

Pacific Currents



Multifamily Housing News

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

Hawaii

Northern California

Nevada

Arizona

Volume 5, Issue 2

June 2002

NEW PHOENIX OFFICE!

NEW LOCATION!

One North Central Avenue,
Suite 600
Phoenix, AZ 85004



Reception Area of Phoenix HUD Office

**Field Office Director
Rebecca Flanagan**

**Multifamily Director
Sally Thomas**

**General Information
602-379-7100**

**Multifamily Office
602-379-7170**

**Multifamily Fax:
602-379-4549**

HUD Updates the Occupancy Handbook

The Department of Housing and Urban Development (HUD) has been working with the assistance of a contractor for nearly a year on the rewrite and update of The Occupancy Requirements of Subsidized Multifamily Housing Programs Handbook (4350.3). This handbook has not been revised for more than ten years and the last significant change was issued in 1995. The Occupancy Handbook provides guidance for owners, management agents, residents, contract administrators, and HUD staff on the admission and continued occupancy for approximately 1.4 million households in project based subsidized housing units. For this reason, the rewrite and update of the handbook is an important part of the Rental Housing Integrity Improvement Project (RHIP). RHIP is a HUD Secretarial initiative designed to reduce program errors and to ensure that the right benefits are going to the right persons.

Several of the significant topics incorporated into the Draft Occupancy Handbook include guidance on the Quality Housing and Work Responsibility Act (QHWRA), Screening and Eviction for Drug Abuse and Other Criminal Activity Final Rule, the Non-citizen Rule, and 202 and 811 PACs and PRACs. Proposed policy changes include a revised recertification timeline, required tenant selection plans, an alternate method for estimating medical expenses and an increase in the threshold for interim recertification from \$40 to \$200.

Currently, the model leases, which include the provisions of the Screening and Eviction rule, are in clearance. HUD anticipates completing the clearance process by the end of June. After the clearance process is complete, HUD will immediately publish the revised model leases and provide copies to the Field Offices, owners, agents, and contract administrators. The model leases will not be available for comment prior to issuance.



Carmella Patton, Executive Director of the Association of Housing Management Agents (AHMA) of Northern California and Nevada facilitated the workshop to review the draft Occupancy Handbook.

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HUD National Web Site: <http://www.hud.gov>

**San Francisco Multifamily Hub:
<http://www.hud.gov/local/sf/mfamily/sfcsg1.html>**

HUD Updates the Occupancy Handbook

(Continued from Page 1)

A draft of the Occupancy Handbook was placed on HUD's Multifamily web page on May 10, 2002 for public comment before it is placed in Departmental clearance. Shortly thereafter, there was a Federal Register announcement of the availability of the draft handbook. After the Federal Register notice was published, interested parties had five business days to review the draft handbook and ten business days to provide comments to HUD. AHMA hosted a workshop at the San Francisco HUD offices on May 17 to review the draft and raise items for comment to Headquarters. The Draft Occupancy Handbook can be viewed at the following location on the HUD webpage:

<http://www.hud.gov/offices/hsg/hsgmulti.cfm>.

Renter Insurance Authorized

A new ruling from HUD will be issued shortly that allows owners of properties receiving federal assistance, who house low-income tenants, to offer optional renter's insurance and collect monthly payments for the policy. The proposed policy has been described in various industry publications. However, the final policy issued by the Department will contain some changes. We'll report on this policy when issued.

Multifamily Hub News Staff

Multifamily Hub Director — Janet Browder
Director, Operations — Patrick Goray
Editor — Christine Day
Design & Layout — Larry Chauvet
Contributors — Sally Thomas, Willie
Speamon, Mike Klion, Jeri Henson, Diana Mann
and Charles W. Peters

The Multifamily Hub News is distributed to Hub clients as well as other interested parties. This newsletter is also published online at:

<http://www.hud.gov/local/sfc/mfamily/mfnews/news1.htm>

Comments may be directed to Christine Day at (415) 436-8476 or Christine_J._Day@HUD.GOV

Criminal Background Check Requirements

By Michael Klion, Senior Project Manager,
Team Leader, Las Vegas

Criminal Background Checks Subject of AHMA-LAS VEGAS HUD Meeting

On Thursday, April 25, the Las Vegas Multifamily Asset Management Staff, in conjunction with local AHMA Chapter, held an Industry Meeting attended by some 40 project managers. The primary agenda item was the HUD requirement for Criminal Background checks, the regulations for which were published in May 2001. Four Public Housing Authorities (PHAs) representing Las Vegas, Clark County, Reno and Rural Nevada also attended.

