

# Pacific Currents

## Multifamily Housing News

U.S. Department of Housing & Urban Development — San Francisco Multifamily Hub

**Hawaii**

**Northern California**

**Nevada**

**Arizona**

Volume 7, Issue 5

March 2005

### Inside This Edition of Pacific Currents

FHEO: Application Do's	— 1 - 3
FHEO: Limited English Proficiency	— 4 - 5
Emergency Capital Repair Grants	— 5
Top 10 RHIIP Review Deficiencies	— 6
MF Energy Efficiency Partnership Initiative	— 7
Centerfold: Lieb Sr. Apts & Brown Estates	— 8 & 9
Industry Meeting & Comings & Goings	— 10
Section 202 Refinancing Notice Revised	— 11
Matching Tenant Data In Assist Housing	— 12
How To Calculate Medicare Drug Cards	— 12
Where's Waldo?	— 13
Revised Guide for Previous Participation	— 13
"Pacific Currents" Puzzle Page — NEW!	— 14
Development Corner & Recent Issuances	— 15
Calendar	— 16

### Special Feature

## Fair Housing and Equal Opportunity

*(Final installment of a three-part series)*

### Application Do's

Many properties that are renting up for the first time or opening their waiting lists after several years find themselves with busloads of applicants when their offices open. Properties that use a first-come, first-served application process may not be treating all applicants fairly, although they certainly intended to do so.

The Fair Housing Amendments Act requires all landlords and housing managers to provide equal access to people with disabilities. Unlike other anti-discrimination laws, the FHAA says that providing equal access doesn't just mean not turning people away, it can also mean taking affirmative steps to remove obstacles for people with disabilities.

The "first-come, first-served" approach that many providers use creates a number of obstacles for people with disabilities. In a tight housing market, if applications are taken on a first-come, first-served basis, many applicants will begin lining up as much as 24 hours ahead of time. People with physical disabilities may be unable to withstand such a long wait.

Housing providers who are opening their waiting lists and who want to accept applications for a limited period of time are strongly encouraged to use a lottery process. The goal of a lottery system is to diminish the frenzy involved in huge numbers of people applying for limited numbers of units (or even for slots on waiting lists). A lottery model avoids the "survival of the fittest" phenomenon that occurs in extremely competitive housing markets.

The chart below provides some practical suggestions to increase accessibility to people with disabilities, and to create a fair, accessible process for all applicants, including people with disabilities.

*Continued on Page 2*

## SUBSCRIBE TODAY!

### New And Easy Online Subscription Service

Go to:

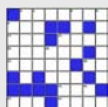
<http://www.hud.gov/subscribe/index.cfm>

Insert your Email Address and you're signed up to receive our latest issue!

### NEW! Pacific Current's Puzzle Page!

Inside! — Page 14

#### CROSS WORD PUZZLE!



MAZE! FIND YOUR WAY TO AFFORDABLE HOUSING!



#### MATCH THE PICTURE



### Where To Find Our Previous Pacific Current Issues

The San Francisco HUB publishes Pacific Currents quarterly. While we try to furnish our 4,000+ subscribers with a print copy, sometimes we are only able to post the newsletter on our website due to insufficient printing funds. Look for our latest issue here:

<http://www.hud.gov/local/ca/working/localpo/mfhsgnews.cfm>

## Multifamily Hub News Staff

Multifamily Hub Director  
Janet L. Browder

Director, Operations — J. Patrick Goray  
Editor-In-Chief — Christine Day  
Design, Layout, Advisor — Larry Chauvet



The Multifamily Hub News is distributed to Hub clients as well as other interested parties. Comments may be directed to Christine Day at (415) 489-6610 or Christine\_J.\_Day@ HUD.GOV

**Subscriptions:** The San Francisco Multifamily HUB, USDHUD "Pacific Currents" newsletter is published on a quarterly basis and distributed free of charge to registered subscribers.

**To subscribe for the online edition please visit**

<http://www.hud.gov/subscribe/index.cfm>

**Disclaimer:** This publication provides general coverage of its subject area. It is distributed with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional advice or services. If legal advice or other expert assistance is required, the services of a competent professional should be sought. The publisher shall not be responsible for any damages resulting from any error, inaccuracy, or omission contained in this publication.

*Contributed by Jeri Henson*

### Hub Lines . . .

Kindness in words creates confidence.  
Kindness in thinking creates profoundness.  
Kindness in feeling creates love.

— Lao Tzu

People have a way of becoming what you encourage them to be --- not what you nag them to be.

— S.N. Parker

Do.....	Why...
Review your Affirmative Fair Housing Marketing Plan (AFHMP) and Resident Selection Plan	Your site should have both an AFHMP and a resident selection plan. The AFHMP outlines the strategies you must use whenever you market units at your property, including how to notify potential applicants that a waiting list is open. The purpose of the plan is to ensure that you market in compliance with federal fair housing laws and take steps to attract groups that normally wouldn't be likely to apply without special outreach efforts. The Resident Selection Plan says how you'll rank applicants on the waiting list, including any allowed preferences.
Notify the Public	Mail or fax a notice to the organizations indicated on your AFHMP. Your notice should: <ul style="list-style-type: none"> <li>. Advise the organizations that you've opened a waiting list at your site, mentioning the size of the available units and any applicable preferences.</li> <li>. State when and how to get applications (i.e., in person or by mail) Give the deadline, if any, for submitting applications</li> <li>. State the ranking process (i.e., random drawing)</li> <li>. Mention any other open lists available</li> <li>. Include required fair housing information such as the fair housing logo, statement, or slogan.</li> </ul>
Provide an open application window of 2 weeks or more	This allows applicants to submit an application who may not be able to get to the property on a specific day.

Pacific Currents is featuring a series of articles on Fair Housing and Equal Opportunity. In this issue you will find articles on:

- Application Do's and Don'ts
- Limited English Proficiency – HUD Proposed Guidelines And What They Mean to Housing Providers

Our December 2004 Issue featured articles on:

- Tips on How to Avoid a Housing Discrimination Complaint
- A Housing Discrimination Complaint has been Filed Against me, so now what?

