APPENDIX

(Exhibits in chronological order, more or less)
“You see what is and ask, ‘why?’
I see what could be and ask, ‘why not?’ ”

—George Bernard Shaw
INTENT TO PREPAY MORTGAGE

IMPORTANT: THIS FORM SHOULD BE COMPLETED IN TRIPLECT AND SUBMITTED SIMULTANEOUSLY TO: 1) HUD FIELD OFFICE, 2) HUD HEADQUARTERS, AND 3) STATE AND/OR LOCAL AGENCY(S).

PROJECT NAME: Concord Gardens

PROJECT NUMBER: 024-44007LDP-SUP

PROJECT ADDRESS: Christian Avenue
Concord Heights
Concord, New Hampshire
03301

PLANS FOR THE PROJECT: (Pursuant to § 248.211) This Notice of Intent is filed under Section 222 of Title II of the Emergency Low Income Housing Preservation Act of 1987. The date of this Notice of Intent is: December 20, 1990. The plans for the project are to transfer ownership of the project to a qualified non-profit organization utilizing the incentives provided for pursuant to federal state and regulations.

TIMETABLES OR DEADLINES FOR PROPOSED ACTIONS: The Owner seeks to accomplish the transfer at the earliest possible time.
ARE YOU CONCERNED ABOUT IMPROVING THE QUALITY OF LIFE IN OUR COMMUNITY?

COME TO A MEETING OF THE CONCORD-ROYAL GARDENS TENANT ORGANIZING COMMITTEE

TUES. 7:30 PM, UNIT 1-5

For more info. call 224-0596 or 226-3964

DON'T STARVE... GET ORGANIZED!
The Tenants' Newsletter for Royal and Concord Gardens

SUMMARY OF RECENT EVENTS

Dec. 1990: Royal- Concord Gardens (R-CG) owners file Notice of Intent to Prepay with the U.S. Department of Housing and Urban Development (HUD).


Feb.: Concord Mayor James MacKay forms city task force to make sure R-CG remains an affordable housing resource for the city.

Feb.: Some tenants meet with representatives from local agencies interested in supporting tenants who want input into the process. Tenants agree they want to organize.

Feb.: Tenant Organizing Committee (TOC) begins meeting. Tenants agree to 1) Organize tenants to improve the quality of life at R-CG (regardless of the outcome of a sale) and 2) to have a voice in the sale of the property. Agree to organize mass meeting for all tenants to attend to give everyone an opportunity for input and to participate.

March: City task force meets. Offer tenants assistance in obtaining private grants for Tenants Association and Federal grants for engineering study of property. Announce that owners are divided on whether or not to sell.

March: TOC continues to meet regularly. All tenants welcome and encouraged to attend.

BRIEF DESCRIPTION OF THE GARDENS

In 1969 the 150 unit Royal Gardens was built by three owners from Massachusetts. Mort Meyerson, Richard Sullivan, and Mark Walsh. A year later another 150 units were built adjacent to Royal Gardens, named Concord Gardens. Both projects are financed through HUD Section 236, which provides Federal financing of housing for low and moderate income households. The HUD financing has certain restrictions about how the property is used, or "use restrictions" which apply for 20 years.

"Money is provided to build or buy and rehabilitate only if the developer can find no other source or financing. The interest rate is subsidized down to 1%. Tenants can earn no more than 80% of the area median income in order to qualify, and those earning no more than 50% of the area median income can receive Section 8 assistance. Tenants are required to pay 30% of their income towards rent. If this is more than the basic rent of the units, the excess goes to the government, but if is less, the difference is subsidized."

Originally, each development had 60 Section 8 subsidies. Each had 32 1-bedroom units, 22 2-bedroom units, and 6 3-bedroom Section 8 units. A waiver was obtained from HUD to give up 21-BR subsidies to make another 2 BR subsidy. Also, Section 8 certificates are available through Concord Housing Authority.
CITY TASK FORCE

Support from the City of Concord for the tenants of R-CG to keep the housing affordable was announced when Concord Mayor James MacKay formed the Royal-Concord Garden Task Force in response to a letter dated December 27, 1990 from the Boston Land Company, agents for the owners of R-CG.

The letter stated, in part, that the Notice of Intent to Prepay "...does not reflect a change in the Owner's desire to provide for the long term preservation of the project as affordable housing."

City Councilwoman Sylvia Larsen was named as chairperson of the 16-member task force. The purpose of the Royal-Concord Gardens Task Force is to assist tenant organizing, to help keep the housing affordable and to bring together people who are knowledgeable about housing to look at the various options.

Provision was made for two R-CG tenants to be represented on the task force.

The Notice of Intent to Prepay is a HUD requirement and is the first step the owners must take if they may want to sell. It gives all interested parties notice, including tenants, the City, and potential buyers, especially potential non-profit buyers.

Incentives were mentioned in the letter which are presumably aimed at the owners' self-interest and include maximizing profit potential or winning concessions from HUD and the city in the event they don't sell, but want to keep the housing affordable.

The task force meetings are open and anyone who wants to attend or wants more information should call Sylvia Larsen at 225-6130 or Maureen Rex at 226-3964. The next task force meeting is scheduled for Tuesday, April 2 at 4:00 P.M. at City Hall.

COMMUNITY AGENCIES OFFER SUPPORT TO TENANTS

Dozens of tenants responded to receiving the copies in early January of the owners' Notice of Intent to Prepay by calling local agencies to get more information.

