

HUD Multifamily Housing News

"A National Perspective"



Message from Deputy Assistant Secretary Ben Metcalf

I am pleased to present this third issue of the Multifamily Housing newsletter. In this issue, we focus on opportunities to serve residents through our rental assistance programs.

In April, I was enthused to have the chance to personally welcome the first tenants to move into mainstream integrated housing supported through the Section 811 Project Rental Assistance (PRA) Program. Thanks so much to our Multifamily staff, our partners at the Department of Health and Human Services, and our grantees who have worked so hard to bring this needed housing to extremely low-income persons with disabilities. Tenants served by this program would otherwise be living in institutions or at high risk of institutionalization or homelessness. I look forward to seeing the Section 811 PRA program grow in the years ahead.

I am also excited to share that Congress has approved the extension of Public Housing's Family Self-Sufficiency (FSS) program to tenants of Multifamily assisted properties, which will have immediate relevance to tenants of public properties converting to the Section 8 platform through the Rental Assistance Demonstration (RAD).

Speaking of RAD, the Department has just published a new notice related to the Rental Assistance Demonstration. This notice incorporates changes authorized by the FY 15 appropriations act (particularly raising the cap on public housing conversions), facilitates more streamlined transactions, and



provides additional clarification for stakeholders.

The Multifamily for Tomorrow transformation is now moving to the Southeast as Wave 3 commences for the Atlanta/Jacksonville region. Multifamily Housing is now hiring for leadership positions, which we expect will mostly be filled through internal promotions, with hiring for frontline staff to follow. Training for Southeast Region staff will begin in July. In preparation, the Navigators who will be conducting the Wave 3 training recently participated in a boot camp at headquarters. We are also on track to complete changes to office space in Atlanta and Jacksonville. Thanks so much to Office of Administration and FPM for their leadership and support.

Finally I would like to remind you that you can subscribe to *HUD Multifamily Housing News* directly from the HUD Mailing Lists page of the HUD website, at <http://portal.hud.gov>.



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First Tenants Housed through New Section 811 Program

On April 29, 2015, Multifamily DAS Ben Metcalf visited [Garden Village](#) apartments in Sacramento, CA – the first property in the nation to move residents into apartments supported by HUD's Section 811 Supportive Housing for Persons with Disabilities Project Rental Assistance (PRA) Program. With PRA funding, Garden Village is able to provide housing for 11 extremely-low-income people who have disabilities and who would otherwise be residing or at risk of residing in costly institutions, nursing facilities, or homeless shelters.

The 811 PRA Program seeks to expand the supply of supportive housing that promotes community integration for extremely low-income people with disabilities by leveraging mainstream affordable housing, Medicaid, and other community-based supportive service resources. "As the federal government and localities work hard to end Veteran and chronic homelessness, it is critical that we meet the needs of those renters who are most at risk of falling into homelessness and that includes those whose housing needs are being met here at Garden Village," said DAS Metcalf.



New Section 811 PRA resident with DAS Metcalf and Danielle Garcia, 811 PRA lead and Branch Chief in Office of Asset Management and Portfolio Oversight.



California has received PRA awards for Fiscal Years 2012 and 2013 totaling \$24 million, which will provide permanent affordable rental housing and voluntary supportive services to nearly 524 extremely-low income households. The state's program is a collaborative effort between California housing agencies and the state's department of health services.

"People my age should have an opportunity like this program," said CJ, a new Section 811 PRA resident in Garden Village. "I'm only 51 and we need somewhere else beside a convalescent [home] to go to."

Residents served through this program will have access to an array of community-based services and supports that are flexible, individualized, and tailored to their needs. These include voluntary services that help people with disabilities live in community settings, with full access to health care and behavioral services that support wellness, recovery, and community integration.

On March 2, 2015, HUD [announced](#) its second round of 811 Project Rental Assistance (PRA) awards of \$150,369,989 in rental assistance to 25 State Housing Agencies. These state agencies will provide permanent affordable rental housing and needed supportive services to over 4,500 households.

View CalHFA's Press Release: [California First in Nation to House Disabled Residents through New HUD Funding.](#)

For additional information, visit the [Section 811 PRA](#) program page on the HUD Exchange.

HUD Publishes Revised RAD Notice

On June 16, 2015, HUD published a revised RAD Notice, PIH 2012-32, REV-2. The Notice: (1) incorporates changes authorized by the FY 15 Appropriations Act (e.g., increasing the cap on public housing conversions from 60,000 to 185,000 units); (2) includes lessons learned from the previous two years with respect to gaps in policy and better management of transactions; and (3) clarifies frequent stakeholder questions on the previous notice.

A copy of the Revised Notice may be obtained at www.hud.gov/rad. Comments and questions on the Notice may be submitted to RAD@hud.gov.

Some of the key revisions include:

- Extending the time period for submission of multi-phase public housing applications to July 1, 2018.
- Eliminating all pre-Financing Plan milestones and better aligning the RAD submission requirements for tax credit transactions with those of the tax credit issuing bodies.
- Identifying applicable HUD fair housing and civil rights requirements to ensure that residents are fairly treated and that communities comply with fair housing goals.
- Clarifying when non-dwelling property and land that can be removed/released from the public housing program in conjunction with the conversion.
- Allowing a portion of the savings in public housing utility allowances to be captured in contract rents for project-based rental assistance (PBRA) conversions.
- Allowing Mod Rehab Single Room Occupancy (SRO) projects that were funded under the McKinney-Vento Homeless Assistance Act to convert under RAD.
- Providing an option for owners of Rent Supp and RAP projects to convert to a 20-year PBRA contract.
- Establishing residents' right to remain or return to the property in all Mod Rehab, Rent Supp and RAP conversions.
- Ensuring that Davis-Bacon wages apply to all rehabilitation/construction work.

To help PHAs and their stakeholders learn of the changes, HUD will host webinars on Wednesday, June 17, at the following times (with registration links):

- Rent Supp and RAP 10:30 AM EDT (<https://attendee.gotowebinar.com/register/7569135169553399554>)
- Mod Rehab/SROs 11:45 AM EDT (<https://attendee.gotowebinar.com/register/8904421672744456706>)
- Public Housing 2:00 PM EDT (<https://attendee.gotowebinar.com/register/1614701362031471618>)

Multifamily Notices and Memos

Memo from the DAS on Clarification of Policy Surrounding Interest Rate Reduction. Published to the Multifamily website on Monday 4/20/15.

HUD FR-5647-N-02, 2009 Energy Codes. Establishes the 2009 IECC/ASHRAE 90.1-2007 as the minimum standard for new construction of certain HOME and FHA-insured properties (both SF and MF) and USDA-guaranteed single family homes. Published in Federal Register 5/6/15.

Pay.gov Mortgage Letter. Implements change in collection process for fees for all FHA-insured multifamily projects to using the Pay.gov system. Posted to HUDClips 5/11/15. <http://portal.hud.gov/hudportal/documents/huddoc?id=15-13ml.pdf>.

Memo from DAS on requests for Support from the Field. Published 5/11/15.

Memo from the PDAS on Delegations of Authority Related to the Multifamily Transformation in Southwest and Midwest. Revises the authority of field office managers under the current delegation by allowing Production and Asset Management division directors to sign documents and waive directives not mandated by statute or regulation. Published 5/19/15.

Family Self-Sufficiency (FSS) Program Expanding to Tenants of Multifamily Assisted Properties

What is FSS?

Authorizing language included in the FY 2015 Appropriations Bill will permit residents of HUD Multifamily assisted properties to benefit from the Family Self-Sufficiency (FSS) program, the nation's largest asset building program. FSS was previously restricted to Public Housing and Section 8 Housing Choice Voucher (HCV) participants. Below is a broad overview of the program.

- FSS is a five-year program voluntary for participants.
- The family works with an FSS coordinator to be connected to services to assist with completing their goals. Services coordinated through the program include: child care, transportation, education, job training, employment counseling, financial literacy, and homeownership counseling.
- As participants' earnings increase, their required contribution to rent usually increases as well because HUD-assisted households are responsible for paying 30 percent of their adjusted income for rent. FSS participants pay the increased rent, just like non-participants, but receive an offsetting credit in an interest-bearing escrow account equal to the increase in rent due to increased earnings.
- Participants that successfully graduate from the program receive the funds in their escrow account and use it for any purpose.

Participation in the FSS Program for Multifamily Owners/Residents is Coming Soon

HUD's rollout of the FSS Program into Multifamily will be two-fold:

- HUD will publish guidance for owners converting under Rental Assistance Demonstration (RAD) who have current FSS participants. This guidance will be published in the RAD Quick Reference Guide to Multifamily Housing Requirements. This guidance is expected to be published in Summer 2015.

- HUD will execute a pilot FSS program for non-RAD Section 8 PBRA properties. Following publication of guidance to support RAD converted properties with FSS programs, HUD's Office of Multifamily Housing Programs will pursue a broader initiative to test the FSS program with multifamily owners who seek to create new FSS participants.

What should owners learn before participating?

Educate themselves about the FSS Program as it is currently operated under the Public Housing and HCV programs. The Office of Multifamily will base its guidance on existing FSS literature designed by the Public Housing and HCV programs. HUD's FSS webpage can be found at http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/fss

Leadership Update: Tom Davis New Director of Office of Recapitalization

Thomas R. Davis has been named the new Director of the Office of Recapitalization within the Office of Multifamily Housing Programs, starting on June 15.

Tom comes to HUD from Recap Real Estate Advisors, where he led the firm's affordable housing consulting practice. At the firm, Tom and his team were deeply involved in HUD's Rental Assistance Demonstration, facilitating numerous public housing recapitalization transactions.

Prior to Recap, Tom worked at The Community Builders and Preservation of Affordable Housing. Tom began his career as an attorney at Morrison & Foerster, specializing in affordable housing, LIHTC, and environmental issues. Tom will be profiled in more detail in a future newsletter.

Senior Staff Profile: Ted Toon

Director, Office of Multifamily Production

Ted Toon is the Director of Multifamily Production, with responsibility for oversight of HUD's multifamily mortgage insurance platform, including policy and procedures. Prior to assuming this role, Ted was Director of HUD's Office of Affordable Housing Preservation, focused on the preservation, recapitalization, and sustainability of the multifamily portfolio. Programs under his direction included the Mark to Market program, the Green Retrofit Program, and the restructuring and workouts in the FHA-insured multifamily mortgage portfolio.



Prior to joining HUD in February of 2001, Ted was Vice

President of ACG Professionals, an Atlanta-based consulting firm specializing in financial analysis, due diligence and underwriting services to the commercial real estate industry.

Ted holds undergraduate degrees in Environmental Design, and Business, from the University of Colorado, Boulder, and earned a Master of Real Estate from MIT. Ted is also accredited through the US Green Building Council as LEED (Leadership in Energy and Environmental Design) AP (Accredited Professional) in Building Design and Construction.

Elderly Housing Resources

The Office of Multifamily Housing Programs serves more than 680,000 elderly tenants in its rental assistance programs. See below for some helpful resources for our elderly tenants.

New Resources on Fall Prevention for Seniors

The Centers for Disease Control and Prevention (CDC) has developed two new guides related to falls prevention for older adults. Unintentional falls are a major cause of death or disability for the elderly, including tenants of Section 202 properties. Fall prevention programs can help maintain quality of life for tenants, and avoid hospitalizations and nursing home admissions.

Falls: A Guide to Implementing Effective Community-Based Fall Prevention Programs, is intended to help communities identify appropriate evidence-based fall prevention programs by providing resources and strategies to help community-based organizations initiate and maintain effective programs.

The *CDC Compendium of Effective Fall Interventions: What Works for Community-Dwelling Older Adults* is designed to help public health practitioners, senior service providers, clinicians, and others who want to address older adult falls in their community by describing exercise, home modification, and clinical interventions that can help older adults avoid falls.

Both guides can be found at: <http://www.cdc.gov/HomeandRecreationalSafety/Falls/pubs.html>.

Elder Abuse Awareness Day

June 15 is World Elder Abuse Awareness Day. Elder abuse can occur anywhere :in the home, in nursing homes, or other institutions. It affects seniors across all socio-economic groups, cultures, and races. Every year an estimated 5 million (1 in 10) older Americans are victims of elder abuse, neglect, or exploitation. That is only part of the picture: experts believe that for every case of elder abuse or neglect that is reported, as many as 23.5 cases go unreported. Learn more at the National Center on Elder Abuse website: <http://ncea.aoa.gov>.

Multifamily for Tomorrow Updates

Wave 3 (Southeast Region) Hiring and Training Commence

Hiring Update

Multifamily Housing is in the middle of interviews and making selections for 23 leadership positions, which are likely to be filled through internal promotions. Hiring will then commence for up to 50 vacancies for frontline staff. Look for announcements about these hires in July.

Training Update

MFT training courses are led by a team of “Navigators”, Multifamily employees selected from field offices around the country. The training is designed to provide staff with a strong foundation for the continued on-the-job training that employees will receive after classroom training ends.

Wave 3 kicked off with Navigator Boot Camp on May 18, 2015. The focus of Boot Camp was to improve upon presentation delivery, learn how to better engage the audience, increase the “entertainment” aspect by adding new and exciting hands-on activities for the staff and apply the lessons learned from Wave 2.

With a new “free” structure, the Navigators were able to explore their creativity and create engaging activities and case studies to accompany the updated modules. During the Production and Asset Management breakout sessions, new ideas were presented and adopted on how to present the training in a more effective manner. Navigators practiced their teaching and received constructive feedback that included several strategies and techniques to adapt to various audiences.

During Boot Camp Navigators received a visit from Acting Office of Housing GDAS Genger Charles and Office of Housing Chief of Staff Sara Meyers. Charles was impressed with the group and the improvements being made to the training for Wave 3. Navigators also successfully presented to the Secretary’s senior team during Boot Camp.

