



Inside this Issue

- Message From Matt Naish, Regional Director, Multifamily West Region
- A Successful Asset Management San Francisco Industry Day
- Affordable Housing Management Association - Northern California & Hawaii HUD Industry Awards
- Fiscal Year 2021 Achievements
- End of Fiscal Year Reminders
- Desert Oasis II
- REAC Update
- REAC Postponement Process
- HUD's Field Policy and Management Team
- SF Regional Office Promotions, Hails & Farewells

Message From Matt Naish, Regional Director, Multifamily West Region

Dear Friends and Colleagues,

Welcome to our first edition of the Pacific Currents Newsletter for FY 2022. I hope you are well. Wow, what a crazy year we've all had. From the ongoing effects of the COVID-19 pandemic to another year of highly destructive natural disasters, to mastering Zoom calls, conferences and new virtual ways of doing business, to the amazing work often under tough circumstances that you all do, to proposed federal

legislation that will make one of the largest investments in housing opportunities for folks in need, lots of great things are happening in the West Region.

The Asset Management (AM) team together with our industry partners rolled out a vast array of impressive accomplishments. The sheer volume and variety of work that comes through AM is astounding. In FY 21, the West Region completed over 12K processing tasks (renewals, adjustments, MORs, Transfer of Physical Assets, assumptions, assignments, interest rate reductions, etc.) Preservation continues to be a big priority for us, and ensuring we roll out the red carpet for preservation transactions both on the AM and Production sides is critical. Time and time again the team has gone the extra mile to ensure highly complex mission critical preservation transactions were fast-tracked, maximum programmatic flexibility was provided and they were able to meet aggressive closing timelines. The team preserved over 11K apartments of affordable housing via the renewal of almost 200 20 year HAP contracts, many of those involving the most complex transactions AM handles (Mark up to Market, tax credits, sub-rehab, TPAs, 8bbs, bifurcations, etc.)

The Production team continues to hit stratospheric numbers as well. We expect to finish the year with over \$5B in firms issued (representing over 250 deals). That's over \$1B more than our previous record in 2020 and 2019 volume. With over 100 deals in our processing (representing about another \$2B) our pipeline remains extremely full and there continues to be a huge appetite for our financing programs.

Hiring is one of our top operational priorities, and we've had a very big year on the hiring front. We completed dozens of hiring actions, including bringing on new staff as well as promoting outstanding performers. We have a lot of new faces in the West: 50% of our 150+ employees are new to MF West (hired within the last 24 months). We've managed a significant net increase as compared to the beginning of the FY 21. Currently we find ourselves with the most staff we've had since 2015. For the foreseeable future we will continue to hire at a rapid pace, adding many more talented individuals to the team and getting closer to having human capital resources we need to do all that is asked of us. As always, if you or anyone you know is interested in an exciting mission-based career at HUD (with MF West) please check out what we have to offer on [USAJobs](#).

Finally, on the national budget front, it is the most exciting and consequential time in a generation. Housing is a major priority for the Biden Administration which has included substantial housing investments in all its proposals, initially in the American Jobs Plan and now through Build Back Better. HUD believes we need to make serious supply side investments to address the worsening lack of affordable housing in this country and bring our existing stock of affordable housing into the 21st century. These supply investments are necessary in order to meet the enormous demand. In addition to housing, the Administration is also focused on climate change and where housing and climate issues intersect. Thus, all of HUD's

proposals include: updates to existing housing to be more resilient, safe and healthy, reduce emissions, and have smaller carbon footprints; and ensuring that climate change doesn't continue to have a disproportionate impact on communities of color. HUD is well placed to lead this work because we know housing and we can ensure it serves those with the lowest incomes.

That's just a quick snapshot of some of the great work, that with your support and collaboration, is happening at MF West Region and HUD. We expect FY22 to be another very busy and exciting year and are looking forward to our continuing partnership and work with all of you. Thank you for your hard work; and for your dedication to ensuring the communities we serve have decent, safe and affordable housing. As a community of housers, what we do every day matters; it measurably and significantly improves people's lives.

I hope you enjoy this edition of Pacific Currents.

All the best,

Matt Naish, Regional Director MF West

A Successful Asset Management San Francisco Industry Day

By: Janea Jackson

Thank you to all who attended San Francisco Asset Management's Industry Day on October 21, 2021! Based on your feedback, we changed up the agenda format adding in breakout sessions to build-in time to connect more intimately on topics of your interest. We had special guest Jeffrey Little, Multifamily Associate Deputy Assistant Secretary, share Headquarters-level updates as well as answer specific questions you sent to us ahead of time. We also recognized industry partners who made exceptional contributions in preserving affordable housing and ensuring our residents live in safe, decent, and sanitary housing during these unprecedented times. For over 15 years, our Industry Day has been a bi-annual event held on the third Thursday of April and October. We look forward to convening with you again on Thursday, April 21, 2022! If you missed the October 2021 event, the sessions are recorded for your viewing pleasure using the below HUD YouTube links:

SF AM's Industry Day October 2021, General Session Recording:

<https://youtu.be/6xuCwpl1o0>

SF AM's Industry Day October 2021, Preservation Transaction Breakout Session with Christina Wong and Gwen Kelleher Recording:

<https://youtu.be/PnTyr45GvUw>

SF AM's Industry Day October 2021, Service Coordinator Breakout Session with Marzine Hudson, Angela Morrison, and Xena Dinh Recording:

<https://youtu.be/lmW2aTTvp8o>

Affordable Housing Management Association - Northern California & Hawaii HUD Industry Awards

By: John Tedesco



This month, HUD was given a great honor when two of the Department's finest were named recipients of the highest awards from the Affordable Housing Management Association - Northern California & Hawaii. AHMA-NCH is a non-profit professional organization of property management companies and owners who specialize in the development and operation of multifamily affordable housing.

Angela Corcoran, on the left, was the Director of the Production Division and Operations while also the acting Regional Director of the West Region. Angela is the recipient of the **2021 Pamela E. Stroud Memorial Award for Lifetime Achievement in the Affordable Housing Industry**. This is AHMA-NCH's highest honor! The award is open to all levels and types of professionals who have made significant contributions to the affordable housing industry. This award is named in honor of Pamela E. Stroud, one of the founders of AHMA-NCH and the National Affordable Housing Management Association. During her 30-year career with HUD, starting as an Urban Intern, Angela served in a variety of senior managerial and technical roles, including the Director of Asset Management, Director of Operations, and finished her HUD career in 2020 as the Director of Production. Always available to solve complex transaction problems, Angela played a major role in helping HUD with new and progressive approaches to LIHTC and bond financing programs and 20-Year HAP and Mark Up to Market renewals, designed and implemented numerous regional and national preservation friendly policies, and led policy and process improvements benefitting the affordable housing industry.



Tom Azumbrado, former HUD Regional Director of the Multifamily West Region is the recipient of the **2021 Pioneer of Affordable Housing**

Award. This award recognizes individuals who have been a true leader and a pioneer in the affordable housing industry in Northern California and Hawaii. During his 30-year career at HUD, Tom held a variety of senior management positions and technical positions at HUD, including the areas

of Architecture, Engineering, Development, and Asset Management. He wrapped up his HUD career in 2019 as the Regional Director for the Multifamily West Region. Before his retirement in 2019, Tom led teams that did the earliest with preserving and revitalizing affordable housing under LIHPRHA, MAHRA, Section 8 HAP renewals, and MU2M rent adjustments, and a multitude of other HUD programs and initiatives to help residents, owners, and managing agents.

Both Angela and Tom proved themselves as strong and effective partners in the preservation of affordable housing, solving problems and played an integral role in improving HUD policies and procedures here in the West and across the country.

Congratulations!

Fiscal Year 2021 Achievements

By: Christina Wong

Our San Francisco Asset Management staff concluded fiscal year 2021 with several noteworthy achievements. We completed a total of 9,469 assignments ranging from approving HUD 2530s, authorizing Reserve for Replacement and Residual Receipts withdrawals, reviewing Management Certifications, and responding to tenant concerns.

Our office renewed 350 Housing Assistance Payments (HAP) contracts and 618 Project Rental Assistance Contracts (PRAC) and Project Assistance Contracts (PAC).

Interest rates continued to remain low this year offering owners more opportunities to pursue note modifications to reduce their principal and interest payments. We completed 73 Interest Rate Reduction requests, which was an increase of 15 requests from the previous year.

Our region had an unprecedented number of wildfires this year. Two of those wildfires were Presidentially Declared Disasters (PDD)- the California DR #4610 in Lassen, Nevada, Placer and Plumas counties, California DR #4569 in Los Angeles, Fresno, Madera, Mendocino, Napa, San Bernardino, San Diego, Shasta, Siskiyou, and Sonoma counties. A total of 1,180 properties were identified as within proximity to those fires and our staff contacted and completed A3 forms for each property within 72 hours.

We processed 103 preservation transactions with multi-year HAP contracts and preserved a total of 8,830 units. Many of these properties have also undergone capital repairs and rehabilitation to extend the useful life of the property.

We successfully completed one Section 8(bb) under the Section 8(bb) Preservation Tool, preserving and transferring 18 subsidized units to a Project Based Rental Assistance (PBRA) property located in Norwalk, CA. We completed one Rental Assistance Demonstration for 202 Project Rental Assistance Contracts, also known as "RAD4PRAC." Fifty-nine (59) apartments of affordable housing for the elderly supported by an eligible Section 202 PRAC were converted to Section 8 PBRA for a property located in San Diego, CA.



End of the Fiscal Year Reminders

By: Sukhbir Aujla

Thank you for your cooperation during these challenging times and your dedication to another successful year-end close process. We appreciate your patience and understanding as HUD completes the required activities for closing Fiscal Year End 2021 and transitions to opening Fiscal Year 2022.

