

# Kentucky Housing Partner



Fall/Winter 2005

Louisville Multifamily Program Center

Volume 15, No. 6

\*\*\*\*\* **MR. HUD GETS A MAKEOVER** \*\*\*\*\*

MR. HUD, ever the team player, has agreed to get a makeover.



The first question his many loyal fans and admirers asked when they found out was “WHY?”

Needless to say that someone as handsome as our MR. HUD cannot be improved upon.

However, he has consented to the makeover so as to serve as an inspiration to all of those who really need one.

Once upon a time, the only graphics available to the Kentucky Housing Partner was cheap clip art.

The clip art does not accentuate

MR. HUD’s good looks nearly as well as a photograph. That’s why we are now using his photo.

MR. HUD’s press agent has announced that his glamour shot is available for the nominal sum of \$399. Of course, a signed copy will be more expensive. It is expected that all copies will be sold out within 24 hours of the press release.

MR. HUD is quoted as saying that “Having my picture available for my fans is the least I can do and besides I need a new tuxedo.”

As shown in the article below, MR. HUD has decided to extend the use of paper 2530’s, Previous Participation Certifications, until November 30, 2005.

Will his charity never end?  
( See page 3 for unveiling.)

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**ELECTRONIC FILING OF 2530’s**

**Effective October 28, 2005 through November 30, 2005, participants in HUD programs may file previous participation clearance applications, HUD form 2530 either in paper form or via the Active Partner Performance System (APPS).**

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If you require assistance on setting up an Organization in APPS or filing a 2530 electronically, please do the following:

Refer to the following web site: <http://www.hud.gov/offices/hsg/mfh/apps/appsmfcm.cfm>.

This web site contains an APPS Industry Tutorial Program and User Guide that will assist you in setting up your Organization in APPS. Please note: Registration is required in HUD's Secure System (see above web site) prior to gaining access to APPS Internet Application.

A publication of the Louisville Multifamily Program Center, Department of Housing and Urban Development, Kentucky State Office, 601 W Broadway, Louisville, KY 40202  
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Want to receive our newsletter?  
Email your contact info to  
[John.Hamilton@hud.gov](mailto:John.Hamilton@hud.gov)

## Mark Your Calendars

Planning for the 2006 Multifamily Housing Conference is well underway!

The conference will be May 16–18 at the Galt House East in Louisville, Kentucky.

This year's conference coordinator is Kim Francis of Kentucky Housing Corporation.

Any suggestions or ideas should be forwarded to her attention at:

[kfrancis@kyhousing.org](mailto:kfrancis@kyhousing.org).

We all hope to see you there!!

## Need help locating rental housing?

Check out these resources:

KHC Rental Housing Directory

<http://www.kyhousing.org/uploadedFiles/Rental/AssistedRentalHousingReport.pdf>

HUD Subsidized Apt. Search

<http://www.hud.gov/apps/section8/index.cfm>

**Did you know the HUD model lease is available in Spanish?**

You can make your property a more inclusive and caring community by downloading the HUD model lease in Spanish from the HUD website!

[http://www.hud.gov/offices/hsg/mfh/gendocs/modelleases\\_sv.pdf](http://www.hud.gov/offices/hsg/mfh/gendocs/modelleases_sv.pdf)

## 2006 OCAF Notice SAHMA Regulatory ALERT

**To ALL SAHMA Members:**

**2006 OCAF Notice published today. Our Regulatory Committee is reviewing this document and we will have more information as soon as possible.**

Publication of the 2006 Operating Cost Adjustment Factors (OCAFs) for Section 8 rent adjustments at contract renewal under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA), as amended by the Preserving Affordable Housing for Senior Citizens and Families into the 21st Century Act of 1999, and under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) Projects assisted with Section 8 Housing Assistance Payments.

This notice establishes annual factors used in calculating rent adjustments under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA) as amended by the Preserving Affordable Housing for Senior Citizens and Families into the 21st Century Act of 1999, and under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA).

Effective Date: February 11, 2006.

**Follow the link below to the HUD website for the full Federal Register document.**

[http://hudclips.org/sub\\_nonhud/cgi/pdf/5842.pdf](http://hudclips.org/sub_nonhud/cgi/pdf/5842.pdf)



## BRIARWOOD SHORES OPENS IN SCOTTSVILLE, KENTUCKY



On September 30, 2005, Scottsville Housing for the Elderly, Inc., along with the Housing Authority of Scottsville, and many others in the community celebrated the grand opening of Briarwood Shores Apartments. This Section 202 PRAC contains 28 units located in eight buildings which were designed specifically for individuals age 62 and over.