Feedback

Please submit your question and feedback related to the Multifamily for Tomorrow transformation to mft@hud.gov



Caption: Navigators and trainers with Chief of Staff Meyers and GDAS Charles.

Report from San Francisco: How I Learned to be a MFH Underwriter

Interview with Daniel Gallant, Project Manager in the San Francisco Multifamily Office

Although you have only been with HUD for a few months, you have already completed the processing of an 223(a)(7) application. What on-the-job training did you receive prior to being given the assignment to process the A7 application?

I spent the first week reviewing the MAP Guide, Mortgage Letters, and memos from headquarters. Next, I received training in a detailed A7 checklist from one of the senior project managers in the office. We went through the checklist line-by-line, referencing the MAP Guide as we went along.

For the next three weeks, I was given a series of recently completed A7 applications to review. I used the checklist and tried to identify deficiencies. I met weekly with my manager to go over all my questions.

Is this what's called "shadow underwriting"?

Shadow underwriting is when you process a loan application while an experienced underwriter is doing it for-real. Before being assigned an A7 application to process, I shadow underwrote an active application that had a lot of issues—on my own, I tried to figure out how the lender's underwriter came to his conclusions. But I also learned by being involved in discussions with the project manager about the application, being copied on the correspondence with the lender, and being tasked with doing some background research in iREMS.

So, about a month into the job, you were given an A7 to process. Within three weeks (well within the 30 day timeline) you completed the firm commitment. How did you do it?

Fortunately, it was a straightforward A7 with no deficiencies, no special conditions, and no waivers. It

took me about 5 days to complete the underwriting review, and then another 3 days to complete the firm commitment package, including my underwriter narrative. All along the way I reached out to my supervisor or the specialists if I had questions. This is a great office to work in—everyone wants to you to succeed and they are very willing to help.

Did you receive any additional training to complete this assignment?

This office has what we call "Training Thursday." Each week the supervisors, specialists, or more experienced project managers present one or two training sessions on a particular aspect of the underwriting process and office procedures. A couple of the topics that have been particularly important for me, as a new employee, were on how to create and maintain the administrative record file and on the closing process.

What's next for you?

I've been assigned another A7 application to underwrite, and there are pending issues (amendments, rate lock, etc.) on the first one before closing. I've also been assigned to shadow the mortgage credit analyst on a 223(f) application to get more practice on the financial analysis aspects of the underwriting process.

In addition, I've been sitting in on early warning system review meetings, pre-concept meetings, concept meetings, site visits, closings, and loan committee meetings as a way to get exposure to the issues involved in more complex applications. Finding opportunities to shadow the architecture and valuation aspects of the job is something else I try to do.

MFH Helps End Homelessness by Amending Tenant Selection Plans

There are approximately 578,000 homeless households in the United States on any given night, a staggering figure. What are we doing to address that using the resources of the Office of Multifamily Housing to end homelessness?

We're trying to do our active part to end homelessness by streamlining access for the homeless to our HUD rental assisted units – nearly 1.3 million units nationwide. In July 2013, we published HUD Notice 2013-21. The Notice expands the preference options for owners with rental assistance contracts. Making this voluntary change is of no cost to owners, and owners may select the homeless definition that best suits the community's needs.

Interested owners in ten cities around the country have been supported by HUD staff from several divisions and Technical Assistance Collaborative (TAC) staff that are funded by HUD's Community Preservation and Development division to provide direct support. Teams working to implement the preference in these ten communities – Philadelphia, Tampa, Chicago, Atlanta, New Orleans, Houston, Phoenix, Seattle, Fresno and Los Angeles - have met monthly by teleconference since September to share their experiences and gather best practices. These experiences are being gathered into a Toolkit that will be available on HUD's website to interested communities nationwide later this year.

Bright spots abound, to name a few:

- Chicago boasts the most TSPs amended, having had success identifying owners of 202s interested in the initiative.
- Philadelphia has also achieved significant progress, having harnessed the power of collaboration with state and local agencies that also support our assisted properties.
- Houston intends to match PBRA resources with recipients of VA SSVF funding.
- Los Angeles has carefully developed a local model with the support of owner Jim Perley of Western America Properties and Multifamily staffer Jerome Champion. Jim was recently at the podium with the Mayor of Los Angeles and the VA Secretary to share publicly why he's volunteered his properties to support homeless veterans..

For more information, please contact Mara Blitzer at mara.n.blitzer@hud.gov.



Caption: Participants at recent Houston AHMA panel on homelessness preference
L to R: Edward Pringle; Marilyn Brown; Kenneth Tann; Josh Allen; Mara Blitzer; Ray Richardson