Our September 2004 Issue featured articles on:

- Does Your Affirmative Fair Housing Marketing Plan Need a Tune-Up?
- Reasonable Accommodations for Persons with Disabilities

**Pacific Currents - March 2005**

Do.....	Why...
Use a Pre-Application	This saves time and money. A pre-application form asks applicants for the essential eligibility and screening information, but requires less time and effort for applicants to fill out and site staff to process. In many cases, a completed pre-application will make it immediately obvious that a household is not eligible and may be rejected. This also prevents the long waiting lists that may contain many ineligible applicants, and lets applicants know immediately if they will be considered and placed on the waiting list.
Allow different methods for submitting a pre-application or application	Some people with disabilities may have difficulty leaving their home, and need to apply by mail. Others may need assistance filling out forms and/or understanding the application process and need to apply in person. Those who have difficulty with both travel and forms may need assistance over the phone. (We realize that for a full application, taking information solely by phone may not be possible, given the need for documentation and a signature. The goal is to minimize the number of trips a person has to make to the site if a disability makes travel difficult.)
Include a space on the pre-application or application to list a second contact with contact phone and address.	People with cognitive and psychiatric disabilities may be living independently but may have difficulty understanding letters sent to them. They could miss important deadlines.
In designing the application form, strive for simple, clear language, in large, bold print.	The easier it is to understand and fill out, the fewer questions for assistance you will receive, saving staff time.
Have staff available to help people with the application itself, and to explain the application process.	People with vision impairments or cognitive disabilities are likely to need assistance filling out the application. A clear process helps everyone to feel that it is fair.
Provide notice in the application and on the site informing that assistance is available in the application process, and how to get it.	If people are not aware of the availability of assistance, they may assume it does not exist. (Federal law also requires notice to clients of their rights.)
Provide some form of a receipt for both the pre-application and the application. (For phone pre-apps, this can just be a confirmation number.)	This helps protect the housing provider. If clients insist that they applied, but do not see their name on the lottery or waiting list, they would have the receipt (or not) to prove they had submitted an application.
Conduct Random Drawing to Rank Applications	Many sites rank waiting list applications on a first-come, first-served basis. Though HUD permits you to do this, it may not be the most effective way to handle an opening if you're expecting a large number of applicants.
Notify applicants of their placement on the waiting list	<p>HUD requires that you notify applicants when you place them on your waiting list and give them an estimate of when an appropriate unit may be available. It's a good idea to notify applicants in writing so documentation is on file. Your letter should state:</p> <ul style="list-style-type: none"> <li>• They appear to be eligible, but that a final determination of their eligibility will be made when they reach the top of the waiting list. Be careful not to give the impression that you are guaranteeing their future admission;</li> <li>• Provide an estimate of the length of time they will be on the waiting list before a unit becomes available based on past turnover.</li> <li>• Ask applicants to notify you of any changes to their household, income, or contact information and to keep in touch periodically to confirm they want to remain on the waiting list.</li> </ul>

Limited English Proficiency – HUD Proposed Guidelines  
And What They Mean to Housing Providers

The U.S. Census Bureau has reported data from the 2000 census which indicates that over eight percent of Americans replied that they spoke English less than well. In California, that percentage who speak English less-than-well is 20%. Nationwide, 26 million individuals reported that they primarily speak Spanish at home, and almost seven million individuals reported that they spoke an Asian or Pacific Island language at home.

Can you imagine how difficult it would be to complete a rental application, or read a lease or house rules, if you couldn't understand the language in which they were written? Or imagine, if you will, going to apply for housing and trying to explain your needs to a manager, but being unable to communicate your needs and qualifications if the two of you cannot understand one another's languages. How far would that application process get before one of the two parties gave up in frustration?

The concept of Limited English Proficiency (LEP, for short) developed out of a theory of discrimination known as "disparate impact". Disparate impact is described in detail elsewhere in this newsletter, but in essence it refers to a facially-neutral set of rules or policies (i.e., the rules or policies don't on their face express a refusal to rent or deal with a member of a protected class), but which in practice have the discriminatory effect of denying housing or services to protected groups significantly more often than people outside of those groups.

For example, consider the case of a housing manager, who speaks only English language, running a subsidized housing complex in a predominately Hispanic neighborhood. All of the advertisements for this complex over the years have been in English, all of his rental documents were in English. And, almost all of his current tenants are non-Hispanic. There are a few Hispanics living in the complex, but all of those have fluency in English. Even if this manager never intended to deny housing to Hispanics, a case might well be made that the historic failure to meet the Spanish-language needs of an eligible Hispanic population in the neighborhood was having the "disparate impact" of effectively denying housing to Hispanics.

So now you're asking, What does the Government expect me to do? Enroll in community college and take a course in Spanish? In Cantonese? In Vietnamese? Translate all of my lease documents once I've passed these courses? Have all this done before the next annual set of recertifications is complete? The short answer is "no". But guidance is coming which will help housing providers to analyze whether they need to do more to reach out to LEP populations.

Keeping the "disparate impact" concept in mind, the requirement to reach out to the special needs of LEP populations is founded in Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the bases of race, color, and national origin in federally-subsidized housing and programs. Executive Order 13166, signed in August 2000, ordered all federal agencies working under Title VI to publish guidance for its respective recipients clarifying their LEP obligations. HUD published proposed guidance in the Federal Register on Friday, December 19, 2003. Public commentary on the proposed guidance extended for 30 days, and the Department is currently considering the public's comments. Final guidance should be published in the coming year, and HUD will get word to all owners and managers soon after.

