaluates what Operating Expenses are necessary to run the property in a responsible manner for 20 years.

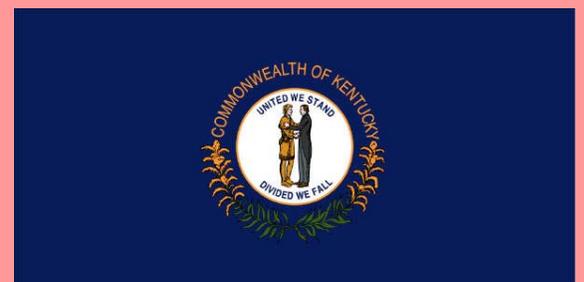
Once the Capital Needs and reasonable Operating Expenses are established, the PAE can prepare the Financial Model for the property including the sizing of rents. If the rents that are needed to fund the new loan, operate the property and provide a fair return to the owner are acceptable to OAHP, a restructuring Commitment is issued.

The Mark-to-Market Program allows the owner the opportunity to recover their cash investment over a reasonable time plus interest, receive an Incentive Management Fee, and receive 25% of the surplus cash each year.

Upon completion of the Restructuring, the property has been recapitalized so that there are sufficient funds to replace items as they reach the end of their useful life.

In addition, the original debt and the rents have been restructured so that the property can be operated in a responsible manner. This will enable the owner to continue to attract and retain good residents.

In conclusion, we have been very pleased with the program and would be glad to talk to anyone who is interested in discussing our experiences with the program in greater detail.



## TRACKING KENTUCKY'S ENERGY EFFICIENT ACTIVITIES IN MULTIFAMILY HOUSING

As part of our efforts to promote energy efficiency and the use of energy saving devices, we are tracking the energy saving activities taking place at your properties.

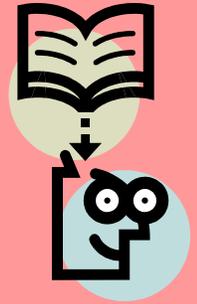
**ON FUTURE REPLACEMENT RESERVE REQUESTS AND RENT INCREASE OR ADJUSTMENT APPLICATIONS INDICATE THE USE OF ENERGY STAR APPLIANCES AND THE USE OF ENERGY STAR COMPLIANT MATERIALS AND PRACTICES.**

To further this goal, we will consider options to capitalize energy efficiency improvements including flexible use of reserves, rent increases, budget adjustments, or other suitable asset management strategies for financially viable properties.

Call your project manager today and tell them about your energy efficient activities.

## HUD Handbook 4350.3, REV-1, Change 2, Training Event

The Louisville Multifamily Program Center, U. S. Department of Housing and Urban Development, Kentucky Housing Corporation, and Southeastern Affordable Housing Management Association invite you and your staff to attend a one-day training seminar on Change 2 to the HUD Handbook 4350.3 occupancy handbook.



Mr. Carson Hayes, President of Lenzy Hayes, Inc. and Hayes Realty, Inc., has agreed to provide this training on three different dates in three different locations. Mr. Hayes has trained thousands of students in the field of subsidized housing. He was senior associate of the National Center for Housing Management (NCHM) for 15 years and has a bachelor's degree in business and education from Indiana University. He is a past board member of the Indiana State Rural Rental Housing Association. Mr. Hayes has also provided quality training to hundreds of participants at our Multifamily Housing Management Conferences over the past several years in the area of occupancy.

Training dates and locations have been scheduled as follows:

<u>LOCATION</u>	<u>DATE</u>	<u>HOURS</u>	<u>REGISTRATION DUE DATE</u>
Lexington Center—Elkhorn Room 430 West Vine Street Lexington, Kentucky 859-233-4567	October 9, 2007	Eastern Time Zone 8:30 a.m. – 4:00 p.m.	September 30, 2007
Executive Inn Rivermont—International Room A One Executive Blvd. Owensboro, Kentucky 270-926-8000	October 10, 2007	Central Time Zone 8:30 a.m. – 4:00 p.m.	September 30, 2007
Galt House East—Grand Ballroom C 140 N. Fourth Street Louisville, Kentucky 502-589-5200	October 11, 2007	Eastern Time Zone 8:30 a.m. – 4:00 p.m.	September 30, 2007

There is no charge to attend this training, however, it is intended for those who are involved with housing in the state of Kentucky and is **limited to the first 200 to register** at each of the training sites. To attend, **you must register** no later than by the date indicated above. A copy of the handbook **will not** be provided. It is recommended that all participants obtain a copy via the internet at [www.hudclips.org](http://www.hudclips.org), or by some other means, to use during the training. Lunch will not be provided and you should be prepared to pay for parking at some locations.