The community is located in a rural area of Scottsville with several of the units overlooking a lake. Pictured above is Charles A. Shive, Jr., Director of the Louisville Multifamily Program Center, HUD, and David Dinwiddie, Executive Director of the Housing Authority of Scottsville, and others from the Louisville Multifamily Program Center and the community during the ribbon cutting ceremony.

# DRAFT SPECIAL CLAIMS PROCESSING GUIDE

The Office of Housing Assistance Contract Administration Oversight has posted the ***Draft Special Claims Processing Guide*** at the following address:

<http://www.hud.gov/offices/hsg/mfh/rfp/sec8rfp.cfm> under "What's Hot"

This Guide provides the Department of Housing and Urban Development (HUD) field offices, Contract Administrators (CA) owner/ management agents information they need to prepare, review and approve special claims. As part of its commitment to provide affordable housing, HUD recognizes that owners of affordable housing have a potential financial risk because of the limitation on security deposits and the need to adhere to waiting list requirements, and therefore should be reimbursed for their financial loss through the special claims process.

**MR. HUD GETS A MAKEOVER**  
*(Continued from Front Page)*

IN MEMORY OF THE OLD....



RIP  
(Once Upon a Time—Nov 2005)

**INTRODUCING**  
**THE NEW IMPROVED MR. HUD**



## 15 GUIDELINES WHEN CHOOSING A BUILDER



The majority of homebuilders are excellent builders. In choosing a builder, you should consider the following in your search.

1. Is the builder a member of an organization like the Home Builders Association? Most builders who belong to this type of organization are professionals with a long-term reputation in the community.
2. The builder should provide names of several previous customers, within the last two years. Call the customers and ask them for their recommendation.
3. If there is a license law by your state or locality, is the principal builder licensed by that authority? If a license is required (not required in Kentucky) by your locality then do not contract with any builder who is not licensed. You should make sure that the principal of the company is the license holder for the company. The license is the glue that holds the builder's firm together and the builder does not want to risk that license. However, from time to time a building firm will use an employee as a license holder. The problem with this is, should a problem occur, your recourse is with the license holder who may not be an owner of the company. Ask to see the license for the company and be sure that the principal is the license holder and not an employee. Do not take this for granted! (Continued on page 4.)

(Continued from page 3)

## **15 Guidelines When Choosing a Builder**



4. Other local builders must recommend the builder.
5. The principal should be a resident of the county.
6. Is the builder a full time homebuilder specializing in single-family homes? Does the business appear organized? Can the builder present you with plans, specifications, etc. that appear professional? Does he have an office and an experienced staff?
7. The builder and employees should attend regular continuing education courses.
8. The builder must agree to abide by the local building codes and regulations.
9. Has the builder furnished you with complete plans, specifications, and a firm price for the home? In some cases the homeowner provides the plans and specifications.
10. You should feel comfortable with the builder and have a rapport with him.
11. Look closely at the homes the builder has completed and has under construction. Do they represent the workmanship you desire? The builder should have experience in the size, type, and price range of home that you are contemplating. Ask to see homes he has completed in this area or price range. You may only be able to view the homes from the street, but this should tell you about his experience and the type of homes he builds. Each builder employs trades people to create your home. If a builder builds predominantly lower priced homes, he will normally use the same trades people for your home. If a builder builds predominantly executive homes, he will use trades people who are experienced primarily in that quality of home.
12. Put everything in writing. There will be no disputes if it is in writing and signed by both parties.
13. Call the Better Business Bureau and ask for references.
14. As stated above, you should find out who really owns the company. Sometimes things are not what they appear. For example, the builder could have the greatest name in the country, but you might be contracting with a joint venture of his or a franchise operation of that builder. If this is the case you should forget the name of the known builder and determine the strength of the actual parties involved. Are there venturing partners? Who actually owns the franchise? You need to know their experience, financial record, previous local customer references, and more. If the contract states that you are contracting with anyone different than who you think you are this should be an immediate red flag!
15. When comparing proposals for homes it is essential that you compare apples to apples. It is easy to lower the price by using lesser quality material, not including amenities, ceiling height differences, leaving soil problems open, and much more. If there is a large variance between two builder's prices for a similar home, the difference will usually be the quality!



## **Are You Ready for SuperNOFA 2006?**

In FY 2005, HUD began requiring applicants to submit their grant applications for HUD funding electronically through Grants.gov.

As we embark upon FY 2006, we strongly encourage you to take the following steps to get ready for the 2006 SuperNOFA.