Without imposing any firm rules, the guidelines offer four general areas of consideration which subsidized housing providers are encouraged to consider in determining what actions need to be taken to deal with the LEP populations in their complex, and in their community:

(a) The number or proportion of LEP persons served or encountered in the eligible population: If there is a sizeable LEP population living in the complex, there is a greater need to meet their needs through translation services. If there is a sizeable LEP population living in the community, there is probably a greater need to outreach and market to them in a language they will understand.

(b) The frequency with which LEP individuals come into contact with the housing or service provider: The more frequent the contact with a particular language group, the more likely that enhanced language services in those languages are needed. Daily contact with a LEP population almost certainly suggests need for in-house translation services. Less of a burden exists in the cases of infrequent, unpredictable interactions.

(c) The nature and importance of the program, activity or service provided: The obligations to communicate translated rights to a person who is being evicted differ, for example, from those to provide recreational programming instructions.

(d) The resources available to the housing or service provider, and the costs: There is a greater obligation that a public housing authority offer translation services, than there is for a ten-unit HUD Section 811 development. A large provider has greater resources to hire bi-lingual staff, and greater resources to arrange translation of critical documents. But even housing providers of small-scale housing can effectively meet critical needs

through services such as Language Line translations, and at minimal costs, where a LEP clientele suggests need.

There's significantly more than the summary above in HUD's proposed LEP Guidelines. Although the public commentary period has now closed, you may still access the proposed Guidelines on HUD's website, or download them from websites providing access to the Federal Register. As noted above, they were published in the Federal Register on Friday December 19, 2003 (pages 70968-70980). Or contact FHEO at 1-800-347-3739, and a copy will be mailed to you.

### Quick Quiz

Limited English Proficiency –  
HUD Proposed Guidelines  
*And What They Mean to Housing Providers*

1. According to the 2000 census, what percentage of Californians spoke English "less than well"?
2. What does LEP stand for?
3. When does HUD expect to publish final guidelines clarifying LEP requirements?
4. Has the public commentary on proposed LEP guidelines been extended to the end of 2005?
5. On what date did HUD publish the proposed LEP guidelines?
6. Which office within HUD should be contacted to obtain a copy of the proposed LEP guidelines?



Answers to the "Quick Quiz" on Page 11

### Free Tax Preparation Assistance for Qualified Individuals and Families

AARP Tax-Aide is the nation's largest, free, volunteer-run tax counseling and preparation service offered to all taxpayers with middle and low income, with special attention to those age 60 and older. An individual/family does not have to be a member of AARP or a Senior citizen. Volunteers will be available starting February 1 through April 15.

The American Association of Retired Persons, in conjunction with the Internal Revenue Service and the California Tax Board, recently held a week-long training session for the new and returning volunteers. The program highlighted changes in tax laws for 2004, and special benefits available to certain taxpayers. At some locations returns are electronically filed. This method ensures that returns are processed faster, with fewer errors, providing for quicker refunds.

For the location of a site in your area, call toll-free 1-888-AARPNOW (1-888-227-7669) or visit their web site at [www.aarp.org/taxaide](http://www.aarp.org/taxaide).

### Emergency Capital Repair Grants

On December 16, 2004, HUD announced in the Federal Register the availability of grant funds to make emergency capital repairs to eligible multi-family projects that are owned by private non-profit entities and designated for occupancy by the elderly. The capital repair needs must relate to items that present an immediate threat to the health, safety, and quality of life of the tenants.

To be eligible for the emergency capital repair grant a project owner must be in compliance with:

- ⇒ Its Loan Agreement, Capital Advance Agreement, Regulatory Agreement, Housing Assistance Payments Contract, Project Rental Assistance Contract, Rent Supplement Or LMSA Contract, or any other HUD grant or contract documents, and,
- ⇒ All fair housing and civil rights laws, statutes, regulations, etc.

In addition, the property must have received a "Satisfactory" rating or above on its most recent Management and Occupancy Review, received a score of 60 or higher on its last physical inspection, has no material adverse financial or managerial actions, and is current on its mortgage.

The maximum grant amount is \$500,000. Applications will be taken on a first-come, first-served basis until the available funds are expended.

We encourage all of our elderly housing projects to obtain a copy of the Federal Register at [www.hudclips.org](http://www.hudclips.org), review it, determine if your property has any emergency capital needs that your current Reserves or operating funds cannot accommodate, and submit your request, if necessary, as soon as possible.

Please note that the Federal Register has an incorrect address for submission to the San Francisco Office. The correct address is 600 Harrison Street, 3<sup>rd</sup> Floor, San Francisco, CA 94107-1387. Applications from Nevada and those properties within the Sacramento Office jurisdiction should be submitted to the San Francisco Office. All other addresses for the San Francisco Multifamily Hub are correct.

### Reserve for Replacement Reminder

This is a reminder to owners/agents who have recently refinanced their properties with HUD's 223f and 232/223f loans. Owners are not to use the Reserve for Replacement funds for improvements or repairs that they knew about at the time of loan origination, at least during the first year after the new loan.

**HUD Participates on Statewide Task Force on Energy Efficiency**

HUD joins the California Association of Realtors, California Building Industry Association, local government officials, municipal utility companies, housing developers, appraisers, residential energy professionals in participating on the Statewide residential working group to assist the California Energy Commission develop strategies and actions to increase the energy efficiency of the existing housing stock.

California State Assembly Bill 549 requires the California Energy Commission to propose a series of integrated and cost effective strategies for reducing peak and overall energy consumption in existing residential buildings in California.

Of the nearly 11.2 million single family and multifamily units in California in 2003, 74% or approximately 8.3 million units were built prior to 1982. Before 1982, there were very few energy requirements in local building codes. Older housing units consume the greatest amount of energy and have the highest energy costs per sq. foot. A significant portion of HUD's public and assisted multifamily properties were built prior to 1982.

Strategies focused on "triggering events" for assessing residential energy use, identifying energy efficiency measures, and undertaking improvements will be considered. Triggering events typically include the time a building is sold, refinanced, or leased, or when a building undergoes rehabilitation that requires a building permit. Triggering events may also include events that trigger access to building components, such as during building repairs or events in which the building undergoes a physical inspection, appraisal, or energy evaluation.