Multifamily owners and agents can utilize the R4R and Residual Accounts if funding is needed to cover expenses. Please reach out to your Account Executive with any questions. We are grateful for your commitment to work collaboratively with HUD to ensure a smooth transition to a successful Fiscal Year 2022.



Desert Oasis II

By: John Tedesco

If you look in a dictionary you might find one definition of **oasis** as a shelter serving as a place of safety or sanctuary. Case in point: Located in Las Vegas, Nevada, HUD participated in the groundbreaking for Desert Oasis II, 43 homes for seniors 62 and older. Adjacent to Desert Oasis I originally built in 1998, with 75 apartments and funded as a 202 PRAC, the owner, Volunteers of America National Services (VOANS), received a



4% LIHTC award from the Nevada Housing Division to finance the construction of Desert Oasis II. HOME funds were also awarded from both the City of Las Vegas

and Clark County. Funds for construction were provided by Wells Fargo Bank and the permanent loan from Rocky Mountain CRC.

Desert Oasis II will be built as an environmentally responsible and resource-efficient building with energy efficient building systems, solar panels, a computer room, laundry facilities, and a community garden. Residents from both properties will be welcome to enjoy all the amenities.

Led by Gwen Kelleher (pictured second on the left), the Resolution Branch Chief in the San Francisco Regional Center, she, and her team of resolution specialists helped VOANS navigate its way through the approval process in building the new property.

REAC Update

By: Daryl Kyte



The REAC (Real Estate Assessment Center) inspections are back in full effect. As of July, with safety and health measures put in place, REAC inspections have resumed.

If an owner or their agent **declines to accept an inspection** at the time of the initial notification, a presumptive score of “0” (zero) will be recorded but held in temporary suspension pending the outcome of a second attempt to schedule the inspection.

If an owner or their agent **cancels or refuses entry for an inspection** scheduled during the initial notification, a presumptive score of “0” (zero) will be recorded but held in temporary suspension pending the outcome of the second attempt to schedule the inspection.

If the second attempt results in a successfully completed inspection within seven calendar days of the initial scheduled date, the resulting inspection score will be recorded.

REAC Postponement Process

By: Daryl Kyte

Property owners and agents (POAs) should submit a request to postpone a REAC inspection as soon as possible, and except in cases of emergency, the request should be received by HUD **prior to the property being notified** that an inspection is planned. The POA must submit its justification and any supporting documentation to their designated **Account Executive (AE) or Resolution Specialist (RS)** to SF.incoming@hud.gov.

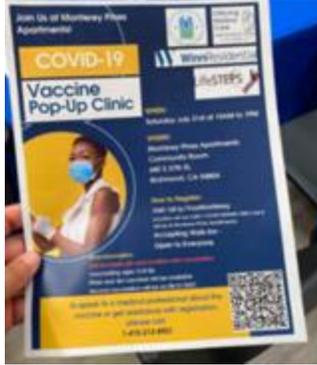
Once the REAC Postponement Request submission is reviewed and the criteria for postponement is met, the request will be forwarded for final approval. After the approval of the request is finalized, the REAC coordinator will send an email notification to the POAs notifying them of the approval, the reason for the delay and the new date the project will be ready for inspection.

Please note that circumstances outside of those described above generally do not meet the requirements to approve a REAC postponement, including a new POA, pending transfer of the property, pending financing, minor rehab work such as painting, or the illness or scheduling conflict of the POA.



HUD's Field Policy and Management Team

By: John Tedesco



This has been a productive year for HUD's Field Policy and Management Team in California as they joined other federal, state and local partners (Fact check me to make sure) to participate in COVID-19 vaccine efforts targeting Multifamily residents in Richmond, Oakland, Sacramento, and Chico. Clinics were well attended and set up at Cypress Pines in Richmond, CA and Oak Center Homes in Oakland, CA.

SF Regional Office Hails, Promotions & Farewells

Hails



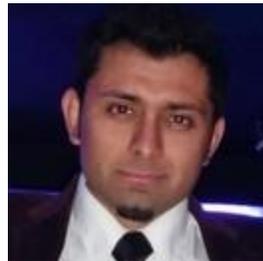
Donna Murray,
Account Executive



Carolyn Browning,
Account Executive



Anthony Kinney,
Program Assistant



Umang Fang,
Account Executive

Shaunice Walker, *Account Executive*



Not pictured: LaToria Herman, *Student Hire*

Promotions

Sukhi Aujla, *Senior Funding Specialist*

Farewells

Ray Gota, *Senior Account Executive*

Spencer Bailey, *Account Executive*

Ronnie Chu, *Account Executive*

Please find your corresponding AE below:

<https://www.hud.gov/states/shared/working/west/mf/ownmgmt/ae>

Stay Connected with the Office of Housing and the Federal Housing Administration:

