

# HUD Multifamily Housing News

"A National Perspective"



## Message from Deputy Assistant Secretary Ben Metcalf



The Office of Multifamily Housing has had a whirlwind summer. We have published 10 new policy notices over the last two months, including five notices published since August 1 alone. Many of these are among my highest policy priorities and I'm very proud of our team for its hard work.

Highlighted in this issue are the Utility Allowance Methodology Notice, (described in the energy efficiency update on page 5), the Equal Access Notice (described in the White Conference on Aging story on page 3), and the Small Building Risk Share Initiative (page 4). Many thanks to the many Multifamily staff who worked so hard to get these notices published and these policies implemented.

I am pleased to share that Wave 3 of the Multifamily for Tomorrow transformation is well underway, with the opening of the Southeast Region (article on page 8). This summer, Office of Housing Principal Deputy Assistant Secretary Ed Golding and I were delighted to attend the official kickoff event in the Atlanta and Jacksonville offices. Hundreds of stakeholders from around the region were able to participate and hear from Multifamily leadership, including newly appointed Multifamily Southeast Region Director Ruben Brooks.



There is also good news to report about our Multifamily staff and leadership. In July, we celebrated the graduation of the Management Development Program class of 2015 while welcoming the new 2016 MPD class (article on page 6). Earlier this month Midwest Regional Director Dan Burke was honored by Secretary Castro for outstanding leadership. Finally, I was pleased to name Nancie-Ann Bodell as director of the Office of Asset Management and Portfolio Oversight earlier this month. A well-earned congratulations to all.

### Inside this Issue:

Message from the DAS ..... Page 1

Notices, Publications, and Memos ..... Page 2

White House Conference on Aging ..... Page 3

FHA Risk Sharing..... Page 4

Energy Efficiency ..... Page 5

Staff Updates and Profiles ..... Pages 6-7

Multifamily for Tomorrow Update..... Page 8



## Multifamily Notices, Publications, and Memos

### **Rental Assistance Demonstration Housing Notice #2.**

A revised Rental Assistance Demonstration (RAD) Housing Notice was published jointly with The Office of Public and Indian Housing on 6/15/15. This notice incorporates changes authorized by the Fiscal Year 2015 appropriations bill. It raises the cap on public housing conversions, provides for more streamlined transactions, and provides additional clarification for stakeholders. The notice is on the RAD Resource page: <http://radresource.net/home.cfm>

### **Residual Receipts Authority for Section 202/811 Project Rental Assistance Contracts (PRAC)**

**Memorandum.** A memo from the DAS was issued on 6/19/15 and only applies to properties with contract expiration dates from July 19, 2015 through September 30, 2015. Field office account executives/program managers assigned to the properties will be contacted with Owner/Agent questions. The memo for HUD staff is here: <http://hudatwork.hud.gov/HUD/housing/po/h/hm/fog/mffoghom>.

**Utility Analysis Allowance Housing Notice.** Multifamily Housing published a Housing Notice on Utility Allowance Analysis Methodology on 6/22/15. The Housing Notice includes recommendations for improving the analysis methodology in order to more accurately determine allowances and to minimize costs to HUD. An example workbook for utility allowances and a sample release of tenant utility information from the utility company to the owner are included as attachments. The Housing Notice and attachments can be found on HUDClips, number 15-04: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/notices/hsg](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/hsg).

**Equal Access Housing Notice.** Multifamily Housing published a notice on HUD's Equal Access rule on 7/13/15. On 2/3/12, HUD published a final rule entitled Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity (77 FR 5662). The rule ensures that housing across HUD programs is open to all eligible individuals and families regardless of actual or perceived sexual orientation, gender identity, or marital status. This notice provides guidance on how the Equal Access Rule applies to

Multifamily insured and assisted housing and includes enforcement options and Fair Housing information. It can be found on HUDClips, number 15-01: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/notices/hsg](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/hsg)

**Small Building Risk Sharing Pilot Final Notice.** This final Federal Register Notice permits Community Development Financial Institutions who meet Federal Home Loan Bank qualifications and other high-capacity, mission-oriented lenders to use Risk Sharing Program for Small Building (5-49 unit project) financing. Applications are solicited in the notice, published to Federal Register 7/16/15 under docket number FR-5728-N-01: <http://www.gpo.gov/fdsys/pkg/FR-2015-07-16/pdf/2015-17464.pdf>.