To register, complete the registration form attached to the newsletter e-mail. Please fax form to 502-582-6547. If you should have any questions regarding this training, please do not hesitate to give Janice Page a call at 502-582-6163, extension 271. We look forward to seeing you there!

# Preventing Crimes Against Seniors



The following information was presented at a Kentucky Association of Service Coordinators quarterly meeting in Louisville, Kentucky. Sergeant Robin Shouse with the Louisville Metro Police Department Crimes against Seniors Division said that while most police departments are not as fortunate as the Louisville Metro Police Department to have a division devoted specifically for crimes against seniors, Kentucky police do receive training on crimes against seniors. Citizens must also be aware of potential risks of crimes to protect our seniors.

Kentucky Revised Statute, Chapter 209 defines abuse as "the infliction of injury, sexual abuse, unreasonable confinement, intimidation, or punishment that results in physical pain or injury, including mental injury." The number to report abuse in Jefferson County is 574-7111 or 574-2111 and the Kentucky abuse hotline for adults and children is 1-800-752-6500. Counties outside of Jefferson should contact their local police department to report any form of elder abuse. Officer Shouse said that typically the things that seniors should be aware of are telemarketing fraud, fraudulent charities, home improvement scams, identity theft, purse snatching, pigeon drops, and sweepstakes scams.

Ways to prevent yourself and seniors from being scammed that we may not think of include: requesting solicitation in writing, never pay in full before services are rendered, never send money for free gifts, check with the Better Business Bureau before hiring someone to do work for you, and remember if something sounds too good to be true, it is.

The Louisville Metro Police Department Crimes Against Seniors unit works in conjunction with Elder Serve. Elder Serve works to improve the quality of life for older adults in the community. Their teamwork with the Louisville Metro Police Department is a model program for working with seniors that are crime victims in the United States.

Officer Shouse also provided tips on preventing identity theft. Tips include not signing up for free giveaways. Often times, the requested information includes date of birth information. Another tip is that anyone can put a fraud alert on their credit account and the credit bureaus will contact you to verify any credit application. One call to either credit reporting agency will put this alert under all three of the following companies: TransUnion (1-800-680-7289), Equifax (1-800-272-9281 or 1-800-525-6285) or Experian (1-888-397-3742). Also to prevent fraud everyone is entitled to one free credit report a year from each of the above listed credit bureaus. To get this report call 1-877-322-8228 or visit the website at [www.annualcreditreport.com](http://www.annualcreditreport.com). This is a truly free credit report! Officer Shouse also warned not to go to any just any "free" credit report website because some are scams that actually involve you paying a fee for a monitoring service.

The take home message from this presentation and meeting was that not all counties have services such as these. All it takes is one person to realize a need for such services to get them started in your community. Not all police departments have special units for crimes against seniors and thus many crimes go unreported or are reported without repercussions for those that have committed crimes against the elderly. We must all realize that abuse at any age is wrong and work to protect our seniors.



## America's Affordable Communities Initiative

### Workforce Housing: A Call to Action (cont'd)



- Waiving certain permits and fees for single family housing built by charitable nonprofits or the city. Savings: \$500 to \$750 per home
- Donating city-owned land to nonprofit agencies to develop infill or affordable senior housing. Savings: At least \$10,000 per lot.
- Demolishing dilapidated structures on the parcels at no cost to the receiving agency. Savings: Dependent upon structure.
- Streamlining the permitting process for most residential construction projects to within five days of application.
- Relaxing subdivision regulations to allow a wider sidewalk on only one side of the street and a narrower street to reduce infrastructure costs. Savings: Eight percent on street construction and \$25,000 in sidewalk construction.

The day long conference included panel discussions by housing experts from across the nation on such topics as Best Practices, Zoning for Housing Choice, Land Development Standards, Impact Fees and Financing of Infrastructure, Streamlining Review and Approval Processes, and Moving Groups from NIMBY to "Why Not In My Community?"

# PRESERVING AFFORDABLE HOUSING TOGETHER WE CAN MAKE IT HAPPEN

Representatives from the Office of Affordable Housing Preservation (OAHP) provided very informative information about the Mark to Market (M2M) program in the HUD Louisville office for owners and agents. M2M was mandated by Congress as a mechanism to preserve affordable housing for those properties with expiring Section 8 contracts. Over 2800 deals have been completed through M2M, preserving over 225,000 of units. This has resulted in over \$2 BILLION in net savings to taxpayers.

M2M legislation was extended through September 30, 2011.

