ADDRESSING ACCESSIBILITY IN CAPITAL NEEDS ASSESSMENTS

HUD-FHA Multifamily and Fair Housing & Equal Opportunity (FHEO)

Training
May 18, 2012
Increased Volume of refinancing

- Most are market rate
- Built after March 13, 1991
- Many with Fair Housing Act issues
WHY MORE ACCESSIBILITY TRAINING?

Assisted housing

• Older projects, owners’ ongoing duties are hard to assess
• Expect existing projects to become Federally assisted and trigger Section 504 (e.g. LIHTC Pilot)
Risk Mitigation & Existing Insured Housing:

- PCNA now needed for 223(a)(7)
- 10 year updates
- Ooops-accessibility issues in insured projects?
What we have seen:

- Confusion about application of the statutes and regs.
- How to fashion remedies
- Definition of terms (e.g. “adaptable”)

Why More Accessibility Training?
NEW PCNA/RfR GUIDANCE

• Draft posted for comments 5/11/12
  • Aligns Development & Asset Mgmt
  • Sets 20 yr period
  • Sets minimum RfR balance
  • Requires more rigor
  • Especially for older properties

and

• Addresses accessibility issues
• **Accessibility Issues:**
  
  • “Adaptable” ≠ Delay
  
  • FHA “features of adaptable design” required at original construction
New PCNA/RfR Guidance

- Accessibility Issues:
  - 504-UFAS, properties built < 7/11/1988
    - PCNA identifies UFAS deficiencies
    - Owner fixes..or shows why not, e.g.
      - No alteration of bearing walls
      - Undue financial and admin burden
      - No alterations
Accessibility Remedies:
- Remedies are Critical Repairs
- Described in “corrective action plan”
- Detachable “plan” eases HQ-FHEO review when needed
Corrective action plans:

• Describe physical remedies
• Estimate costs
• Set specific schedule
  o Fastest possible
  o Not > 1 yr without HQ approval
• Not a safe harbor
Proposed Mortgagee Letter Posted for Comment at:


Written comments to Dan Sullivan through trade associations by JUNE I, 2012.