These agencies met with some tenants on February 15 at the N.H. Charitable fund, facilitated by the Concord Area Trust for Community Housing (CATCH).

In attendance were representatives from tenants, CATCH, Mayor's Task Force on Royal-Concord Gardens, Franklin Pierce Law Center- Civil Practice Clinic, N.H. Legal Assistance, Community Training and Assistance Center (CTAC), N.H. Charitable Fund- Land Trusts, and Community Action Program.

Tenants expressed concerns including potential loss of affordable housing, condition of the apartments, parking regulations, arbitrary enforcement of rules, security, drugs, maintenance, and displacement or eviction.

It was suggested that one way to deal with these concerns as well as the sale would be for the tenants to organize. Tenants could work together to solve their own problems. HUD would have to include tenants in the sale process and keep them informed.

Some fears about organizing were expressed, such as retaliation or hassles from the management. An attorney cited the law which prohibits such practices. N.H. Legal Assistance agreed to be the lawyers for the tenants.

It was announced that the sale of the property would almost certainly mean an opportunity for major rehabilitation to the property, which means the buildings and grounds can be repaired and improved.

(Continued on Page 3)
Technical assistance was offered to deal with the sale and purchase options, possible tenant ownership, legal support, and community organizing.

Bill Traynor from CTAC works with their project, the At Risk Residents Assistance Project. Bill has worked with 3 different expiring use HUD properties which came to be owned by the tenants. One project was in Massachusetts and two others in Vermont.

**TIC TOC**

The Tenant Organizing Committee (TOC) is working to organize R-CG tenants to take advantage of opportunities to become involved in working together to improve our quality of life here.

Tenants have already begun to organize the Tenants' Association by attending community meetings and holding regular weekly meetings.

A mass meeting is being planned for all C-RG tenants for sometime in March or April to which all tenants will be invited to attend.

The TOC has been meeting every Tuesday evening since February 25. Like a volunteer fire department or old time barn-raising, the TOC needs your help to organize tenants.

It was reported that several unsuccessful attempts were made in the past by R-CG tenants to organize. This is the first time there have been such offers of support from government and community agencies.

**WHAT IS A GRASSROOTS PEOPLES ORGANIZATION?**

"Grassroots" means that the organization is local, functions through person to person contact and involvement, and works from local support.

People often think of organizations as having leaders and members. The leaders do most of the work and the members may or may not do what is asked of them. Decisions are usually based on decision by the leaders or majority rule.

In a people’s organization members are the leaders. Everyone has a say in the organization and is part of the decision-making. The kinds of problems the organization works on and the activities are worked on by the members as a group. The organization gets its power from the members. Together, the members are powerful.

A tenants' organization is a grassroots people's organization because it is made up of people who live together in the same place, it works by people working together to get things done, it uses people to people contact, everyone has a say in decision-making, and the organization has a lot of power in the things it involves itself with.

Some examples of activities of a grassroots people's organization may include:

- A community block watch program
- Cooperative child care program
- Cooperative after school programs
- Special community events
- A maintenance cooperative
- A management cooperative
- Cooperative ownership
- Cooperative activities for seniors
- Community building program

Can you think of others?
WANTED

Tenant members to get involved with the TOC.
People are needed to:

- Attend city task force meetings
- Buy or make refreshments for tenant meetings
- Provide transportation for people who can't walk to meetings
- Provide child care so parents can attend meetings
- Help distribute newsletters and notices
- Donate individual talents
- Research and write newsletter articles
- Donate money for the newsletter, meetings, telephone, and postage

Check laundry room bulletin boards for TOC meeting places and times or call 224-0596 or 226-3964

Thank you Concord Communications for a great copier!

WHO TO CALL

Emergencies ONLY: Police, Fire, Ambulance: 9-1-1
Police administration: 225-2600
Fire administration: 225-8650

Property
R-CG Office for Repairs & maintenance: 224-9732
City Housing Code Enforcement: 225-8580

Housing/financial
Security deposit loans: Unite To Help 225-9000
Emergency financial assistance for rent:
City welfare 225-8575
Section 8 rental assistance waiting list (must be income-eligible): Apply at C-RG office or Concord Housing Authority: 224-4059

Housing/legal
(Eviction or other tenant problems)
N.H. Legal Assistance: 224-3333
Civil Practice Clinic: 225-3350
Housing Discrimination: 271-2767

Transportation
Concord Area Transit 225-1989

Food
Meals on Wheels (for seniors): 225-6880
WIC (Women, Infants & Children): 934-3445

Elected Officials
City councilman Clark Reed: (Home) 225-6033
(Work) 271-4484
State Senator Susan McLane: (Home) 224-0376
State Representative Jennifer Soldati 224-5844
(Plus 6 at-large representatives from Concord)
Group looks to keep housing complexes affordable

LINDA GOETZ for staff

The city is getting experts and residents together to find ways to keep Concord Gardens and Royal Gardens affordable to low-income tenants.

The owners recently announced that they plan to sell the 300 apartments on the Heights, which are among the least expensive in Concord.

Federal law gives nonprofit agencies the first shot at buying the complexes, and the owners say they would like to sell to a nonprofit group.

The city committee will gather affordable-housing experts, financial experts, city and state officials and residents to figure out the best solution. "We'll be exploring possibilities, getting people together," said City Councilor Sylvia Larsen, the committee chairman.

The federal government has subsidized the apartments since they opened in the 1970s. Rents range from $275 to $580. Tenants pay on a sliding scale, based on their income and the size of their apartment.