Benefits of Preservation to the property are:

- Competitive financial return to owners, tied to property performance
- First mortgage reduced to level serviceable by market rents
- Physical property conditions are addressed and reserve are funded

- HUD finances 80% of rehab & transaction costs
- Minimal owner investment for significant additions
- Unique advantage for qualified non-profit owners such as debt forgiveness

Future M2M benefits include Green alternatives for rehab that will be treated as significant new additions, with lower required owner contribution.

M2M requires the owner to operate the project in accordance with M2M terms. The owner must understand what the terms are to ensure compliance and to receive a return on the capital investment and incentive performance fee. The surplus cash computation is reviewed by the Post Closing Portfolio Manager (PCPM) to ensure the return, fee and payments to debt are accurate. The PCPM may contact the owner for further information. The owner must respond promptly to the PCPM to ensure no sanctions (such as forfeiting any earned return or fee) are incurred.

**MARK YOUR  
CALENDARS  
FOR  
THE 2008  
HOUSING  
MANAGEMENT  
CONFERENCE!!**

**APRIL 29  
THROUGH  
MAY 1**

**BE THERE OR  
BE SQUARE!!**

## TRACS SSI DISCONTINUATION

WHILE THE IMPLEMENTATION OF ELECTRONIC INCOME VERIFICATION (EIV) CONTINUES, IT HAS BEEN DECIDED THAT THE SSA DATA MATCHING PROCESS THROUGH THE TRACS SYSTEM WILL BE CONTINUED THROUGH THE END OF CALENDAR YEAR 2007.

ALL INCOME VERIFICATION NOW BEING GATHERED THROUGH THE SSA WILL ULTIMATELY BE OBTAINED THROUGH THE EIV SYSTEM.

IF YOU ARE NOT YET SET-UP TO UTILIZE THE EIV, OR ARE EXPERIENCING DIFFICULTIES WITH THE EIV SYSTEM, PLEASE CONTACT YOUR HELPDESK PERSONNEL FOR ASSISTANCE AT (800) 767-7588.

# SHALOM TOWER IS REDEDICATED

On August 28, 2007, HUD joined Urban Innovations and the Jewish Community Federation to celebrate the rededication of Shalom Tower. Upon purchasing Shalom Tower from the Jewish Community Federation in December 2006, Urban Innovations promised to maintain the building as affordable housing for low-income seniors and to make a significant investment in rehabilitating and upgrading the structure.

“Our mission is to provide the highest quality affordable housing for low-income seniors which we accomplish by improving and preserving buildings like Shalom Tower around the country,” said Steve Greenbaum, a principal of Urban Innovations and chief negotiator for the Shalom Tower agreement. When all the work is done, Urban Innovations will have spent approximately \$1.9 million dollars renovating Shalom Tower.



Ribbon cutting ceremony for Shalom Tower. Front row from left: Bonita Vinson (Urban Innovations Regional Mgr); Bob Sachs (Immediate Past Federation President); Steve Greenbaum (Urban Innovations Principal); David Weinberg; Alan Engel (Federation Executive Director); Charles Shive (HUD); Diane Reece (Shalom Tower Manager); and Roy Stucky. Federation President Steve Sharpiro is standing behind Engel and Shive.

## ACTIVE PARTNER PERFORMANCE SYSTEM (APPS) UPDATES

On June 21, 2007, HUD issued a memorandum implementing the provisions of the Preservation Approval Process Improvement Act of 2007. This law requires the Department to take certain actions in regard to the Previous Participation operating procedures until HUD submits a new rule to the House and Senate authorizing communities for review.

In summary, the law requires HUD to immediately suspend:

1. All filing requirements for limited liability investors who own, or expect to own, an interest in entities which are allowed or are expected to be allowed low-income housing tax credits under section 42 of the Internal Revenue Code.
2. Mandatory electronic filing of previous participation certificates.

The memorandum provides specific instructions to field staff on control and review of paper Previous Participation Certificates to assure consistency amount the field offices.

The memorandum can be downloaded at <http://www.hud.gov/offices/hsg/mfh/apps/interimoperatingllci.pdf>.

A publication of the  
Louisville Multifamily Program Center  
Department of Housing and Urban Development  
Kentucky State Office  
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## Announcement



**As of October 1, 2007 there is a change of address for the submission of HUD-93104 Monthly Report of Excess Income.**



**As well as sending all reports of excess income to the address below a copy should also be sent to the appropriate project manager.**

**HUD Multifamily Excess Rental Income Payments  
PO Box 105423  
Atlanta, GA 30348-**



Want to receive our newsletter?

Email your contact info to [Debra.Fulkerson@hud.gov](mailto:Debra.Fulkerson@hud.gov).