**Section 8 Renewal Guide.** The new guide streamlines the renewal process and offers Owners additional incentives to renew their Section 8 contracts. The guide was published to the Multifamily website 8/7 and to HUDClips under Housing Information. The effective date is 11/5/15. [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/mfhsec8](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/mfhsec8)

**Transforming APPS Proposed Rule.** The proposed rule entitled "Retrospective Review, Improving the Previous Participation Reviews of Prospective Multifamily Housing Program Participants" was published jointly with The Office of Healthcare Programs on 8/10/15. This proposed rule would replace the current previous participation regulations in their entirety, in order to clarify and simplify the process by which HUD reviews the previous participation of participants. It was published in the Federal Register under docket number FR-5850-P-01: <https://www.federalregister.gov/articles/2015/08/10/2015-19529/retrospective-review-improving-the-previous-participation-reviews-of-prospective-multifamily-housing>. Comments are due October 9, 2015.

**Updating Regulations Governing HUD Fees and the Financing of the Purchase and Installation of Fire Safety Equipment in FHA-Insured Healthcare Facilities Final Notice.** This joint final rule with the Office of Healthcare Programs is an update on HUD fees for multifamily housing and residential healthcare facilities to give HUD flexibility in raising or lowering fees, and for

residential healthcare facilities, to streamline the loan application process by eliminating unnecessary requirements, conforming needed requirements to current industry practices, and allowing HUD to centralize the loan application process. It was published 8/11/15 under docket number FR-5632-F-02: <http://www.gpo.gov/fdsys/pkg/FR-2015-08-11/pdf/2015-19714.pdf>.

**Financing Assisted Living Conversion Properties (ALCP) Memorandum.** This memo from the DAS describes existing authority to recapitalize these properties. Processing is delegated to the Southwest Multifamily Regional Center in Fort Worth. The memo, issued 8/11/15, is available on the HUD.gov webpage: <http://portal.hud.gov/hudportal/documents/huddoc?id=MFHFinancingALCPMemo.pdf>.

**Chief Underwriter & Underwriter Approval Delegation Pilot Housing Notice and Mortgagee Letter** Multifamily Housing and Healthcare Programs are realigning the underwriter approval process, which will result in eligible MAP and Section 232 Lenders designating a Chief Underwriter, and through this Underwriter, approving and designating MAP and Section 232 underwriters. There is a three- year phase-in for the mandatory program. It was published to HUDClips 8/12/15, number 15-8: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/notices/hsg](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/hsg) and letter number 15-16 [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/letters/mortgagee](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee).

## Multifamily Participates in White House Conference on Aging

The 2015 White House Conference on Aging, which aims to identify and advance actions to improve the quality of life of older Americans, took place in Washington, DC, on July 13. Held once a decade, the conference explores the issues that will help shape the landscape for older Americans for the 10 years. The conference included panel discussions on caregiving, planning for financial security, elder justice, the role of technology in the future of aging, and the power of intergenerational connections in healthy aging,

President Obama delivered the keynote address. “We have to work to do more to ensure that every older American has the resources and the support that they need to thrive,” he stated. “That challenge—protecting our seniors, dealing with the rising costs of an aging generation, ensuring we have enough home care workers looking out for our family members, maximizing the contributions that older Americans can make to our country—these challenges are just becoming more urgent.”

This year’s White House Conference on Aging was live-streamed and included more than 700 watch parties nationwide. HUD co-hosted a federal interagency watch party at the Department of Transportation in Washington, DC, which was attended by a range of

stakeholders from federal agencies, non-profit organizations, universities, and other organizations that work on issues affecting older adults such as housing, healthcare, transportation, employment, and elder justice.

Ben Metcalf, Deputy Assistant Secretary for the Office Multifamily Housing, participated in a panel discussion on enhancing interagency collaboration for older adults with representatives from the U.S. Departments of Transportation, Health and Human Services, and Labor, as well as the Social Security Administration.

The timing of the conference coincided with Multifamily Housing’s publication of the Equal Access Notice, implementing HUD’s Equal Access Rule, which ensures that housing across HUD programs is open to all eligible individuals and families regardless of actual or perceived sexual orientation, gender identity, or marital status. Studies by advocacy group SAGE and other fair housing groups have found that LGBT renters face substantial housing discrimination and that nearly one-third of those surveyed fear that they will need to hide their sexual orientation to move into a retirement home. MFH’s Equal Access Notice is intended to ensure a welcome, nondiscriminatory environment in Section 202 and other multifamily properties for the elderly.