1. **GET REGISTERED**  
Complete the registration process. Use the organization registration checklist for step-by-step instructions. Download the checklist at: <http://www.grants.gov/assets/OrganizatonRegCheck.pdf>.
2. **WATCH FOR UPCOMING TRAINING**  
Grants.gov training coming soon!! In the meantime, complete the training demonstration on completing an application. The training demonstration can be taken at <http://www.grants.gov/CompleteApplication#demo>.
3. **UPDATE/RENEW WITH CCR (RETURNING APPLICANTS ONLY)**  
If you applied for HUD funding in FY 2005 and you would like to apply in FY 2006, you can update and/or renew your registration with CCR at: <https://www.bpn.gov/ccr/scripts/indexTPIN.asp>.

If you have any further questions, please contact Katherine Calloway at (502) 582-6163, Extension 264, or Internet Address: [Katherine\\_Calloway@hud.gov](mailto:Katherine_Calloway@hud.gov).

### **Mr. HUD thinks....**



## NEW MEDICARE PRESCRIPTION DRUG PLAN COMING IN 2006



Persons receiving Medicare will soon need to make a decision about participating in the new Medicare prescription drug plan, also known as Medicare Part D. This new program goes into effect January 1, 2006, with enrollment beginning November 15, 2005. The Medicare prescription drug plan will provide insurance coverage for prescription drugs through plans offered by insurance companies and other private companies. Unless they are currently enrolled in a drug plan that is equal to or better than the Medicare coverage, Medicare beneficiaries will need to choose a drug plan that will work best for them. Persons receiving Medicare who have limited income and resources may qualify for extra help paying for the new Medicare prescription drug plan costs. Persons who have Medicaid, a Medicare Savings Program, or SSI, will automatically receive extra help and do NOT need to apply for it.

Other Medicare beneficiaries may begin applying for the low-income subsidy starting in May 2005. Persons who have not received an application for the low-income subsidy from the Social Security Administration (SSA) should request one by calling SSA at 1-800- 772-1213 or they can apply online at [www.socialsecurity.gov](http://www.socialsecurity.gov). People applying for the low-income subsidy will be notified by mail if they qualify for the extra help.

### **SERVICE COORDINATOR NOTES**

The Kentucky Association of Service Coordinators (KASC) met on Tuesday, November 15, 2005 at Lee Manor Apartment in Owensboro, Kentucky. Almost Family, Inc. sponsored the meeting and a representative spoke about the services provided by the organization. Robin Mitchell of the Alzheimer's Association gave a presentation on the aging process. If you would like additional information about the KASC, please contact Nancy Hiltibrand, Service Coordinator at Panorama East Apartments at (859) 581-4445.

In early October, several Service Coordinators represented Kentucky at the American Association of Service Coordinators (AASC) annual training meeting in San Diego, California. Before the conference, Barbara Gordon and Debbie Turner Cravens, Service Coordinators at Chapel House and Friendship House- Hopkinsville, took the certification exam to become a certified Professional Service Coordinator through the AASC and the Ohio State University, Office of Geriatrics and Gerontology. Results of the exam have been received and both ladies passed. Congratulations to Barbara and Debbie!

The Semi-Annual Financial and Performance Reports covering the period of April 1, 2005 to September 30, 2005, were due October 31, 2005. If you have not submitted these forms, please do so immediately. Vouchers will not be paid until these forms are submitted. Please contact Donna Dudgeon, Project Manager, at 502-582-6163 x 386 if you have any questions.

The planning process for the 2006 Housing Management Conference is underway. Plans are for the Service Coordinator Track to be expanded to a full-day session. If you are interested in being part of the Service Coordinator Conference Committee or have any ideas for topics relating to service coordination you would like presented, please contact Donna Dudgeon.

In October 2005, persons receiving Medicare will receive a handbook, *Medicare & You 2006*, that will include more detailed information about the prescription drug plans, including the drug plans available in different areas of the country.

### **ROUNDING DIFFERENCES OF \$1**

After much consideration, we have decided to allow owners/agents to round either way in this situation.

Also we agree to allow owners/agents to calculate the prorated monthly rent to accommodate their TRACS software.

We realize that there are two methods noted in the handbook and depending upon one's interpretation either is satisfactory. We ask that owners/agents use only one method and use it consistently. We are simply resolving what amounts to \$1 for 1 month.



Visit [www.medicare.gov](http://www.medicare.gov) on the web and select "search tools" to get personalized information.

Call the State Health Insurance Assistance Program (see the *Medicare & You 2006* handbook or the web at [www.medicare.gov](http://www.medicare.gov) for telephone numbers)

Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Persons receiving Medicare need to act now to become informed on the new Medicare prescription drug plans. People who do not have an existing drug plan that is equal to or better than the Medicare coverage and who do not sign up during the enrollment period, November 15, 2005 through May 15, 2006, will pay a penalty if they join later.