An action plan developed by the Commission with information and recommendations from the working group will be submitted to the California legislature in September 2005.

**Top 10 Deficiencies Found During RHIP Reviews**

The following are the top ten errors found when reviewing tenant files as part of the Rental Housing Integrity Improvement Program (RHIP) initiative.

Missing HUD 9887, Notice and Consent for the Release of Information, and HUD-9887A, Applicant's/Tenant's Consent of the Release of Information. The consent expires 15 months after signed.

Missing HUD-27061 H, Race and Ethnic Data Reporting Form, for applicants, residents to self-certify their ethnicity. In compliance with Notice H 04-25 and Handbook 4350.3, paragraph 2-11, subparagraph B.1, Record-keeping, page 2-9.

Current HUD Model Lease not in file. Current form of lease to be used is available in Handbook 4350.3, Appendix 4.

Checking account verifications are not properly verified. Use average monthly balance in checking accounts for last 6 months. See Handbook 4350.3, Appendix 3, Acceptable Forms of Verification.

Wrong formula used when calculating income for full-time employee. Handbook 4350.3 requires owners/agents to use 2080 x hourly salary to calculate full-time employment with a 40-hour work week and no overtime. See Handbook 4350.3, Paragraph 5-5, subparagraph b.1, page 5-4.

Tenant selection policy missing required elements. See Handbook 4350.3, Figure 4-2, page 4-4 and paragraph 4-7, pages 4-14 and 4-15.

Missing *Residents Rights and Responsibilities* certification. Owners must provide applicants and tenants with the HUD Fact Sheet and a copy of the Resident Rights and Responsibilities brochure and provide some form of certification. Handbook 4350.3, paragraph 5-15, subparagraph C.

Move-in, annual and move-out inspections are not signed by resident or by management or annotated that resident was not available. Handbook 4350.3, paragraph 6-29, pages 6-39 through 6-41, and paragraph 6-30 on page 6-41.

Income and assets verification missing from resident files. Owners must verify all income, expenses, assets, family characteristics, and circumstances that affect family eligibility. Handbook 4350.3, paragraph 3-25, Key Requirements, subparagraph A, page 3-64.

Tenant security deposits not in compliance with HUD guidelines. Handbook 4350.3, Chapter 6, figure 6-6, Amount of Security Deposit to Collect from Tenant, page 6-29.

**SUBSCRIBE TO "PACIFIC CURRENTS" ONLINE!**

In order to receive future issues subscribe online now!

GO TO:

<http://www.hud.gov/subscribe/index.cfm>

You'll receive an email message asking you to confirm your registration and once confirmed you'll receive notice of all new "Pacific Currents" issuances!

To cancel your subscription, simply provide the email address you used to sign up for the mailing.

Privacy statement: We believe in protecting your privacy. When you register for a mailing list, we won't share your email address with anyone outside HUD.

Multifamily Energy Efficiency Partnership Initiative

The Sacramento Multifamily Office has launched an initiative to develop a model for undertaking energy efficiency improvements at existing HUD multifamily projects.

The project is currently in the preliminary design and scoping phase. During this phase, the Multifamily Asset Management Office in Sacramento has undertaken a screening process to identify potential candidates for a pilot program. The screening criteria consider potential energy issues, property age and physical condition, and financial capacity, and potential owner interest.

Additionally, outreach has been conducted with potential funding partner organizations. DOE and the DOE-funded California Weatherization Assistance Program were consulted to examine the feasibility of linking HUD's efforts with existing resources. In California, these resources are severely constrained, making the replication of the weatherization program model developed in New York in 2002 less feasible.

Partnership interest has been obtained from four energy efficiency programs active in Northern California that received funding from the California Public Utilities Commission. They are: Design for Comfort, Energy Action, Stockton Energy Efficiency Program and the San Joaquin County Comprehensive Energy Program. These programs are respectively administered by: the Heschong Mahone Group, ICF Consulting, and the Integrity Corporation. Each program provides a comprehensive set of activities including audits, technical assistance, direct installation services, and financial incentives. Differences between the programs generally relate to program eligibility requirements, the type of housing served, geographic area, and extent of resources.

> The Design for Comfort Program (Heschong Mahone Group) seeks to upgrade existing multifamily buildings with energy efficient building equipment and materials and increase building energy performance by at least 20% over existing conditions or 15% better than the 2001 Title 24 standards. Upgrades may include: High efficiency space cooling and/or heating; High efficiency windows; Improvements to building envelope; Water heating improvements (water heater/boiler and distribution loop controls). The Design for Comfort offers financial incentives up to \$700 per multifamily dwelling unit for large-scale projects. All incentives are limited to the cost of the upgrade, including installation costs and are paid after on-site verification of measure installation. Large-scale multifamily project incentives are capped at \$46,200. This program does not fund improvements

to lighting or appliances. You can obtain more information at <http://www.designedforcomfort.com/default.htm>, or by calling Julieann Summerford at (866) 352-7457.

- > The Energy Action program (ICF Consulting) provide a comprehensive array of energy improvements services through partnerships with kW Engineering, GRID Alternatives, SEI (Strategic Energy Innovations), and LISC (Local Initiatives Support Corporation). Engineering personnel perform energy assessments on HVAC, lighting, domestic hot water, and other systems for qualifying facilities. Energy Action evaluates specific issues with energy consuming equipment or systems and prepares a detailed report of their findings and the actions the facility can take to save both energy and money. If necessary, Energy Action can assist with reviewing rehabilitation and retrofit plans to identify further energy saving improvements and the ordering of energy efficient equipment. In addition to prescriptive and customized rebates for energy measures, the Energy Action program, through its partnership with LISC, offers bridge and zero interest loans. You can obtain more information at <http://www.energyactionresources.org> or by calling LeAndra McDonald at (415) 677-7131.
- > Integrity Corporation administers two highly successful energy efficiency programs in San Joaquin County. This program works with local government officials in Stockton and San Joaquin County to target and deliver energy efficiency information and services to hard-to-reach customers. The program includes comprehensive audits in over 500 facilities, complete installation assistance, post installation Quality Checks, email and direct mail marketing to residential and non-residential customers, web site development, and community meetings to highlight energy efficiency opportunities. You can obtain more information at <http://www.integrycorp.com/index.html> or by calling Jay Bhalla at (925) 461-1300.