## FHA Risk Sharing Approaches the Quarter Century Mark

For almost 25 years the Federal Housing Administration has successfully used its risk sharing platform to partner with 35 state and local Housing Finance Agencies and with Fannie Mae and Freddie Mac to finance over \$6.7 billion dollars of affordable housing in over 1,300 developments. Currently we are fine-tuning the program to better meet current affordable housing finance needs.

We understand that properties with less than 50 units are an important and underserved part of the rental market and by partnering with Community Development Financial Institutions (CDFIs) and other lenders who have on-the-ground relationships with small building owners in their communities we can begin to better address that need. We are offering a brand-new Small Buildings Risk Sharing (SBRS) Initiative. SBRS invites new private sector high-capacity lenders to partner with

FHA to provide long-term fixed rate lending products to multifamily property owners with mortgages of \$3 million and up to \$5 million in high-cost areas.

We also recognize that the collapse of the capital markets in 2008 is still impacting Housing Finance Agencies' ability to access capital at affordable rates. Housing Finance Agencies cannot use a Ginnie Mae securitization in conjunction with FHA's Risk Share Program. In lieu of a Ginnie Mae securitization we have worked with the U.S. Treasury's Federal Financing Bank to develop a direct loan program keyed to Ginnie Mae rates to fill this gap. To date we have worked with two Housing Finance Agencies to finance over \$100 million in affordable housing. We project we will bring eight additional housing finance agencies into the program by the end of FY 15 and FY 16 volume is projected at approximately \$350 million.

## FHA/Treasury-Affiliate Partnership Case Study

The Pheasant Hill Village project in Massachusetts is an innovative partnership between MassHousing (a Housing Finance Agency), HUD and the Treasury Department. In return for favorable financing, which will significantly upgrade the property, the project will extend its commitment to affordable housing by 20 years.



"The Boston Hub was pleased to work with MassHousing to implement this innovative program that ensures that this significant affordable housing resource was improved and preserved in Western Massachusetts," said Joe Crisafulli, Boston Multifamily Hub Director.

### Development:

Built in 1978. 30-building, garden-style development with 200 affordable mixed units.

### Existing Financing:

MassHousing senior loan and Section 8 Recapitalization loan.

### Existing Rental Assistance:

All units currently supported by a HAP contract.

### Funding:

- \$17,376,000 Permanent Risk Share loan with a repairs escrow
- \$3,275,000 deposit to existing Replacement Reserve
- \$1,251,000 repairs escrow to be established

### Capital Improvements:

Upfront repairs escrow to enable deferred repairs and improvements:

- Replacement of boilers
- Installation of energy efficient lighting and plumbing fixtures
- Accessibility improvements
- Site and exterior work

## Energy and Water Efficiency Initiatives Are Charged Up

The past few months have brought new focus on energy and water efficiency to HUD staff and our partners.

### Better Buildings Challenge

The Department of Energy hosted a Better Buildings Summit in Washington, DC, on May 27-29, 2015, attended by HUD staff from headquarters and partner organizations such as LINC Housing, Jewish Community Housing for the Elderly, and Mercy Housing. Sessions in the Multifamily track included those on Green Operations and Management, How to Get to Zero Energy in Multifamily, Financing Renewables in Multifamily, and Best Practices in Data Access. The event was a moment to reflect on the successes of the year. There are now 90 Multifamily Partners and five Multifamily Financial Allies in the Better Buildings Challenge (BBC). Each Partner has committed to reducing their energy usage by 20 percent portfolio-wide over a decade. And many are receiving technical assistance from HUD to help them meet their goals.

Stewards for Affordable Housing for the Future (SAHF), a BBC Financial Ally, presented on the release of their EZ Retrofit 2.0 Tool, which is a free benchmarking and audit tool to give multifamily property owners and operators the ability to identify a range of energy and water efficiency measures that are likely to be cost-effective at their sites. For more information, including a recording of their August 6 webinar, see: <http://www.sahfnet.org/ezretrofit.html>.

You can learn more about lessons learned from Better Buildings Challenge partners and other challenge info from these resources:

Department of Energy website: <https://www4.eere.energy.gov/challenge/home>. This includes a list of partners and case studies of successful energy saving retrofits.