If whoever bought the apartments retains them at market value, Concord would lose a big chunk of its affordable housing. Only other apartments in the city qualify for some federal subsidy.

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HOUSING

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Sylvia Larsen

"The interest of the city is to maintain the stock of affordable housing that we have," Larsen said.

Options include encouraging a nonprofit group to buy the apartments, creating a nonprofit agency to serve as the landlord or helping the tenants buy and run the complexes themselves.

Several national nonprofit agencies have inquired about the properties, but the city would like to keep them in local hands, if possible.

The committee includes representatives from the Concord Area Trust for Community Housing (CatCh), Concord Housing Authority, Concord Community Development Corporation and New Hampshire Housing Finance Authority.

Elliot Berry of New Hampshire Legal Assistance and Ralph Littlefield of the Community Action Program also were appointed.

Residents of Royal Gardens and Concord Gardens are supposed to choose one representative from each complex to sit on the committee, but may not have time to do so before the first meeting in early March, Larsen said.

Concord

Low-rent apartments may be saved

Owner vows to maintain affordability

By LINDA GOETZ
Monitor staff

The owners of Concord Gardens and Royals Gardens might keep the complexes, instead of selling them to a nonprofit agency.

"Either way, the low to moderate housing will be preserved — that I guarantee," said Morton Myerson, one of the three owners.

The owners notified the federal Department of Housing and Urban Development earlier this week that they intended to sell the complexes, provoking discussion among city officials and community groups about how best to keep them as affordable housing.

The 300 apartments on the Heights are now among the most affordable in Concord. Tenants pay a sliding scale, based on income and the size of the apartment. Rents range from $275 to $580.

While the owners still are considering selling to a nonprofit agency, they also are considering refinancing their mortgage through the federal housing agency. If they did that, they would operate the complexes for another 20 years.

The owners will decide within the next few weeks, Myerson said. "Either way it will not affect the people there. They will be protected."
Four Things You Need To Know About Expiring Use

Congress Uncovered a Gold Mine

This Is A Housing Bailout

Congress has decided to give $27 billion federal housing dollars to owners of “expiring use” projects over the next 20 years. This is a housing bailout and owners of HUD-subsidized buildings are lining up to get taxpayers’ cash.

The National Affordable Housing Act of 1990 offers owners two lucrative choices. Owners can sell their projects at full price, or they can take out a new loan to get a huge profit out of the buildings after 20 years — in return for a promise to rent to low-income people for another 50 years. The taxpayers will pay the full sales price or for the huge profit payment.

This is the second time public funds will pay for these units. Federal money was used to construct them, and it will be used again to buy them back from their speculative owners or to renew the restrictions on their use. If HUD Secretary Jack Kemp has his way (and national housing policy continues on its current course), public funds will be needed a third time when the next crop of owners decide to sell the projects.

The people who will need low-cost housing in the future and the people who now live in these apartments are expected to stand and watch as the money rolls by. The future of their housing is at stake. Decisions affecting the use of the money and the properties are imminent. Yet the process Congress created gives the decision-making power to HUD and the private owners.

The bailout will simply line owners’ pockets, unless residents and non-profit community groups join forces, create their own power, and take control of the situation.

And Now For The Good News

There is tremendous opportunity here. Before owners can get their bailout monies, there is a HUD approval process. And if the owners want to sell, they have to first offer to sell the projects to residents and community-based non-profit groups. These use the bailout money to get control of the projects and make much-needed changes in the rents and the way the projects function.

These tax dollars can be spent on things that the public needs. The very same Expiring

Use Restriction (EURdollars) can:
- change the rents so that low-income people can afford these apartments
- fix up these 20-year-old projects so that they will last another 50 years
- make the units forever affordable for low and moderate income people
- support groups that will serve community interests in the future
- build non-profit resident groups
- strengthen community-based non-profits
- form resident/community coalitions
- remove these apartments from the speculative housing market forever

So Much Money, So Little Time

There are two reasons why there is so much money for the bailout and why Congress is in such a hurry to spend it. First, most of the money will be paid to the project owners - who are private businessmen. For 30 years, America’s housing policy has been to produce housing for low-income people by paying private businesses. The government uses public funds to encourage, subsidize, and scratch the backs of those private businessmen.

For example, twenty years ago HUD provided financial backing for low-interest loans to private developers. The developers built apartments with the money and promised to rent them to low and moderate income people for as long as the loan lasted (up to 40 years, but at least 20 years). This is where the term “expiring use” comes from. The public use of the apartments can “expire” after twenty years.

The first twenty years have come and gone. Real estate prices have skyrocketed. Owners are in a hurry. Like others who speculate on the private market, they want to cash out the profits the market has made for them. These apartments are worth millions — they are a gold mine. But you can’t sell the gold until you get it out of the ground.

Enter Congress! In the 1990 Housing Act, Congress created a conveyor belt to help owners extract their profits. This September, owners across the country can turn on the conveyor belt and start mining. When they are done, they will want to take the gold and leave the sludge in a heap in your community.

But the owners aren’t the only ones who can mine for gold. And there doesn’t have to be a sludge heap. A strong community response and community interests can make sure that the mining creates no sludge and that much of the gold stays in the community.

Coming Attractions

HOUSING MATTERS is publishing this special insert on expiring use to help residents and communities keep the gold where it belongs - and to use it for the sake of people who need shelter. Included in this insert is:

Mining for Gold

How can you take advantage of this bailout in your community?

Where Is the Leverage

9

What leverage can you use to take control over these projects?