Near-term next steps include formal presentation to candidate properties on the energy efficiency partnership initiative, project selection, and on-site scoping sessions and energy assessment of participating properties.



## Richard S. Lieb Senior Apartments, Petaluma, CA

**Project/Location:**

200 Douglas Street  
Petaluma, CA 94952-2575

**Description:**

23 units—22 assisted  
1BR/ 1 BA units plus a 2BR  
Manager's unit.

**Project Size:**

16,658 square feet

**Unit Size:**

1BR—612 square feet  
2BR—825 square feet

**Status:**

Construction completed  
September 2004

**Sponsors:**

Petaluma Ecumenical  
Properties

**Architect:**

Cogenesis Design  
Group (Wayne Miller)

**Contractor:**

Midstate Construction

**Funding Source:**

HUD Capital Advance:  
\$2,794,900

California HCD's HOME  
Program: \$391,895

City of Petaluma Housing  
Program Fund: \$585,000



**L**ieb Senior Apartments is the new home for twenty-three very low income residents (21 singles and a couple). The recently completed Section 202 complex is located on Douglas Street in Petaluma. In addition to the apartments, the property provides a community room with a living/gathering area, a full kitchen, public bathrooms, a laundry facility (free to residents), library and a Manager's Office. In the center of this two story facility is a memorial courtyard honoring Richard S. Lieb, a founding director of Petaluma Ecumenical Properties (PEP), and the architect of earlier PEP properties. Dick Lieb's passion and dedication to the well-being of seniors has made PEP a leading provider of affordable supportive housing in Sonoma County.

For Dick Lieb, the fundamental design imperative was to provide housing that is "safe and warm", as he liked to call it. Wayne Miller, the architect for Lieb Senior Apartments, has built on that ideal. He has incorporated a number of "green" features that are important to the people of Petaluma such as; solar hot water, energy efficient appliances and building materials.



EQUAL HOUSING  
OPPORTUNITY



## George and Lois Brown Estates, Henderson, NV



Copyright of Accessible Space, Inc.

**G**eorge and Lois Brown Estates is a new, twenty-two unit accessible apartment community in Henderson, NV, for adults with physical disabilities, developed by Accessible Space, Inc. (ASI) of St. Paul, Minnesota. The apartments are named in honor of George and Lois Brown for their advocacy, vision and commitment to serving adults with disabilities, and for their steadfast support of ASI housing initiatives in Nevada. Mr. Brown served for eighteen years on the Nevada Governor's Planning Council on Developmental Disabilities.

Designed for full accessibility, most apartments include wheel-in showers, community space for social or family activities, entry card security system, carpeting and laundry facilities. Residents may live alone in a one-bedroom unit or share a two-bedroom unit.

This ASI-sponsored property marked their seventh accessible and affordable housing development for adults with physical disabilities to be built in Nevada. Accessible Space, Inc. is a nationally recognized nonprofit developer owner and manager of accessible and affordable housing.

*Photographs courtesy of Accessible Space, Inc.*



Copyright of Accessible Space, Inc.

**Project/Location:**

George and Lois Brown Estates,  
429 Wagenen Street,  
Henderson, NV

**Description:**

21 Affordable units for persons with physical disabilities plus manager's unit

**Project Size:**

23,498 square feet

**Unit Size:**

16 one-bedroom  
Each 540 square feet  
6 two-bedroom  
Each 793 square feet

**Status:**

Construction completed  
March 2004

**Sponsor:**

Accessible Space, Inc.

**Architect:**

Ackerberg and Associates, Inc.

**Contractor:**

B & H Construction, Inc.  
(Blanchard & Hoffman)

**Funding Source:**

HUD Capital Advance:  
\$1,935,500

Clark County HOME:  
\$325,000

City of Henderson:  
\$484,500

FHLB of Des Moines and U.S.  
Bank National Association:  
\$105,000



EQUAL HOUSING  
OPPORTUNITY

First Sacramento Bi-Annual Industry Meeting

The Sacramento Multifamily Field Office hosted an Industry Meeting for owners and management agents, on January 27, 2005, at the historic Hotel Woodland, in Woodland, CA. There were approximately eighty (80) people in attendance. Topics discussed included, the Rental Housing Integrity Improvement Project (RHIIIP) initiative; August 2004 changes to Occupancy Handbook 4350.3; new requirements for audited financial statements for un-insured properties that have owner changes; 2530 processing; grant funds for capital repairs; new guidance on Limited English Proficiency for residents; multifamily weatherization/energy programs and training; and an update from our project-based contract administrator (PBCA).

Also, highlighted at the meeting, was the neighborhood networks/social services program administered by the A. F. Evans Company. Future industry meetings hosted by the Sacramento office will feature different best practices for neighborhood networks, service coordinators or general project management. Owners/agents who would like to share their experiences can contact the Sacramento office.

Participants provided positive feedback and are looking forward to the next meeting planned for the summer of 2005.



Service Coordinator Program Updates

In the past, when requesting an extension of a Service Coordinator Grant, owners have been able to request an increase in funding of five percent (5%) over the last year's expenses. Due to budget constraints, HUD is no longer able to approve these 5% increases. For FY 2005, Grantees can request no more than a three percent (3%) increase over the amount of grant funds received the previous year.



Strong Password Announcement

In order to access Multifamily Housing Secure Systems after February 11, 2005, TRACS Users will be required to use "strong" passwords when their existing passwords expire. Strong passwords must be at least six characters in length, contain at least one upper case and one lower case letter, and contain at least one symbol or number. Passwords can be changed at anytime. Your cooperation is greatly appreciated.