The Office of Housing Assistance and Grants Administration has posted the **RHIIP Newsletter Spring/Summer 2005** edition under "RHIIP Publications" at the following address:

<http://www.hud.gov/offices/mfh/rhiip/mfhrhiip.cfm>

At the time of issuance in June 2003 of Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multi-family Housing Programs, a mailbox was opened allowing HUD staff, contract administrators, owners, agents and other program participants to ask questions pertaining to occupancy issues related to the Handbook. HUD Headquarters staff provided answers to these questions. A list of 175 questions and answers was compiled, put through Departmental clearance and is now established as Departmental policy. This list of questions and answers, "Final Multifamily Mailbox: 4350.3 REV-1 Summary of Questions", is posted on the above website.

## The Work Number, What Is It ?

*The Department's Enterprise Income Verification (EIV)* system will contain quarterly wage, employer information, weekly/bi-weekly unemployment benefit payments, monthly, SS and SSI benefits and Medicare deductions and/or buy-ins. Until such time that the EIV system is available for Multifamily's owners and agents they should pursue alternative sources for obtaining upfront verification and wage information such as The Work Number.

The Work Number is a database-driven service providing automated (and therefore tamper-resistant) employment and income verifications for people who currently work, or have previously worked, for any of the 1,000 large employers on The Work Number database. The data comes directly from the employers' payroll systems – so the information is accurate.

Accurate data results in better eligibility decisions, reduced overpayments, accurate subsidy payments, and reduced error rates.

The Work Number provides Benefits Workers, Child Support Enforcement Workers and Fraud & Quality Control Auditors with accurate and up-to-date employment and income data. Owners, management agents and public housing agencies (PHAs) nationwide can get instant verifications online and can quickly identify unreported income with The Work Number.

Use The Work Number to:

- # Confirm applicant wages
- # Uncover unreported, earned income
- # Track job start dates, and W2W retention efforts
- # Locate employment and income for applicants anywhere in the country

Employers prefer to use The Work Number because it speeds up the process – so their employees don't have to wait. It lightens their administrative support needs and therefore, lowers costs. It also lowers the employers' risk of responding with subjective or inaccurate data. Rather than respond directly to verification requests, employers such as American Airlines, Cisco, Coca Cola, FedEx, Ford Motor, GE, Disney, Intel, Motorola, Microsoft, Nokia, Wal-Mart and hundreds of others "outsource" the verification process to The Work Number.

To learn more about The Work Number's service for owners, management agents and PHAs, please call Shan O'Connell at (314) 214-7530, or send him an e-mail at [soconnell@talx.com](mailto:soconnell@talx.com).



## Authority to Establish Owner-Adopted Preferences in the Selection of Tenants



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

OCT 20 2005

Dear Owners and Management Agents:

It has recently come to our attention that owners and management agents of HUD-assisted multifamily housing projects may not be aware that they are allowed to establish owner-adopted preferences for admitting applicants in HUD-assisted housing to assure the housing needs of low-income families in the community where a project is located are being met.

With the passage of the Quality Housing and Work Responsibility Act of 1998 (QHWRA), you have the authority to establish owner-adopted preferences in the selection of tenants. When establishing owner-adopted preferences, you must incorporate the preferences and how they will be applied in the written Tenant Selection Plan developed for the project. The establishment of preferences must also be in accordance with the project's Affirmative Fair Housing Marketing Plan approved by HUD and comply with applicable fair housing and civil rights statutes.

You may use the local preferences established by the Public Housing Authority serving residents of your community. Other types of preferences you may adopt are:

- Residency preference – Before implementing a residency preference, the preference must be approved by HUD through modification of the Affirmative Fair Housing Marketing Plan.
- Working families
- Persons with disabilities
- Victims of domestic violence
- Single persons who are elderly, displaced, homeless or persons with disabilities over other single persons

The regulations at 24 CFR 5.655 and HUD Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Programs*, provide further discussion on establishing and implementing owner-adopted preferences.

If you have any questions regarding preferences, please contact your local HUD Field Office for guidance.

Sincerely,

Brian D. Montgomery  
Assistant Secretary for Housing – Federal Housing  
Commissioner

# INCREASING ENERGY EFFICIENCY WITH ENERGY STAR

ENERGY STAR was introduced by the US Environmental Protection Agency in 1992 as a voluntary market-based partnership to reduce air pollution through increased energy efficiency. Today, with assistance from the Department of Energy and the Department of Housing and Urban Development, the ENERGY STAR program offers businesses and consumers energy-efficient solutions to save energy, money, and help protect the environment for future generations. More than 7,000 organizations have become ENERGY STAR partners and are committed to improving the energy efficiency of products, homes, and businesses.

Energy Star is a voluntary labeling program that identifies and promotes energy-efficient products in the marketplace. There are 31 types of Energy Star-labeled products, which together can improve the energy efficiency of an average home by as much as 30 to 40 percent. Energy Star-labeled products include washers and dryers, refrigerators, windows, heating and cooling equipment, as well as lighting fixtures and bulbs. More than 1,200 manufacturers and retailers and 7,000 retail stores participate in promoting Energy Star products. ENERGY STAR products are the same or better than standard products, only they use less energy. To earn the ENERGY STAR, they must meet strict energy efficiency criteria set by the US Environmental Protection Agency or the US Department of Energy. Since they use less energy, these products save you money on your electricity bill and help protect the environment by causing fewer harmful emissions from power plants. And you get the features and quality you expect.

## APPLIANCE SHOPPING

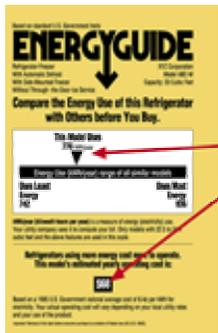
Replacement of inefficient equipment and appliances represents a substantial source of savings. For example, today's refrigerators are twice as efficient as those built 10 years ago. Bulk purchasing agreements reduce the cost of replacing old refrigerators, and the energy cost savings provide a fast return on a modest investment. When buying an appliance, remember that it has two price tags: what you pay to take it home and what you pay for the energy and water it uses.

ENERGY STAR qualified appliances incorporate advanced technologies that use 10-50% less energy and water than standard models. For example, installing an ENERGY STAR refrigerator, room air conditioner, and lighting will save you 15% to 20% on your energy bills. The money you save on your utility bills can more than make up for the cost of a more expensive but more efficient ENERGY STAR model.

When it comes to shopping for and comparing energy-efficient appliances and home electronics, look for the EnergyGuide and ENERGY STAR labels.

## ENERGYGUIDE Labels

The Federal Trade Commission requires EnergyGuide labels on most home appliances (except for stove ranges and ovens), but not home electronics, such as computers, televisions, and home audio equipment. EnergyGuide labels provide an estimate of the product's energy consumption or energy efficiency. They also show the highest and lowest energy consumption or efficiency estimates of similar appliance models.



The EnergyGuide Label gives you two pieces of information you can use to compare different brands and models when shopping for a new appliance:

1. Estimated energy consumption on a scale showing a range for similar models.
2. Estimated yearly operating cost based on the national average cost of electricity

## ENERGY STAR Labels

ENERGY STAR labels appear on appliances and home electronics that meet strict energy efficiency criteria established by the U.S. Department of Energy and U.S. Environmental Protection Agency. The ENERGY STAR labeling program includes most home electronics and appliances except for water heaters, stove ranges, and ovens.



For more information about ENERGY Star products and appliances, visit:  
[http://www.energystar.gov/index.cfm?c=products.pr\\_index](http://www.energystar.gov/index.cfm?c=products.pr_index).

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## **INCREASING ENERGY EFFICIENCY WITH ENERGY STAR**

### **HOW DOES YOUR BUILDING MEASURE UP?**

**Here's a Helpful Web-Based Tool: The Energy Efficient Rehab Advisor.**

In 2004, The U.S. Department of Housing and Urban Development (HUD) launched a new Web-based tool, the Energy Efficient Rehab Advisor, designed to help architects and apartment managers and owners conserve energy and cut costs when renovating a property or remodeling a unit.

In six clicks, the tool provides recommendations for cost-effectively increasing the energy efficiency of a typical renovation project in multifamily housing. These recommendations are based on the building type, age, location and project (and they're free). The "Advisor" suggests specific actions to get the most value from a typical remodeling project, like sealing air leaks when finishing a basement or upgrading to ENERGY Star qualified appliances when remodeling a kitchen.

HUD developed the Advisor in cooperation with the U.S. Department of Energy and the U.S. Environmental Protection Agency. The energy efficiency recommendations are based on Energy Star specifications, where applicable. HUD recommends following the Advisor's guidelines when undertaking any type of renovation project in multifamily housing. The Advisor sets a new standard for 'user-friendly'. It offers easy access to a complex subject.

You can find the Advisor at [www.RehabAdvisor.com](http://www.RehabAdvisor.com).