Strip Mining and the Sludge Heap

10

What will happen if you do nothing?

How Many People Will Care?

In Massachusetts, there are roughly 30,000 units financed by the two expiring use programs covered by the Act (the Section 221d3 and Section 236 programs). Across the country, there are some 250,000 units “at risk” of “expiring.” Owners can file notices to start extracting profit as much as two years before the 20-year mark (the mortgage pre-payment date). More than half of the units in Mass. (15,000) have pre-payment dates before Sept., 1993, and will be eligible to join the conveyor belt this September. Next year, buildings with 1994 dates can join the conveyor belt, and so on.

The Community Economic Development Assistance Corporation (CEDAC) has the pre-payment date for every Massachusetts project and the name of the owner. CEDAC is located at 19 Temple Pl., Boston, MA 02111, (617-727-0506).

This insert was written by Alice Warner, who was project manager for the Clarendon Hill Towers Tenants’ Association, a Somerville group that bought and permanently preserved its 500-unit EUR project, with help from a community coalition. Contact: c/o HOUSING MATTERS, 69 Canal St., Boston, MA 02114 (617-742-9250).

Bill Traynor, Director of Community Development at the Community Training and Assistance Center, helped create these materials. CTC offers organizational training & technical assistance to groups who are in the process of taking control of their projects and neighborhoods. Contact: 10S Beach St., Boston, MA 02111 (617-413-1441).

Emily Achtenberg also served as a resource in creating these materials. Ms. Achtenberg is a housing policy and development consultant who specializes in expiring use and the preservation of expiring use properties. Contact: 67 Harper Street, Jamaica Plain, MA 02130 (617-324-3982).

Kiko Denzer provided editorial assistance. Mr. Denzer is an organizer for the North Cambridge News and area food coop newsletters. Can be contacted through HOUSING MATTERS.
**Mining for Gold**

There are five techniques for resident/community coalitions who want to take control and see that the needs of current residents, future residents and the community are met.

1. **Be proactive. Build your power. Don’t underestimate it. This as an opportunity, not a disaster waiting to happen.**

   The Act sets up strict timing requirements and an artificial pace — that’s why it seems like a conveyor belt. But that doesn’t mean you can’t control the process. Extracting the profit from these projects will take time. It will require approval by many actors who are politically accountable to the residents and the community.

   At each step there are opportunities to build support and momentum. A strong resident/community coalition can use those opportunities to take control of the process. When the coalition needs leverage, you can build it. You have as much or as little power as you think you have.

2. **Adopt firm guidelines that respect the needs of the current residents, the future residents, and the community. Then insist on them.**

   The Act and the regulations set up rules to safeguard the interests of HUD and the owners. Resident and community advocates can and must set down some new rules. These rules must serve the needs of the three interests that have a true stake in the outcome: current residents, future residents and the community. Once you have established your rules, use them to measure every decision, by every player.

3. **Build and support strong resident/community coalitions. Insist that the key players be non-profit, community-based groups.**

   Resident/community coalitions have already preserved HUD-subsidized projects all over New England: in Lowell, Burlington (Vt), Providence and Somerville. New coalitions are working to preserve apartments and improve housing in Allston, Springfield, Boston’s South End, East Boston, Worcester, Haverhill, and Barre (Vt).

   These coalitions need resources: money, information, technical assistance and political support. They need access to files and contacts, letters of support, and places to hold meetings. Organizers and other staff need to make a living wage, or else burnout and rapid turnover will consume precious energy and time. The coalition often needs paid technical help, especially at very early stages when the effort is still risky. These costs need to be recognized as the legitimate costs of arranging any new loans for the project (just like the financing fee and the legal bill).

   Political and moral support is the glue that will hold the coalition together. Adversaries always try to divide and conquer, and united groups reach their goals. Once the coalition has established guiding principles that protect the three interests with a true stake, support that coalition for as long as it works towards those ends. If you stand firmly behind a legitimate resident/community coalition, refusing to divide it or work around it, you can make a difference.

4. **Continually build the capacity of the coalition and its members as you go. Use the mining process to build trust and cooperation and to practice democracy.**

   Building the coalition and building the organization that will control the process cannot wait until the mining process is over. Use the mining to practice working together, and build as you go. Every time there is a decision to be made, there is an opportunity to build trust and the habit of cooperation, and to practice democracy.

   When deadlines appear too tight for inclusive decision-making, question the deadline. Take the time to figure out whether the decision or the action actually has to be decided or taken so quickly. Put as much brain power into finding a slower alternative as you would put into making the decision under fire. If you can’t find any alternative, figure out how inclusive you can be given the time you have.

   Throughout, maintain a healthy skepticism, an open mind, and a great patience. Democracy is not easy, and trust and cooperation have to build up over time. The mining process will offer exciting decisions and has the power to change people’s lives. By paying attention to the means as well as the ends, a resident/community coalition can use the process to build an experienced group of stewards for the property.

5. **Be persistent.**

   Don’t underestimate it. This as an opportunity, not a disaster waiting to happen. The Act sets up strict timing requirements and an artificial pace — that’s why it seems like a conveyor belt. But that doesn’t mean you can’t control the process. Extracting the profit from these projects will take time. It will require approval by many actors who are politically accountable to the residents and the community.

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Where is the leverage?

What leverage can you use to take control over these projects?

Moral High Ground
As human beings, people are entitled to shelter because it is a basic human need. These apartments were built to provide that shelter. The residents of these buildings and the community-based groups that represent future residents therefore have a moral claim to the property. Anything or anyone who gets in the way is on shaky moral ground.