COMINGS AND GOINGS  
San Francisco Hub

*Congratulations To Following Recent Retirees:*

- MaryAnne Cottmeyer, Senior Project Manager, San Francisco.
- Sandra Trepper, Supervisory Project Manager, Phoenix.
- Deanna Smith, Senior Project Manager, San Francisco.
- V. Michael Greene, Senior Project Manager, San Francisco.



A certificate of appreciation is presented to Bill Bolton of the Sacramento HUD office during his farewell celebration by Bill Rogina of the San Francisco Multifamily Hub.

Mr. Bolton was thanked for his support of Multifamily housing programs, both while the Senior Community Builder and then the Field Office Director in the Sacramento Office for the past seven years. Mr. Bolton became the new Los Angeles Multifamily Hub Director on January 9, 2005.

**Section 202 Refinancing Notice Revised**

On November 12, 2004, HUD issued Notice H 04-21 which revised Notice H 2002-16, Underwriting Guidelines for Refinancing of Section 202 and 202/8 Direct Loan Prepayments. The new notice has the following provisions.

- ◆ Loans can now be underwritten at the current or to be adjusted Section 8 rents, even if the Section 8 rents are greater than market. However, HUD does not permit above market rents for refinancings using a state agency risk sharing program.
- ◆ HUD will not allow mortgagors to take equity from the Section 202 property. In the case of a purchase transaction, sellers will be permitted to an equity take out that is the lesser of the purchase price or the unassisted market value of the property.
- ◆ The maximum allowable developer's fee is increased from 9 percent to the lesser of 15 percent of the development costs as defined under a State's Low Income Housing Tax Credit (LIHTC) Program or the maximum fee allowed by the State LIHTC Program. If LIHTC is not used as a source of equity, the limitation on the maximum developer's fee is also 15 percent of acceptable development costs.
- ◆ The maximum annual distribution from surplus cash is 6 percent of the owner's equity that was paid at the refinancing of the project. Other Government funds (i.e., HOME funds, CDBG funds, etc.) will not be considered owner's equity. See [www.hudclips.org](http://www.hudclips.org) for other provisions of Notice H 04-21.

**Pacific Current's Puzzle Solutions**

1	L	E	P	R	A	I	N
2	B	R	O	W	D	E	R
3	D	O	O	R	N	O	B
4	A	R	M	N	E	E	D
5	T	E	A	P	O	T	E
6	S	A	N	E	S	B	E
7	M	P	I	E	P	I	E
8	U	P	I	E	R	A	I

**Pacific Currents Crossword!**

---

**Match The Picture — Find The Differences**

1. Chimney; 2. Bush on left of house is taller; 3. Doorknob on opposite side of door; 4. Window inner frame missing; 5. Flowers missing; 6. Front porch larger; 7. Small window on front door added; 8. Picture frame on altered picture is thinner.

**Find Your Way To Affordable Housing!**

**Quick Quiz Answers**  
Limited English Proficiency – HUD Proposed Guidelines  
*(From FHEO Quick Quiz on page 5)*

- |                                                             |                                                                |
|-------------------------------------------------------------|----------------------------------------------------------------|
| 1. 20% of Californians speak English less than well.        | 4. No. Comments have not been extended.                        |
| 2. Limited English Proficiency.                             | 5. Friday, December 19, 2003 published in the Federal Register |
| 3. HUD expects to publish final guidelines later this year. | 6. FHEO at 1-800-347-3739                                      |

### Matching Tenant Data in Assisted Housing Programs

In the Federal Register of November 29, 2004, HUD provided notice of a matching program involving comparisons of information provided by applicants or participants in any HUD rental housing assistance program authorized under various statutes and independent sources of income information available through the National Directory of New Hires (NDNH) maintained by HHS. The rental housing assistance programs included are those covered by: The United States Housing Act of 1937; Section 202 of the Housing Act of 1959; Section 221(d)(3), 221(d)(5), or 236 of the National Housing Act; Section 811 of the Cranston-Gonzales National Affordable Housing Act; and Section 101 of the Housing and Urban Development Act of 1965.

The matching program will be carried out only to the extent necessary to (1) Verify the employment and income of individuals participating in the above identified programs to correctly determine the amount of their rent and assistance, and (2) after removal of personal identifiers, to conduct analyses of the employment and income reporting of individuals participating in HUD's rental housing assistance programs.

Based on an evaluation of the costs and benefits of disclosures made to PHAs and the adequacy of measures used to safeguard the security and confidentiality of information disclosed, HUD may expand the use of this computer matching program to disclose employment and income information of tenants to private housing owners, management agents, and contract administrators that administer HUD rental assistance programs. This matching information will be used to reduce or eliminate improper assistance payments.

### How to Calculate the new Medicare Prescription Drug Cards and Transitional Assistance

Notice H 2004-24 provided guidance in determining annual and adjusted income in HUD's assisted housing programs under the Medicare Prescription Drug, Improvement and Modernization Act of 2003.

In calculating annual income for a family, any assistance or benefit received from the Medicare prescription discount card or transitional assistance must be excluded as annual income for the purpose of calculating any rent or assistance.

The Medicare prescription drug discount cards (the card) and transitional assistance received by a family must be treated as a standard medical deduction when determining the family's medical expense deduction. Families using the card will continue to receive a medical deduction for the full cost of the prescription

drugs. Owners and agents must verify the cost of the drugs without the discount rather than verifying the out-of-pocket cost of the drugs to the tenant.

If Medicare does not pay the enrollment fee, which can be as high as \$30, tenants may claim the enrollment fee as a medical deduction.

Please obtain a full copy of Notice H 2004-24 at [www.hudclips.org](http://www.hudclips.org) to read the entire notice and required actions.

### Multifamily Housing Note Sale 2005

The next sale of unsubsidized and healthcare mortgage loans will be held March 16, 2005. A total of 52 loans will be offered for sale with a combined unpaid principal balance of \$388 million. Within the San Francisco Multifamily Hub, there will be 5 projects involved in the note sale: Sundial Senior Care Center (SF), and NBA Lifestyles of Glendale, Tempe Grove Apartments, Valle Verde II Apartments and The Villas at Mountain Vista, all located in the Phoenix, Arizona area. For further information, please refer to the website: <http://www.hud.gov/offices/hsg/comp/asset/hsgloan.cfm>

### Free Web Clinics!

HUD is offering FREE training opportunities to help interested parties use the Internet. HUD's Departmental Web Managers will teach classes on how to design and manage a public service website that works.

Web Clinics target HUD partner organizations who don't already have a website or who don't quite know what to do with their websites.

Web Clinics on the West Coast are being held in Seattle on April 6, San Diego on July 19, and San Francisco on August 24, 2005. Additional information and how to register can be found at [www.hud.gov/library/bookshelf15/webclinics/index.cfm](http://www.hud.gov/library/bookshelf15/webclinics/index.cfm).

### Statutory Mortgage Limits for 2005

The Basic Statutory Mortgage Limits for FHA Multifamily Mortgage Insurance programs were increased, effective January 1, 2005. The have been posted on the HUD Statutory Mortgage Limits and High Cost Percentage Multipliers website at: <http://www.hud.gov/offices/hsg/mfh/hicost/hicost.cfm>.

### Where's Waldo?

Many of you have expressed frustration trying to find the San Francisco Multifamily Hub's home page on the internet. It's like trying to find "Waldo." If you are having trouble finding our homepage, here's how:

- Go to HUD's Internet page - <http://www.hud.gov>
- Then on the top right, under Information by State, click "Go" then click California (or use the drop-down menu to select California and click "Go")
- On the left, click the topic "Local HUD offices"
- On the right, in the box Information for HUD Partners, click "Multifamily Housing"

### Reminder Regarding PRAC Renewals!

Many PRAC are nearing the end of their initial contract terms. In order to renew these contracts, Notice H 2002-17 requires that owners submit an operating budget for the property. If the owner is also requesting an increase in the project's rents, they should also submit the information required by Handbook 4350.1, Chapter 7, budget-based rent increase.

Owners are encouraged to submit their renewal information at least 120 days prior to contract expiration, since obtaining additional PRAC funds, if required, is a timely process.

A copy of Notice H 2002-17 can be obtained at [www.hudclips.org](http://www.hudclips.org)

### Active Partners Performance System (APPS)

In the April 19, 2004, Federal Register, a proposed rule was published concerning on-line submission requirements for HUD-2530s. The final rule is now in clearance.

To get an early start on the initial migration of your 2530 data, obtain the user guide available at <http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm>. Look for APPS User Guide, which is a pdf file that can be downloaded for your use. The system itself has built in help on each screen for additional assistance as needed. The User Guide also contains the registration process and all steps to get on line.

Those of you with Secure System Coordinators should work through your coordinator to get users access to APPS.

### Revised Guidelines for Previous Participation Certification

The following clarification is provided to help you determine when HUD-2530, Previous Participation Review, is to be submitted.

"To determine who must submit HUD Form 2530, treat a limited liability company as if it were a limited partnership. For example, the "managing member" is like a general partner and must file a previous participation certificate in all cases. "Managing Member" includes any member that manages any part of the business affairs of the LLC. Other "members" in the LLC should be treated as if they were limited partners; therefore, they would file a previous participation certificate in all cases where they have a 25% or greater (> or = 25%) interest in the LLC."

A clarification concerning consultants is also provided as follows:

"Every consultant, as defined in the regulations that wishes to participate during the financing and construction or rehabilitation of a project must apply for 2530 clearance. "

"However, consultants are also present in many capacities after the "traditional" development phase of a project. If a consultant: provides specific expertise, which is only rarely or occasionally required, providing an economy to the client; the action of the consultant is material in that it has a material and substantial impact on the property operations; the services are paid from project operating funds; and the service is temporary, the consultant may, at the determination of the Department, be required to submit a HUD-2530. "

"Consultants may be related parties and, therefore, the rules for reporting identity of interest expenditures must be strictly observed."

### Use Agreement Monitoring

HUD Headquarters has contracted with Owusu and Co. to conduct Use Agreement/Deed Restriction compliance reviews beginning in Baltimore. The contractor will do approximately 500 reviews this year throughout the United States.

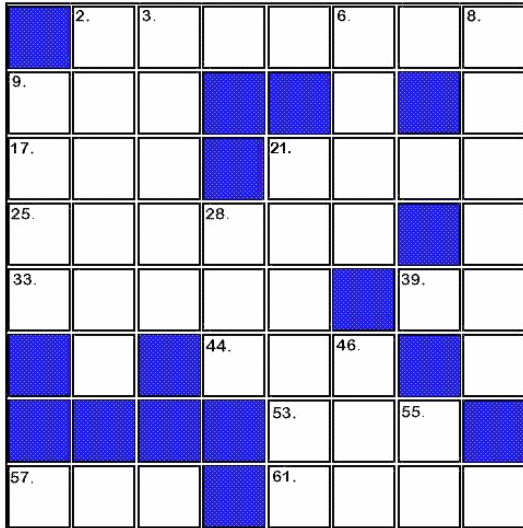
After a letter has been sent to the owner from Headquarters, the contractor will be contacting owners directly to schedule these reviews.

*Thank You!*

Wayne Waite, Operations Specialist with the HUD Reno Nevada Field Office provided the energy related articles in this issue of "Pacific Currents"

Pacific Current's Puzzle Page  
Can You Solve These Puzzles?

