

HUD Multifamily Housing News

"A National Perspective"



Message from Deputy Assistant Secretary Ben Metcalf



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I am pleased to present the first issue of Multifamily Housing's national newsletter. The newsletter is a bi-monthly newsletter providing important information to our staff, and our stakeholders.

As we look forward, the single most exciting thing about Multifamily for Tomorrow is the training that we are doing, both in terms of content delivery, but also in terms of helping solidify the culture and new teams, and create an expectation that as we progress, we leave behind organizations that are able to continuously evolve and improve on their own. We exceeded our Management goals for 2014 and I expect similarly exceptional performance in 2015. On the policy side of our work, I expect we'll be working hard to deliver improvements to the way we work, such as revisions to key sections of our asset management handbook and production guide. On affordable housing finance, we'll expand the LIHTC Pilot to the 221(d)(4) category and facilitate an increasing number of affordable deals, and in rental assistance preservation area of work we'll deliver on the transaction volume expected for Rental Assistance Demonstration (RAD) now that the cap has been raised to 185,000 units.

We expect to push forward with the 202 Supportive Housing for the Elderly demonstration, which has evolved into an evaluation of an enhanced model of service coordination, as well as introduce three new work streams. These include expanding the Family Self Sufficiency Program (FSS), currently offered to public housing residents, to residents of Project Based Rental Assistance (PBRA) supported units, supporting the Secretary's initiative



to promote broadband access to HUD assisted residents, and extending the concepts promoted by the "Choice Neighborhoods" program to our thinking about preservation, making sure that our investments serve as catalysts for neighborhood improvements and greater opportunities to

residents afforded to them as the result of location.

In addition to supporting our Better Buildings Challenge partners and testing out incentives that support owner efforts to improve energy/water efficiency, we look this year to broaden our promotion of energy efficient production and asset management through several policies, including the publication of a standardized capital needs assessment, requesting energy use data, and exploring access to new sources of capital for energy retrofits.

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Policy Updates

Administrative Guidance for Multifamily Property Assessed Clean Energy (PACE) in California (January 29, 2015)

The Office of Multifamily Housing has issued guidance today to our staff in California regarding how to approach requests for approval to take on PACE funding for energy/water retrofits for properties that are HUD-insured or HUD-assisted. Link: http://portal.hud.gov/hudportal/documents/huddoc?id=MF_PACE_CA_Memo.pdf

Please send comments/questions to Bob Iber at Robert.G.Iber@hud.gov.

HUD Fees/Fire Safety Equip proposed rule, FR-5632-P-01 (January 14, 2015)

This proposed rule will change HUD fees for multifamily housing and residential healthcare facilities, which are set by regulation in parts 200 and 232, which does not allow HUD the flexibility necessary to adapt to market changes in a timely manner. Since the statute gives the Secretary flexibility to set fees, this rule will update HUD fees for multifamily housing and residential healthcare facilities and give HUD flexibility in raising or lowering fees. Comment period ends 3/16/2015. Link: <http://tinyurl.com/nkst5sy>

Comments are due March 16, 2015.

Section 8 Housing Assistance Programs Proposed Management and Occupancy Review Schedule (January 13, 2015)

Occupancy Review (MOR) schedule for the seven project-based Section 8 programs. This proposed schedule will reduce the frequency of unnecessary MORs, thereby minimizing interruptions in property operations created by onsite reviews, preserving staff time, and reducing costs. The proposed schedule ties the project's annual MOR rating with HUD's new risk-based asset management model rating to determine the frequency of a project's MOR. Link: <http://tinyurl.com/p47x4ff>

Comment period ends 3/16/2015.

Housing Memorandum on Marijuana in Multifamily Assisted Properties (December 29, 2014)

HUD's Office of Multifamily Housing has issued a memorandum titled [Use of Marijuana in Multifamily Assisted Properties](#). The memorandum, which is posted on the Multifamily Housing website, details how owners enforce the requirements found in the Controlled Substance Act and the Quality Housing and Work Responsibility Act of 1998. Link: <http://tinyurl.com/kzb4rrr>

Supportive Housing & Services- Proposed Rule (December 11, 2014)

HUD has posted a proposed rule in the [Federal Register](#). Supportive Housing and Services for the Elderly and Persons with Disabilities: Implementing Statutory Reforms.