HUD Exchange website: <https://www.hudexchange.info/programs/better-buildings-challenge/>. The BBC site includes instructions for partners on how to request technical assistance.

Multifamily website:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_of\\_fices/housing/mfh/memos\\_letters](http://portal.hud.gov/hudportal/HUD?src=/program_of_fices/housing/mfh/memos_letters). The “Memos and Letters” section of our website has links to the policy memos designed to assist BBC partners with meeting their goals.

### Renewable Energy

Our colleagues in Community Planning and Development’s Office of Economic Resilience have developed a new resource to support the deployment of renewable energy—solar and wind, for example—on HUD assisted properties. In June, HUD announced that the Administration’s goal for renewables deployment is now 300 megawatts, triple the initial goal set two years ago when the Climate Action Plan was announced. To support that expanded goal, our colleagues in Policy Development & Research have launched an information-gathering project to learn more about how HUD assisted owners have used renewable resources in the past and how we can support further use of renewables going forward. We’ll appreciate all participation in the survey this fall. You can find the new resources on renewables on HUD Exchange at <https://www.hudexchange.info/programs/renewable-energy/>.

### Water Wednesdays

This summer, EPA hosted Water Wednesdays to help HUD project officers and HUD grantees incorporate water efficiency into our programs and projects. The webinar series provides information about tools and resources that help public, low-income, and multifamily housing managers save water, energy and money. The series runs through October. All of the webinars to date have been recorded and you can watch them here: <http://www.epa.gov/watersense/hudwebinars/>.

### Utility Allowance Methodology Notice

On June 22, HUD published new guidance on the methodology to calculate the utility allowance. We have appreciated feedback from stakeholders and will be publishing a Frequently Asked Questions guide soon. See page 2 in this newsletter for a link to the Notice.

## **Nancie-Ann Bodell Named Director of Office of Asset Management and Portfolio Oversight**

Nancie-Ann Bodell has been selected to permanently lead the Office of Asset Management and Portfolio Oversight (OAMPO). Nancie-Ann has spent more than 25 years in the Office of Multifamily Housing at HUD. In the HUD Rhode Island field office, Nancie-Ann ascended from summer intern to Multifamily Representative and ultimately Production Branch Chief. In 2008 Nancie-Ann moved to HUD headquarters and has served in numerous roles including Senior Policy Advisor, Acting ADAS, the founding director of the Program Administration Office and Acting Director of OAMPO.

Nancie-Ann has established a well-earned reputation for her organizational skills, fostering collaboration among staff and stakeholders, improving morale among employees and building a culture of teamwork.

As Acting Director of OAMPO, Nancie-Ann has articulated a clear vision of how this office can guide, support and assist her immediate team in headquarters as well as the 750 field employees who daily perform asset management duties. Nancie-Ann continues to

lead and navigate through the Multifamily for Tomorrow transformation process, constantly attune to the needs of our asset management staff. Multifamily Housing is grateful for Nancie-Ann's service and dedication and is pleased to have her in this critical role.

## **Dan Burke Honored with Leadership Award**

On August 4, 2015, Secretary Castro presented Multifamily Midwest Regional Director Dan Burke with the Outstanding Leadership Award.

Since Dan joined HUD Multifamily in June 2013, he has provided outstanding leadership in a time of great change for the Midwest Region. Dan adeptly managed Multifamily business while helping employees manage the Multifamily transformation process. Dan's commitment to the employees of the Midwest region during the transformation process has been unwavering. Dan is truly deserving of this prestigious award.

## **MFH Celebrates MDP 2015 Graduation**

On July 16, 2015, 11 Multifamily employees graduated from Office of Housing's Management Development Program. The MDP is a 12-month program designed to prepare current non-supervisory employees from both headquarters and the field for future leadership positions.

A graduation ceremony at HUD headquarters honored MFH employees Elizabeth Arteaga, Shannon Bergman, Jessica Carlson, Sheba Cousins, Eddie Davis, Thomas Durscher, Eileen Hearty, Stan Houle, Mercedes Maestas, Jay Neubauer, and Carolyn Roberts, and John Schneider. Congratulations to MDP Class of 2015!

We also extend our congratulations to the new MPD class of 2016, who were selected from MFH offices nationwide: Brandi Copeland, Barry Daroe, James P.