Pacific Currents  
CROSSWORD



Solution on Page 11

Across

- 2. San Francisco Hub Director's last name
- 9. Two performers singing together
- 17. Acronym for "Adjustable Rate Mortgage"
- 21. Requirement
- 25. Container for brewing an English drink
- 33. Showing sound judgments
- 39. To \_\_ Or Not To Be
- 53. To make mistake
- 57. Acronym for "Limited English Proficiency"
- 61. Tears from heaven

Down

- 2. The "B" in FBI
- 3. A native resident of Rome
- 6. A duo of singers
- 8. Turn in a coupon
- 9. Acronym for "Direct Access Telephones"
- 21. More "snoopy"
- 28. Vim or Vigor
- 44. "Bye Bye Miss American \_\_\_"
- 46. Acronym for "Equal Rights Amendment"
- 55. Rhode Island postal abbreviation

Compare the original picture on the left to the altered picture on the right and identify the 8 differences—YES, there are 8 !

Original Picture

Solution on Page 11

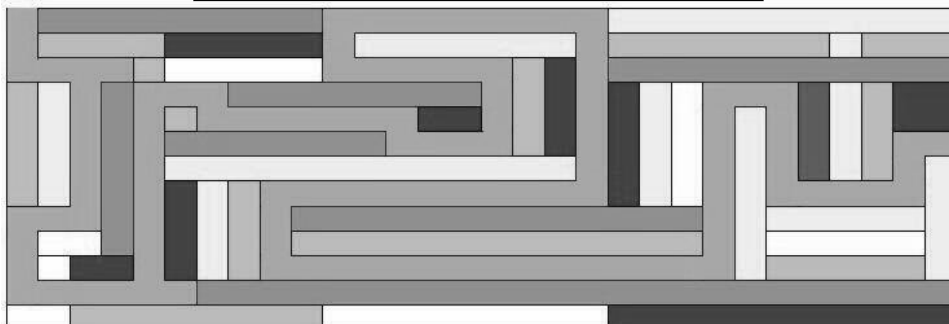
Altered Picture



START

Find Your Way To Affordable Housing!

Solution on Page 11



Affordable



Housing

**Development Corner**

**Section 202/811 Initial Closings**

**Jubilee Senior Homes, Section 202, 28 units, Berkeley, California  
Percy Abram Jr. Senior Apartments, Section 202, 44 units, Oakland, California**

**Section 202/811 Final Closings**

**George & Lois Brown Estates, Section 811, 22 units, Henderson, Nevada**

**Initial/Final Endorsements**

**The TLC Care Center, Section 223(f), 255 beds, Henderson, Nevada  
Mountain View Apartments, Section 223(a)(7), 60 units, Sierra Vista, Arizona  
Villa Maria Care Center, Section 223(f), 191 beds/units, Tucson, Arizona  
Silver Creek Leisure Living, Section 223(f), 61 beds, Bullhead City, Arizona  
Yuba Gardens Apartments, Section 223(a)(7), 120 units, Marysville, California  
Summertree Apartments, Section 223(f), 93 units, Woodland, California  
Davisville Apartments, Section 223(f), 70 units, Davis, California  
Sommerford Place, Section 223(f), 108 beds/units, Stockton, California  
Auberry Rehabilitation Hospital, Section 223(f), 91 beds, Atwater, California  
Heron Court Cooperative, Section 223(a)(7), 104 units, Redwood City, California  
Cypress Meadows Assisted Living, Section 223(f), Antioch, California  
Stockton Commons ALF, Section 232, 100 beds, Stockton, California**

**Issuances**

**Notice H 05-02, Extension of Notice H 03-07, Deployment of Military Personnel to Active Duty**

**Notice 05-01, Fiscal Year 2005 Interest Rate for Section 202 and Section 811 Capital Advance Projects**

**Notice H04-25, Reinstatement/Extension of Notice H03-23 – Office of Management and Budget  
Mandated Reporting Changes to Race and Ethnicity Categories**

**Notice H 2004-24, Income calculation and verification guidance regarding Medicare Prescription Drug  
Cards and Transitional Assistance**

**Notice H 2004-23, Officer Next Door and Teacher Next Door Sales Programs – Clarifications of Policies**

**Federal Register, January 21, 2005, Annual Indexing of Basic Statutory Mortgage Limits for Multifamily  
Housing Program; Notice**

**Federal Register, January 14, 2005, Section 8 Housing Assistance Payments Program – Contract Rent  
Annual Adjustment Factors, Fiscal Year 2005; Notice**

**Federal Register, December 17, 2004, Multifamily Accelerated Processing (MAP): MAP Lender Quality  
Assurance Enforcement; Proposed Rule**

**Federal Register, December 16, 2004, Emergency Capital Repair Grants for Multifamily Housing  
Projects Designated for Occupancy by the Elderly; Notice**

**Federal Register, December 14, 2004, Distribution of Tax Credit Proceeds; Final Rule**

**Federal Register, November 29, 2004, Privacy Act of 1974; Notice of Matching Program: Matching  
Tenant Data in Assisted Housing Programs**

U.S. Department of Housing and Urban Development  
Office of Multifamily Housing, 9AHM  
600 Harrison Street  
San Francisco, CA 94107-1387



## CALENDAR

### March, 2005

**26 - 28** - Uniform Physical Condition Standards  
Las Vegas, NV, Nan McKay  
[Www.nanmckay.com](http://www.nanmckay.com)

### April, 2005

**6** Free Web Clinic, Seattle, WA  
[hud.gov/library/bookshelf5/webclinics/](http://hud.gov/library/bookshelf5/webclinics/)

**11 - 13** Western Lenders Conference,  
Las Vegas, NV

### April (continued), 2005

**20 - 22** - Certified Occupancy Specialist,  
Oakland, CA, NCHM, [www.nchm.org](http://www.nchm.org)

**21** HUD MF Asset Management Industry  
Meeting, 600 Harrison St., 3rd Fl, SF  
10:00 a.m.

### May, 2005

**18 - 20** - Tax Credit Specialist, SF, CA, NCHM  
[www.nchm.org](http://www.nchm.org)