The benefits from this proposed change are primarily to tenants who are able to receive improved housing services and/or additional budgetary flexibility from additional units developed as a result of the increased production. Link: <http://tinyurl.com/l65y28b>

Comment period is closed.

Memo on National MF Working Groups (December 2, 2014)

This internal memo identifies the permanent working groups in Multifamily Housing: National Loan Committee, Property Disposition Committee, Multifamily Transformation Steering Committee, and Multifamily Policy Advisory Committee. For more information contact Peter Duklis at Peter.S.Duklis@hud.gov.

Waiting List Management Housing Notice 2014-N-106 (November 28, 2014)

This Notice, which responds to concerns from disability advocates, provides guidance on the administration of waiting lists for Multifamily properties. This notice does not mandate any new practices for multifamily owners and agents, but rather provides additional



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Policy Updates continued...

options for owners in their waiting list administration to further ensure fair housing compliance. For additional details, owners should review federal regulations at 24 C.F.R Part 5, as well as HUD Handbook 4350.3 REV-1 *Occupancy Requirements of Subsidized Multifamily Housing Programs*. Link: <http://portal.hud.gov/hudportal/documents/huddoc?id=14-16hsgn.pdf>

Transferring Budget Authority of a Project-Based Section 8 HAP Contract under Section 8(bb)(1) Housing Notice (October 9, 2014)

This Notice published to HUDClips clarifies policies and procedures for transferring all or a portion of any remaining budget authority of a project-based Section 8 Housing Assistance Payments (HAP) Contract to one or more contracts under Section 8(bb)(1) of the United States Housing Act of 1937 (the Act) where the existing HAP contract is terminated by mutual agreement. The owner of the project where the contract currently exists must agree to the termination of all or a portion of the existing Section 8 HAP contract and to the transfer of budget authority. The owner of the project that receives the budget authority must agree to accept the budget authority that will be transferred. The project from which HUD transfers budget authority may continue to exist as a multifamily housing project after the transfer, or it may cease to exist. The budget authority may be transferred to one or more projects. Link: <http://portal.hud.gov/hudportal/documents/huddoc?id=14-14hsgn.pdf>

Staffing Announcements



Peter Duklis has been appointed as the Director of the Office of Field Support and Operations (OFSO). Before joining HUD, he was the Chief, Strategic Planning & Policy

Integration Office for the Defense Threat Reduction Agency (DTRA). Most recently, he has been responsible for overseeing the development and sustainment of the DTRA Strategic Plan which integrates the Agency's efforts towards attaining the Director's vision, goals, and objectives in order to inform and guide the development of budgeting and execution activities.

Pete Duklis has commanded from Platoon through Brigade levels and has earned advanced degrees from Columbia University, Pennsylvania State University and the U.S. Army War College. He has served in every geographical Combatant Command; most notably 2 US Embassies, Supreme Headquarters Allied Powers Europe, US Army Special Operations Command and the Joint Staff. Pete Duklis is a native of Pennsburg, Pennsylvania. He received an Army ROTC Scholarship to California University, and graduated and received a Regular Army commission in 1979. He has served and lived in every

geographical Combatant Command; most notably 2 US Embassies, Supreme Headquarters Allied Powers Europe (SHAPE), US Army Special Operations Command (USASOC) and the Joint Staff War College. He was a Special Operations, Foreign Area, and Nuclear and Counter-proliferation Officer and has conducted combat and contingency operations in Latin America, Africa, the Balkans and Middle East. "Duke" retired from the Army as a Colonel, after 30 years of service.

He is very excited to meet you all and already has many ideas for improving how we work based on his deep knowledge of organizational performance.

Priya Jayachandran who previously served as Senior Advisor on affordable housing finance in the Program Administration Office, took over for **Nancie-Ann Bodell** effective December 28th as acting



Program Administration Office (PAO) Director for the Office of the Deputy Assistant Secretary (DAS). Ms. Jayachandran is an avid runner and enjoys summer backpacking trips.