MDP 2015 graduates pose with DAS Ben Metcalf and mentors

Flynn, Michael Gamez, Richard M. Harding, Jr., Jason L. Hare, Tiffany Mielke, Jennifer Mott, Paul Olin, Seema Radhakrishnan, and Mark V. Sciuillo.

## Senior Staff Profile: Tom Davis Director, Office of Recapitalization

Tom Davis is the Director of the Office of Recapitalization in HUD's Office of Multifamily Housing. Tom joined HUD in June 2015, moving to Washington, DC, from Boston.

"It's an exciting opportunity for me to lead such a strong team, doing amazing work growing the RAD program and managing our historic programs," said Tom about coming to Multifamily Housing. "I look forward to working more closely with the field, with our stakeholders and with project teams."

Immediately prior to joining HUD, Tom was Senior Vice President of Recap Real Estate Advisors, a Boston-based affordable housing consulting firm. There he led the firm's affordable housing consulting practice, focused on the recapitalization and preservation of existing affordable housing through transactional, strategy and policy engagements. Tom focused heavily on public housing recapitalization transactions, particularly under HUD's Rental Assistance Demonstration (RAD) program.

Tom served as a consultant on RAD to Enterprise Community Partners, Inc., under their technical assistance contract with HUD. He worked with housing authority clients to develop repositioning and recapitalization strategies for their portfolios, in each case structuring and financing the transactions with care to preserve affordability and maximize opportunities for residents.

Tom began his career in private practice as an attorney at Morrison & Foerster, specializing in affordable housing, LIHTC, real estate and environmental issues. He subsequently joined the Office of General Counsel at The Community Builders, Inc., a multi-state non-profit affordable housing owner and developer, managing large multi-phase HOPE VI neighborhood revitalization efforts and spearheading a strategic redesign of The Community Builders' resident services and economic development programs to focus on

financial counseling, asset building, employment and youth.

Subsequent to The Community Builders, Tom joined Preservation of Affordable Housing, Inc. (POAH), another multi-state non-profit. At POAH, Tom built the organization's asset management systems to appropriately steward a multi-jurisdiction real estate portfolio including federally assisted, tax credit and market-rate units; supervised implementation of green retrofit, utility data system and energy initiatives; and designed resident service efforts focused on health services and financial counseling.

Throughout his career, Tom has integrated his experience in transactional legal work, development project management, affordable housing finance, asset management, resident services and property operations in an effort to maximize the value of affordable housing—as homes and as a platform from which to offer resources that families can access to achieve their own success.

Tom has also served as Chair of the Board of Directors of Urban Edge Housing Corporation, a NeighborWorks community development corporation serving the neighborhoods of Jamaica Plain and Roxbury. and is on



## Multifamily Housing Announces New Southeast Region

In August 2015, the Office of Multifamily Housing Programs and the Office of Field Policy and Management co-hosted an official kickoff event in the Atlanta and Jacksonville offices to celebrate the introduction of the new Multifamily Southeast Region. Principal Deputy Assistant Secretary of Housing Ed Golding, Multifamily Housing Deputy Assistant Secretary Ben Metcalf, and new Multifamily Southeast Regional Director Ruben Brooks were the keynote speakers.



Housing Principal Deputy Assistant Secretary Ed Golding addresses stakeholders in the Multifamily Atlanta Regional Center

Hundreds of stakeholders from the Southeast Region attended the event, which provided an opportunity to meet with the regional leadership team and ask questions about the new Multifamily structure and business model.

The new model includes improvements that allow Multifamily to provide better customer service, operate more efficiently and consistently, and improve risk management.

The Southeast Region is the third of the five new Multifamily regions nationwide. In March, Multifamily introduced its new Midwest Region, which has its

Regional Center in Chicago and Satellite offices in Detroit and Minneapolis. Multifamily expects to introduce its new Northeast Region in March 2016.

For more information about the Multifamily for Tomorrow transformation and to see the latest organizational charts, please visit our website at [http://portal.hud.gov/hudportal/HUD?src=/transforming\\_hud/multifamily\\_transformation](http://portal.hud.gov/hudportal/HUD?src=/transforming_hud/multifamily_transformation). For questions, please contact [mft@hud.gov](mailto:mft@hud.gov).



More than 200 Multifamily Housing stakeholders gathered in Atlanta and Jacksonville for the introduction of the new Multifamily Southeast Region



Southeast Region Director Ruben Brooks introduces the new Multifamily Southeast Region at the kickoff event in the Jacksonville Satellite Office