



ADDRESSING ACCESSIBILITY IN CAPITAL NEEDS ASSESSMENTS

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

Training
May 18, 2012





WHY MORE ACCESSIBILITY TRAINING?

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)





WHY MORE ACCESSIBILITY TRAINING?

Risk Mitigation & Existing Insured Housing:

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





WHY MORE ACCESSIBILITY TRAINING?

What we have seen:

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





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





NEW PCNA/RfR GUIDANCE

- **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





NEW PCNA/RfR GUIDANCE

- **Accessibility Remedies:**
 - Remedies are Critical Repairs
 - Described in “corrective action plan”
 - Detachable “plan” eases HQ-FHEO review when needed





NEW PCNA/RfR GUIDANCE

Corrective action plans:

- Describe physical remedies
- Estimate costs
- Set specific schedule
 - Fastest possible
 - Not > 1 yr without HQ approval
- Not a safe harbor





NEW PCNA/RfR GUIDANCE

Proposed Mortgagee Letter Posted for Comment at:

<http://portal.hud.gov/hudportal/documents/huddoc?id=PCNA-RfR-Draft-for-comment.pdf>

Written comments to Dan Sullivan through trade associations by JUNE 1, 2012.