Organizing
When an organized group acts together — the results are legendary. Residents from L.A. to Boston have proven this time and time again. A group that knows what it wants, that can take united action, and that can stand firm under pressure, can change the rules and can win.

Persistence
You can decide never to give up. When others know that they are in for a long battle, they begin to weigh their options differently.

Knowledge
These projects are not typical "private property". They are heavily regulated. You can get plenty of public information about the projects, the owners, and the current property managers. As card players and card buyers have proven again and again — the more you know, the more you gain.

Project to Project
Most of the owners own many projects and are in the subsidized housing or real estate business. If an owner controls more than one project, you can form a multi-project task force with other groups. You will reap the benefits of shared information and numerical strength.

Money
Not-for-profit groups have unique access to funding. For example, a coalition can get grants for organizing and technical assistance through the federal Community Development Block Grant program (CDBG) from the local city (or from the state in small cities and towns). In Massachusetts, a coalition can borrow money to pay costs in the early stages from the Community Economic Development Assistance Corporation (CEDAC) on special terms. Private foundations and religious groups also offer grants and special loans.

The Act also commits large amounts of financing for resident/community coalitions. For example, HUD will provide backing for new low-interest loans for as much as 95% of the project's sales price and for any necessary fix-up or to pay for the fix-up plus the owner's profit payment. At least for the next year or two, there is also some HUD money available for fixing up the projects which doesn't have to be paid back for many years and is loaned for very low interest rates.

So that there will be enough money to carry the new loans, HUD is also offering special project-based rental assistance for very-low-income and low-income people. You can use the promise of these riches to get cash grants and borrow funds for the coalition's work until the final funds come through.

Justice
Public money created these apartments and public money will be paid to extract the profit from them. As American citizens, taxpayers, and as the people who are most affected, the members of a resident/community coalition are entitled to basic justice in both the process and the end result. Should taxpayers' money be used to line the owners' pockets or to create useful community assets? Put that question to your community and see whose side they will join.

Rhetoric
The pronouncements of the Act and of HUD Secretary Kemp strongly favor resident and community control and permanent preservation. Take them up on the challenge. You can do it — but are they ready to play ball?

The Public Eye
Very few people are indifferent to the way that others perceive them. You can't force an owner or a politician to make their decision your way, but you can force them to make their decision in the spotlight of the public eye. You can always ask the public to judge and comment. Simply focus the spotlight.

Politicians
Residents and communities have politicians who are elected and appointed to serve in the public interest: particularly legislators and regulators. You have direct access to them. They either make the big decisions or they can persuade the people who make the big decisions.

Public "Servants"
There are also lower level people who do the work of the government — the true public "servants", whose pay scale justifies use of the term. (Typically their pay is so low that they would qualify for subsidized housing.) You have access to them directly. They are people too. Many of them enjoy the satisfaction of a good deed and a job well done. You can also offer them the safety of knowing they are on the right side.

The Old Boy Network
Your legislators and regulators are part of an old boy network that includes the owners of these buildings and other business people in your community. Businessmen generally need to maintain their relationship with some or all of the politicians. They are also people, and may be potential allies for personal reasons (see above).

Regulation
Public bodies like cities, towns, and states have legislative and regulatory powers, which can be useful. Cities and states can enforce laws and may also have contracts with owners of these projects which give them powers to regulate or control the use of the land and buildings (or of other pieces of land and buildings owned by the same people). Related laws include health and safety codes, zoning, and laws controlling condominium conversion and conversion of rental units. Typical contract examples are deed restrictions, preferential real estate tax contracts under "chapter 121A", land disposition agreements and ground leases.

Lawsuits
In many cases, residents can use legal actions and the courts to reach their goals. Lawsuits can be used to require that an owner fix up the project to comply with health and safety codes, or to force an owner or a public agency to abide by a related law, a regulation, or a contract they have made.

Willpower
When all else fails, people can stand in front of bulldozers, they can refuse to pay rent to slumlords, they can insist on being carried out of their apartments. In these ways they exercise their will to resist injustice.
10

**Something Is Likely To Happen Anyway**

Starting this September, when HUD is expected to publish final regulations, owners will start notifying residents in thousands of apartments across the country that they want to start mining. In general, the Act offers more profit to owners who sell their projects, less profit to owners who take out new loans for a profit payment, and zero to the owners who choose to do nothing. If you owned a project, what would you do?

A resident/community coalition can make sure that whatever the owner decides, it will benefit the three key interests. Strong coalitions have also been known to change many an owner’s mind.

**These Units Will Not Necessarily Be Preserved**

HUD’s first priority is to sell properties to what they call “residential councils.” This deal would give residents the right to buy their apartments and then resell them for private profit after certain short-term restrictions run out. Kemp says he favors residential control, but he doesn’t give the same help to non-profit models that provide residential control and preserve the housing as affordable forever.

Kemp’s policies play to residents’ emotions without giving them the cold hard facts they need to make a real decision; he pits current residents against future residents by encouraging current residents to profit maximally from the deal. (For more information about why the resident council/homeownership option gives only the illusion of control and financial security, see page 13.)

HUD’s policy will mean that other low-income people who need housing will not be able to live at the project in the future — unless the residents choose to become a non-profit or limited-profit group. This could have a drastic impact on housing opportunity. These apartments are among the few places where low and moderate income people can afford to live.