The major issue discussed was the requirement for PHAs, if they are requested by multifamily projects, to provide criminal background check information that would help a project determine the eligibility of an applicant for housing. PHAs across the country, as well as in Nevada, have been hesitant to participate in the program because of the liability concerns, especially if an applicant appeals a project's decision based on the PHA information. Panelists from the PHAs discussed their process and procedures, and also made it clear that they would cooperate if the liability issue could be resolved.

Maureen Cole, Director of the Washoe Affordable Housing Corporation – Nevada's Section 8 Contract Administrator (CA) – discussed Tenant Selection Plans that the CA has reviewed this past year. She stated that most plans do not have the information required by the 2001 Regulations and, therefore, many projects were receiving less than acceptable ratings in their management reviews on that item. To address this issue, the project representatives in attendance agreed that a standard Criminal Background Check provision could be utilized once the PHA liability issue was resolved.

The attendees also heard from Harold Julian, Crime Prevention Specialist with the Las Vegas Metropolitan Police Department. Mr. Julian discussed the "Crime Free Multifamily Housing" Program. As a result of his presentation, a number of project managers signed up for the program.

Frank Castro, Las Vegas Multifamily Project Manager, gave an update of funding activity and cooperative efforts with the CA.

Michael Klion, Senior Project Manager, facilitated the meeting.

Questions & Answers

Questions and Concerns about Screening and Eviction for Drug Abuse and Other Criminal Activity Final Rule

Question: Do PHA's need to conduct a criminal records check, upon owners' request, on all tenants currently residing in federally assisted housing? If so, how can they do this without the tenants' signed written consent? If PHAs do not have to conduct checks on current residents, must they conduct record checks at the time of lease recertification? If so, must PHAs conduct a check of either or both criminal records and sex offender status every time a lease is recertified? Is a PHA liable if a tenant commits a crime after the PHA conducted a record check on that tenant?

Answer:

(a) If an owner submits a request to a PHA for criminal records on adult household members residing in federally assisted housing, the PHA must request the criminal conviction records from a law enforcement agency. The PHA is prohibited by the statute and its implementing regulations from processing requests for criminal records unless the request is accompanied by written consent form signed by the household member.

(b) No, PHAs are not required to conduct criminal record checks of current tenants at lease recertification. However, owners have the discretion to require criminal background checks at recertification.

(c) PHAs that obtain criminal records are not responsible for updating the criminal history. Criminal records are to be managed in accordance with the requirements in the regulations at 24 CFR 5.903(g). Criminal records must be destroyed once "the purposes for which the record was requested has been accomplished, including expiration of the PHA action without the instrument of a challenge or final disposition of any such litigation."

Question: Can the HUD authorization for information release form be altered to include access to criminal records?

Answer: No, the HUD Form 9887 is used for income verification only. The owner must develop its written consent form.

Additional questions and answers can be obtained at <http://www.hud.gov/offices/hsg/mfh/gendocs/evictionfaqs.pdf>

Hub Lines . . .

Life is a great bundle of little things.

— Oliver Wendell Holmes

Sometimes even a single feather's enough
to fly.

— Robert MacLean

Always do right. It will gratify some and
confuse the rest.

— Mark Twain

Don't be afraid to go out on a limb.
That's where the fruit is.

— H. Jackson Brown, Jr.

San Francisco

MULTIFAMILY HUB

INDUSTRY MEETING

The next HUD property management industry meeting will be held July 18, 2002, at 10:00 a.m., on the 2nd floor, in the California and Nevada Rooms, 450 Golden Gate Avenue, San Francisco

If you have any topics you would like to see on the agenda, please contact Betty Wang, Sec. 8 Contract Administrator Team Leader, at (415) 436-8465.

Annual AHMA Conference

By J. Patrick Goray, Director SF MF Hub Operations

The Association of Housing Management Agents (AHMA) of Northern California and Nevada held their 21st annual conference in Sacramento, Calif on April 24-26th. The theme of the meeting was "Neighbors and Neighborhoods... now, more than ever." In keeping with this theme, Janet Browder, San Francisco MF Hub Director, provided examples of how HUD assisted rental properties have implemented innovative programs which improved the lives of the residents and uplifted the surrounding neighborhoods.