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Staffing Announcements cont...

Dan Burke will be the Midwest Regional Director, with **Ryan LaFollette** serving as the regional Operations Officer. The Midwest Production Division will be led by **Mary Anderson** with the following individuals serving as Underwriting Branch Chiefs: **Scott Greuel, Stephen Ott, Ray Stiles, John Schneider** and **Eric Golicz** will serve as Chiefs of the Technical Specialist Branches. The Chicago Asset Management Division will be led by **Debbie Gray**, with the following individuals serving as Asset Management Branch Chiefs: **Edward Peal, Gerald Smith, Gail Burks**, and **Gwen Thomas**.

The Detroit Asset Management Division will be led by **Barb Chiapella** with the following individuals serving as Asset Management Branch Chiefs: **Mark Dominick, Sharon Seaborn, Susie Sapilewski, Joshua Osborne, Randolph Wilson**, and **John Schuster**.

The Minneapolis Asset Management Division will be led by **Paul Woxland** with the following individuals serving as Asset Management Branch Chiefs: **Joseph Thibedeau** and **Laura Simpson**.

Congratulations to the new leadership team, and thanks to all who put themselves forward for merit staffing opportunities

The Southeast region will be posting staff and management positions in the near future. For information about open positions, see USA Jobs: www.usajobs.gov.

Jacksonville Leadership Meeting

On January 21-23, 40 members of the Multifamily Leadership Team and local leadership from the Jacksonville/Greensboro/Atlanta offices met in Jacksonville, FL. The Multifamily Leadership Team is made up of the Program Office Directors and Senior Advisors to the DAS in Headquarters, as well as the Regional Center/Satellite Office/Hub Office Directors plus an additional representative from each of these field offices.

The packed agenda included meetings of the Multifamily for Tomorrow (MFT) Steering Committee, a state of the office presentation by Deputy Assistant Secretary (DAS) Metcalf that highlighted achievements from FY14 and a vision statement for 2015, and an entire day devoted to practical lessons learned from the first two regions of the MFT. The event closed with round robin sessions to discuss policy development, including the draft DAS Priority Policies for 2015-16, as well as administrative matters. The meeting provided an excellent opportunity for participants to network and talk about lessons learned from the Southwest Region's experience in order to implement the ongoing transformation more smoothly.

Quotes from Leadership attending the Leadership Meeting:

"There were a number of informative presentations at the

Jacksonville Leadership meeting on policy updates. The update on the Multifamily for Tomorrow progress and lessons learned to date in Waves 1 and 2 was helpful and the presentation on the Detroit Hub AMPS system which creates an electronic platform for going nearly "paperless" in Asset Management was informative. I found Barb Chiapella and Susie Sapilewski's presentation on the AMPS system particularly useful and hope that we can replicate this system at a national level as a best practice as we move to more effective use of technology to increase the efficiency of our work and our delivery of service to our stakeholders. Our Jacksonville hosts extended a great welcome coupled with 72 degree temperatures."

Dan Burke, Director Chicago Multifamily Hub

"The meeting in Jacksonville allowed all parts of the country to benefit from hearing the implementation of Wave 1 and Wave 2. It gave future waves an appreciation for what prior waves had already gone through, while also highlighting critical steps in preparing for their upcoming transformation. The conference provided a national network of Multifamily Housing professionals committed to supporting the next three waves and working together as they move toward the future "five region" organizational structure."

Kelly Haines, Regional Center Director for the Southwest



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Multifamily for Tomorrow

Leadership training for the Midwest Region began on February 2nd. Training for frontline staff in the Midwest Region begins on March 2nd, and will continue through June 1st. The training will be led by an outstanding team of MFT Navigators selected from Multifamily field offices around the country.

As you know, the training in the Southwest closed out last month to strong reviews and feedback from the participants. With the assistance of both a Navigator-led design council and a Southwest Region leadership design council, we have largely completed our updating of the training calendar and modules to incorporate lessons learned to ensure that we can continue to improve our training efforts.

Please see the Multifamily for Tomorrow (MFT) organizational chart below for a look at how our organizational chart will look post-MFT.

Post Multifamily for Tomorrow Organizational Chart