A community coalition can provide the residents with the missing facts, and offer to help them take control and even buy the project — if the residents give up the false promise of profit that HUD is dangling. Residents will need to evaluate the HUD propaganda for themselves.

**These Projects Will Not Necessarily Be Fixed Up**

HUD and the owner have little interest in fixing up these 20-year old buildings. HUD won’t want to spend federal money, and owners won’t want to give up any profits. Buyers who are not accountable to the residents or the community will not want to fight for the extra money to fix things up.

The time to speak up is now. If the needs aren’t taken care of with bailout monies, there won’t be any other money left. A resident/community coalition can speak for the physical needs of the project. They can make sure that the project’s needs are fully documented and that the appropriate dollars are committed and spent.

**Rents Are Already Going Up For Some**

The current rents are “flat” — a certain dollar amount for each type of apartment. For moderate income residents, Congress authorized HUD to change the rents. The new rent will be 30% of household income, up to a rent ceiling of the “Fair Market Rent” (published by HUD for an apartment of that size in that area). This new rent is probably higher than the old “flat” rent in the case of moderate income people.

It is a little known fact that these rent changes are coming anyway for moderate-income residents. HUD has not yet put the new system into effect. But HUD is required to follow the law and the changes will go into effect — even if both owners and residents choose to do nothing.

**The Rents May Increase Too Fast**

One of the ways that Congress is going to pay for the bailout is to change the rents for all residents after the project is sold or the owner takes out a new loan to get a profit payment. Currently, many low-income households are paying more than 30% of their income for rent. Although some projects provide rental assistance to help low-income residents pay the existing flat rents, many do not. It is another hidden fact that low-income households who don't have rental assistance are often paying 50% or more of their income to live in these “affordable” apartments.

Thus the rent changes that come with the profit mining bring good news for low-income residents. The new rents will be based on 30% of household income, and they are likely to be lower than the current flat rents for this group of residents.

If, on the other hand, these rent changes mean rent is going up for some residents, the increase must be done gradually over a three-year period. (Decreases can be made immediately.) But increases can also be made gradually over a longer period, like five years — if the buyer or the owner taking his profit payment puts aside some money to do that.

A resident/community coalition can make sure that the rent goes down as soon as possible for low-income people, and that when it goes up for moderate income people it goes up more slowly — over at least 5 years.

**Future Rents May Be Unreasonably High**

What happens if rent changes are made, but the project’s repair bills are higher than expected? Because the project wasn’t properly fixed up, or the project’s water bill suddenly goes up? HUD wants residents to pay these increases in what is called “operating costs” of the project. Residents will want the rental subsidy contracts from HUD to insure that rents never exceed 30% of income.

**People May Come For The Gold**

By uncovering a gold mine in these projects, Congress may have put people who live in and need low-income housing at the mercy of a sort of strip-miners — people who want the short term benefits from mining the gold but don’t care what they leave behind.

There are several kinds of prospectors to look out for: owners, technical firms, real estate developers, property managers, lenders, other real estate speculators — including Kemp’s “resident councils.” These prospectors come in all shapes and sizes. They can be national or local. They can be “for-profit” or “non-profit.”

A resident/community coalition can insist the project contracts call for an absolute rent maximum instead of a starting rent that can be raised in the future as costs increase.

**What If You Do Nothing?**

A resident/community coalition can make sure that every EURdollar pays only for legitimate and necessary services, and that the costs are as low as possible. To get the most bang for your bailout buck, you need to:

- find out what you need and what you want
- find out what they can and can’t provide
- encourage honest competition among qualified players
- select players strictly on merit
- carefully define the work/role of each player
- set up easily identifiable milestones for each player’s work
- evaluate performance regularly

You also need to keep your options open. This applies to every arrangement and every player. The more influential or important the player, the more options you should create and consider before you make a choice. If you don’t like your options — get more options.

To give just one example, the loan for buying the property will be the largest amount of money a coalition will raise. In Massachusetts, many low-interest loans are made by the Massachusetts Housing Finance Agency (MHFA), a quasi-governmental agency. This makes MHFA a potentially powerful player.

But there are other ways to get low-interest housing loans. Cities have the power to issue bonds (like MHFA’s) to create loan money. Local housing authorities can also issue bonds with state approval. By matching up a bond issuer like a city or housing authority and a HUD-approved mortgage lender (there are many), you can get a low-interest loan with the same HUD approval and financial backing.

You have the power of choice and the leverage created by competition. There are always alternatives if you are willing to create them.
SECTION III: EXPIRING USE RESTRICTIONS
An Evaluation of the Potential Loss of Assisted Housing Units
In New Hampshire

Nearly sixty percent of New Hampshire's subsidized housing inventory was created by private developers participating in Federal housing programs. The remainder of the actual physical inventory is owned and managed by public agencies and/or non-profit organizations. The emerging issue with regard to the supply of assisted or subsidized housing has to do with the potential for the loss of those privately owned, subsidized housing units as the owners reach points in their contracts which allow the prepayment of their mortgage. Mortgage prepayment allows the owners to convert such units to market rate rentals or condominiums. The consequence may be obvious: displacement of the current subsidized tenants as well as the long term loss of the converted units from the State's assisted housing inventory. This problem emerges as the demand for assisted housing is increasing and as the pipeline for new projects has been severely restricted.