Mrs. Janet L. Browder, HUD's Director of S.F. Multifamily Hub, presenting the AHMA's distinguished "Pamela Stroud Award" to Bob Baida for his many year of contributions to multifamily housing. Mr. Baida served as the HUD Regional Administrator from 1970 through 1977.



George Caruso, Executive Director, of the National AHMA provided the participants with updates on a number of legislative and HUD initiatives dealing with affordable housing. He also noted that NAHMA developed an operations and maintenance guide for dealing with mold and mildew. This and other useful information is located on the NAHMA website.



HUD REAC representative, Bill Hill, provided an overview of HUD's physical inspection process.

Neighborhood Networks

By Diana Mann, Project Manager, San Francisco

On April 23 - 26, 2002, Diana C. Mann, Program Manger from the San Francisco Multifamily Hub, attended the Neighborhood Networks' Regional Technical Assistance workshop in Washington, D.C. The 3-day workshop provided technical assistance and included workshops in Fund Raising, Consortium Development, Public Speaking, and other topics. The workshops were exceptional and very informative.

The workshop guest speakers included Dr. John Weicher, HUD Assistant Secretary for Housing-Federal Housing Commissioner; Frederick Tombar III, HUD's Acting Deputy Secretary for Multifamily Housing Programs, Willie Spearmon, HUD Director, Office of Housing Assistance and Grant Administration; and Vyllorya Evans, HUD Deputy Director, Office of Housing Assistance and Grant Administration. Delores Pruden, HUD Director, Neighborhood Networks, addressed the participants on the importance of Neighborhood Networks and "Bringing the Information Available on the Superhighway to Communities", which was the theme of the workshop.

In addition, the conference introduced "The Neighborhood Networks Strategic Tracking and Reporting Tool - START". This tool helps prospective and new computer learning centers formulate a mission statement. We encourage anyone who is interested in creating a Neighborhood Network Center to contact their local HUD Neighborhood Network representative. Those representatives are:

San Francisco, CA - Diana Mann (415) 436-8470
Phoenix, AZ - Steve Langstaff (602) 379-7154
Sacramento, CA - Unetha Gage Norman (916) 498-5220
Las Vegas, NV - Dave Neet (702) 388-6413
Honolulu, Hi - Jane Adaniya (808) 522-8187

Future Neighborhood Networks workshops and conferences include:

- June 26-28, 2002 2002 Neighborhood Networks National Conference in Miami, Florida
- July 10 - 12, 2002 Neighborhood Networks Regional Technical Assistance Workshops, Chicago, Illinois

For more information go to <http://www.hud.gov/nnw/nnwindex.html>



Multifamily Production Spotlight

Sandy Robinson Apartments, Las Vegas, Nevada



Sandy Robinson Apartments is a 25 unit, accessible, affordable apartment building with supportive care services for very low income adults with physical disabilities. Featuring 100% accessibility throughout its apartments and common spaces, the one-story building is located at 4200 East Bonanza Road in Las Vegas, Nevada. When the building had its dedication ceremony the Governor of Nevada declared the day to be "ASI/Sandy Robinson Day," and noted in his proclamation that Sandy Robinson was a former member of the Governor's Council on Developmental Disabilities, as well as a strong advocate for Nevadans with disabilities.

This unique housing resource was initiated with assistance from Nevada's Rehabilitation Division/Office of Community Based Services, and the Nevada Governor's Council on Developmental Disabilities. Their support encouraged Accessible Space, Inc. (ASI), the development's non-profit sponsor and one of the nation's leading providers of supportive housing for people with disabilities, to seek HUD Section 811 funding. Working in collaboration with another highly respected nonprofit, the National Handicap Housing Institute, Inc. (NHHI), ASI secured a Section 811 capital advance award and immediately initiated a fundraising campaign.

Additional funds were raised from a number of sources including Bank-America Foundation; City of Las Vegas Community Development Block Grant (CDBG), HOME and Low Income Housing Trust Funds (LIHTF); and the Federal Home Loan Bank of San Francisco's Affordable Housing Program/Norwest Bank Nevada, N.A. Thanks to this consortium of funders and HUD's Section 811 capital advance, Sandy Robinson Apartments is completely barrier-free with accessibility features including wheel-in showers, automatic entry doors and user-friendly appliances.

As ASI's fourth Section 811 development in Nevada, Sandy Robinson Apartments also features access to 24 hour, shared services. Residents are given the option of sharing care which in turn provides access to personal attendant care around the clock. Funded by Nevada Medicaid, this unique and cost-effective care option was pioneered by ASI in 1980 and is currently available in all four of ASI's Section 811 apartment buildings in Nevada

Project/Location:
Sandy Robinson Apts.
Las Vegas, Nevada

Description:
25 units

Size of Project:
23,323 gross sq. ft.

Unit Size:
19 — 1 bedroom @ 540 sq. ft.
6 — 2 bedroom @ 793 sq. ft.

Status:
Construction Completed
June 1999

Sponsor:
Accessible Space, Inc.

Mortgagor:
ASI Southern Nevada, Inc

Architect:
Ackenberg & Associates,
Inc., Minnesota

Contractor:
Frana & Sons, Inc.
Minnesota

Funding Source:
\$2,112,200 — HUD Funds
\$125,000 — AHP
\$205,520 — CDBG
\$45,000 — HOME
\$10,000 — Bank of America

Attention Users of REAC Online Systems

Recently REAC has been contacted by system users who have been experiencing problems using the business applications. These problems have arisen with the use of Microsoft Internet Explorer 5.0 or above and the Netscape 6 browser upgrades -- either of which may prevent users from using REAC's applications successfully.

REAC is in the process of researching these problems and implementing a solution. In the meantime, users needing to access any of REAC's On-Line Systems should use Netscape 4.76 as the browser. The browser can be downloaded for free at:

[http://home.netscape.com/
download/0222101/10000-en_-_qual.html](http://home.netscape.com/download/0222101/10000-en_-_qual.html)

Mark-to-Market Eligibility

The Mark to Market (M2M) Extension Act of 2001 provides authority to restructure debt for properties with rents at or below market rents, so long as the rents were above market at the time of the initial Section 8 HAP contract renewed under the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA) and the properties are otherwise eligible for M2M.

The Statutory Authority for continuing M2M eligibility is effective as of April 22, 2002. The provision allows any otherwise eligible project *with current rents at or below market rents* to enter OMHAR for a debt restructuring so long as (1) the rents were above market at the time of the initial Section 8 HAP renewal under MAHRA (those renewed after October 1, 1998), and (2) the owner requests a debt restructuring.

Issues of Interest

Fact Sheets for Project-Based Assistance Programs

On February 5, 2002, Assistant Secretary for Housing Dr. John C. Weicher issued Fact Sheets for Project-Based Assistance Programs to all owners and agents of HUD-assisted properties. These Fact Sheets are part of HUD's continuing effort to reduce errors in the administration of its rental housing assistance programs. The Fact Sheets describe how rents are determined under the various project-based assistance programs.

This is part of HUD's Rental Housing Integrity Improvement Project (RHIIIP). The program is intended to address errors in rent calculation resulting in the overpayment or underpayment of subsidy. The program is similar to the tenant income-matching program that was dropped by HUD last year.

HUD's ultimate goal is a computerized input system that walks site managers and PHA personnel through the intake process to ensure that the right information is collected. The initiative is also intended to provide information to prospective residents about the calculation of rent in assisted housing.

Copies of the Fact Sheets can be obtained at <http://www.hud.gov/offices/hsg/mfh/hsgrent.cfm>. HUD is requesting that owners/agents provide these fact sheets to their residents and applicants.

COMINGS AND GOINGS

Congratulations to John Patterson, San Francisco Multifamily Hub, and Dennis Baker, Phoenix Service Center, on their recent retirements.

DEVELOPMENT CORNER

Section 202/811 Initial Endorsements

- Visalia Senior Housing, Section 202, 60 units, Visalia, CA

Section 202/811 Final Endorsements

- Kealahou, Section 811, 6 units, Kailua-Kona, HI
- Sandy Robinson Apartments (aka, ASI Southern NV), Section 811, 25 units, Las Vegas, NV,
- Charles Street Village Apartments, Section 202, 48 units, Cotati, CA
- North Richmond Senior Housing, Section 202, 52 units, North Richmond, CA
- The Dakota (aka ASI Capitola), Section 811, 25 units, Capitola, CA

Mortgage Insurance Initial/Final Endorsements

- Coronado Courts, Section 223(a)(7), 145 units, Douglas, AZ

TRACSMail & SECURE CONNECTIONS

HUD has developed a way for property owners, management agents, and contract administrators to submit vouchers to TRACS when the TRACSMail facility for submitting this information using the regular batch process is unavailable. Using the new procedures, owner/agents and contract administrators who have previously been paid through TRACS may manually enter and electronically submit subsidy vouchers through the Internet to be reviewed and approved by local HUD staff. (If no vouchers have been previously paid through TRACS, the owner/agent or contract administrator must request entry of the manual voucher by the assigned project managers in their HUD field office.) A quick reference guide for TRACS manual voucher transmission can be downloaded from the TRACS homepage (see below).

In order to be able to use the Internet to:

- Enter a manual voucher
- Perform a TRACS voucher query
- Perform a TRACS certification query
- View, print, or download SS or SSI benefit history reports from TASS

TRACSMail & SECURE CONNECTIONS (continued)

- Request an SS or SSI benefit history report outside of the normal schedule (by performing a TRACS

certification query for a tenant)

Property owners and management agents need to apply for a Secure Systems user ID and password at the TRACS homepage:

<http://www.hud.gov/offices/hsg/mfh/trx/trxsum.cfm>

Property managers who have been unable to obtain TRACSMail IDs and passwords from Aspen in a timely manner or whose TRACSMail ID or password is rejected by TRACS and Aspen has been unable to resolve the problem may send an e-mail to HUD's TRACSMail Analyst/Coordinator, Carolyn Byars, at the following e-mail address: cbyars@hud.gov.

SMOKING -- NO SMOKING

A number of HUD-assisted projects have established "no smoking" policies not only in common space in the project, but in all units, without any grandfathering of existing tenants. Residents complained and eventually HUD Headquarters became involved, requesting the projects revise their policy to again allow residents to smoke in their own apartments.

Generally, HUD does not permit owners to prohibit smoking in individual apartments, but does allow management to post and enforce "no smoking" in common areas of the building.

\$2.7 Million Mold Award

Recently, a Sacramento jury awarded \$2.7 million to a family claiming they became seriously ill while living in an apartment with toxic mold. This office has received several reports from tenants of mold in their units. In some cases management has taken an aggressive approach to the situation, while in other situations management's response was to advise the tenant of cleaning solutions.

Some states throughout the country are investigating the issue of mold contamination. These states are examining the health effects of mold exposure; reviewing actions other jurisdictions have taken regarding mold; and recommending possible legislation.

Managers of HUD properties should be aware that any time there is water penetration to a building, mold can potentially grow. Mold grows within 24-48 hours and it only gets worse with time. Some building materials are more susceptible to mold growth.

Calendar

June

- ⇒ 4-6 - **AHM Occupancy Training and Certification**,
Quadel, Sacramento, 800-287-2581
- ⇒ 7-19 - **Certified Manager of Maintenance**, NCHM,
San Francisco, 800-368-5625
- ⇒ 26-28 - **Tax Credit Specialist**, NCHM, San Francisco,
800-368-5625
- ⇒ 26-28, **Neighborhood Networks National Conference**
Miami, Florida (<http://www.neighborhoodnetowrks.org>)

July

- ⇒ 8-10 - **Certified Occupancy Specialist**, NCHM,
San Francisco, CA 800-368-5625
- ⇒ 18 - **HUD Management Industry Meeting**, 2nd Floor,
450 Golden Gate Avenue, San Francisco
- ⇒ 22-24 - **Certified Manager of Maintenance**, NCHM,
Los Angeles, 800-368-5625
- ⇒ 29-31 - **Certified Voucher Specialist**, NCHM,
Los Angeles, 800-368-5625

August

- ⇒ 6-8 - **AHM Occupancy Training and Certification**,
Quadel, Los Angeles, 800-287-2581
- ⇒ 7-9 - **Certified Occupancy Specialist**, NCHM,
Los Angeles, 800-368-5625
- ⇒ 14-16 - **Senior Housing Specialist**, NCHM,
San Francisco, 800-368-5625
- ⇒ 15 - **Preceptor Training Program**, CAHSA, Oakland,
916-392-5111
- ⇒ 21-23 - **Site-Based Budgeting Specialist**, NCHM,
San Francisco, 800-368-5625

September

- ⇒ 4-6 - **Certified Occupancy Specialist**, NCHM,
Sacramento, 800-368-5625
- ⇒ 23-25 - **Certified Manager of Housing**, NCHM,
San Francisco, 800-368-5625

U.S. Department of Housing & Urban Development
San Francisco Multifamily Hub
450 Golden Gate Avenue, Box 36003
San Francisco, CA 94102