The actual inventory of assisted housing is in fact the product of a myriad of housing programs, each of which contained significantly different terms for the participating developer. As a result, there are widely varying degrees of risk depending upon the program under which the units were developed. All of the privately owned units within New Hampshire will be eligible to withdraw from the respective programs at various points over the next nineteen years - the vast majority will in fact be eligible prior to the turn of the century. However, the fact that such a substantial number of units may be eligible for conversion does not imply that the property owners may necessarily seek to do so. The fate of individual projects will rest between market opportunity and the strength of the incentives provided.

This report provides an analysis of the relative levels of risk confronting the inventory of assisted housing. As such it focuses on the supply of actual project units and not the opportunities provided through the consumer based voucher and certificate programs in New Hampshire. There are approximately 3,900 vouchers and certificates available directly to very low income families. These subsidies are tied to the individual households rather than a physical project unit. Therefore, the issues surrounding those subsidy programs are entirely different, with the critical question being how Federal housing programs will work to either expand or diminish such subsidy opportunities.

There are four principal sources of housing assistance in the state. These agencies are: the Farmer's Home Administration (FmHA), the New Hampshire Housing Finance Authority (NHHFA), the Department of Housing and Urban Development (HUD), and local Public Housing Authorities (LHA's). Within each agency there are generally several types of assistance programs. This report will provide a brief description of the major relevant programs of assisted housing, the numbers of projects and units in each program, and each program's relative risks of being lost as assisted housing as a result of expiring use restrictions.
Between 1988 and 2007

Table 6

<table>
<thead>
<tr>
<th></th>
<th>FmHA</th>
<th>HUD</th>
<th>LHA</th>
<th>NHHFA</th>
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<td>5,146</td>
<td>2,641</td>
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The PHA owned projects and the HUD 202’s and 232’s are not in danger of prepaying their mortgages to convert use. However, some Farmer’s Home 515 projects are currently eligible to prepay. The remaining category is composed of Section 8 New Construction/Substantial Rehabilitation, 515’s, 236’s 221(d)3 & 4’s and 80/20 projects. These are further broken down into yearly conversion potentials in the following bar graph:

*Between 1988 and 2007*
The Potential Loss of Assisted Housing
Due To Expiring Use Restrictions

Illustration 10

1989-1990 New Hampshire Housing Advisory Plan
### Potential Prepayment Dates - 221d3 - 236

#### IMPD - MANCHESTER

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<tr>
<th>NEW HAMPSHIRE:</th>
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<th>VERMONT:</th>
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<td><strong>Applegate</strong></td>
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<tr>
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<td><strong>Augusta</strong></td>
<td><strong>Bennington</strong></td>
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### Details

- **New Joy South**: Portland 140, 8/86
- **All Pines I**: Lewiston 152, 3/87
- **All Pines II**: Lewiston 155, 9/89
- **Pleasant Pk Manor**: Bangor 32, 6/92
- **Alliance Apts.**: Lewiston 8, 12/92
- **Royal Gdns**: Concord 150, 10/26/90
- **Anheir Park**: Nashua 135, 11/24/91
- **Concord Gdns**: Concord 150, 11/30/91
- **Barry Villa**: Rochester 76, 11/20/92
- **Farmington Apts.**: Farmington 11, 12/13/92
- **Brookside**: Berlin 120, 1/1/93
- **Beech Hill Park**: Manchester 200, 1/24/93
- **Brook Hill North**: Nashua 160, 6/1/93
- **St. Street Apts.**: Manchester 52, 12/11/93
- **Rutland Manor**: Dover 50, 5/20/94
- **Beech Hill Pk II**: Manchester 120, 8/8/94
- **Ridgefield Apts.**: Portsmouth 100, 9/17/94
- **Redden Gardens**: Dover 150, 9/20/94
- **Sherwood Manor**: Littleton 50, 9/27/94
- **Ledgewood Manor**: Portsmouth 150, 11/14/94
- **Claremont Manor**: Claremont 91, 12/27/94
- **Wingate**: Laconia 100, 5/15/95

- **Highgate**: Barre 120, 10/13/91
- **Westgate**: Brattleboro 100, 6/27/91
- **Mt. View Apts.**: Springfield 72, 12/19/91
- **Regency Manor**: Rutland 120, 12/18/91
- **Applegate**: Bennington 130, 6/25/95
APPENDIX C

HOW TENANTS BECOME HOMEOWNERS
(DC Law 3-86; Rental Housing Conversion and Sale Act)

1. Tenants Get Notice of Offer to Sell
2. Tenant Association Organized
3. Officers Chosen Committees Formed 51% of Tenant Members
4. Technical Assistance Found
5. Tenants Express Interest in Buying
6. Incorporation By-Laws Vote Registration
7. Phase One
   8. 45 Days
   9. Financial Feasibility Explored
      10. Financial Forms
      11. Engineering Survey
      12. Appraisal
      13. Rehab Est.
      14. Credit Checks
      15. Financing Looked Into
      16. Sales Negotiations
      17. Subsidies Explored
      18. Sales Contract Signed
      19. Tenants Pay 5% Earnest $
      20. Phase Two
         21. 120 Days
         22. Tenants & Lawyers Prepare Co-Op or Condo Legal Documents
         23. Tenants Hire Management Co.
         24. Rehab Package Prepared
         25. Loan Package to Lender
         26. Financing Commitment
      27. Phase Three
         28. 120 - 240 Days
         29. First Settlement
            30. Tenant Co-Op Begins to Function; Rehab Monitored
            31. Rehab Begins
            32. Rehab Finished
      33. Phase Four
         34. Time Varies With Each Building
         35. Second Settlement HOMEOWNERSHIP

D.C. DEPARTMENT OF HOUSING TENANT PURCHASE ASSISTANCE
Residents at Concord Gardens are forming a tenants' association.
ROYAL-CONCORD GARDENS
TENANTS' ASSOCIATION
ORGANIZATIONAL MEETING

Who Should Attend?: All Tenants of R-C Gardens

When?: Sunday April 21, 1991 2:00 - 4:00 P.M.

Where?: Heights Community Center
- Canterbury Road (Next to Dame School)

Why?: -Find out what the owners' Notice of Intent to Prepay means to you!

- Learn what the Tenants' Association is all about.

Find out what YOU can do!

For FREE transportation, FREE childcare, or more information, call:

REFRESHMENTS WILL BE SERVED

The Royal-Concord Gardens Tenants' Association is not affiliated with Royal Management. Please do not call the management office with questions about the R-CGTA. Tenants are under no obligation to become members.
ROYAL-CONCORD GARDENS TENANTS' ASSOCIATION

MEMBER INTEREST INFORMATION

If you wish to become a member of the R-CGTA, kindly fill out this form to let us know your interests and return it to anyone who is already a member or call Jeff at 224-0596. You MUST be a tenant to be a member of the R-CGTA. Friends are invited to participate in the Tenant Advisory Council.

Date:__________

Name:__________________________________________________________

Address:_______________________________________________________

Phone: (Home)____________________________________ (Work)____________________

When are you usually available?

Please circle areas of interest: (You may be invited to work on a committee).

Management & Maintenance- work on issues dealing with lease, rules, rent, repairs, problems tenants, etc..

Safety & Security- for example, lighting, fire safety, block watch, etc.

Special Events- cook outs, flea markets, raffles, parade floats, clean-ups, etc.

Housing Development- Property rehab., purchase of property/cooperative ownership, getting a community building, etc.

Recreation- Special activities for kids, seniors, or sports teams and leagues such as bowling, softball, volleyball, etc.

Social programs such as food pantry & clothing exchange, programs for seniors, programs for kids, programs for parents, day care, etc.

Other:

I am interested in: 1-time task by myself 1-time task with others

Ongoing task by myself Ongoing task with others

Building Coordinator- keep in touch with the people in your building to let them know what the R-CGTA is doing, find out what they need, greet new tenants, distribute newsletter, etc.
CONCORD-ROYAL GARDENS TENANTS' ASSOCIATION
PROPOSED ORGANIZATIONAL STRUCTURE

TENANT ORGANIZING COMMITTEE

Functions only until establishment of Tenant Association Council

BUILDING COORDINATORS

Information conduits. Disseminate (hand-out, distribute, discuss, relay) information, seek input, encourage participation, handle complaints by directing to appropriate person or committee, provide referral for problems, recruit new members, welcome new tenants & tell them about the R-CGTA. NOT expected to represent the tenants in their building.

COMMITTEES

Meet as often as each determines. Responsible for planning own activities and functions. Make recommendations to Tenant Association Council.

Goal: for all tenants to become members of at least one committee

Special Events: Fun and fundraising. Clean-ups, BBQ's, parade floats, flea markets, etc.

Housing Development: deals with issues of sale, rehab, potential tenant ownership.

Maintenance: deals with maintenance issues of buildings & grounds.

Management: deals with issues around lease, rules, tenant screening, behavior of other tenants.

Security: deals with issues of privacy and security: parking, safety, form block watch, school walkers safety patrol, etc.

Social: subcommittees for programs for seniors, children, people with special needs. Deal with recreation, child care, food pantry, clothing exchange, etc.

Education & training: Organizes monthly tenant education meetings, organizes training for leaders and others, publish Gardener.

Executive: Officers and committee chairs. Act as planning committee, maintaining group discipline, plan monthly TAC meeting agenda, providing for finance.

Officers

Selected by the TOC for limited terms. Responsible for seeking group participation in decision-making, rather than traditional elitist functions.

Ex officio members of all committees.

President: presides over meetings of the executive committee.

Vice-president: acts in the absence of the president. Accepts tasks requested by the president.

Secretary: Responsible for announcing meetings, preparing agendas and minutes, correspondence, record-keeping.

Treasurer: Holds and accounts for all monies. Prepares regular reports.

TENANT ASSOCIATION COUNCIL

Made up of Executive Committee and Building Coordinators. Meets monthly.
TENANTS DECLARE ASSOCIATION

It’s official! Tenants attending the organizational meeting of the R-CGTA on April 21 voted unanimously to form the Royal-Concord Gardens Tenants’ Association. Spirits and enthusiasm were not dampened as over 30 people braved the cold wind and rain to attend the meeting at the Heights Community Center. Neighbors joined together to assert their commitment to improving our quality of life at the Gardens through working together.

The success of the meeting exceeded all expectations for the Tenant Organizing Committee (TOC), who has been working since February to put the meeting together. Success was measured by how well a group of tenants, most of whom were strangers to one another, could plan, obtain resources, find the time, and cooperate to get things done.

All tenants of Royal and Concord Gardens were given the opportunity to participate. The meeting was announced in the first issue of The Gardener, fliers were distributed door-to-door, and the news was spread by word of mouth. Free transportation was arranged through Concord Area Transit; childcare and refreshments were provided; there was even a door prize: a $10 gift certificate won by JoAnn Seaward for the Windmill restaurant.

Members of the TOC and guests were introduced, including: Clark Reed, City Councilman for the ward covering the Gardens; Tom Fredenberg, N.H. Legal Assistance attorney representing the Association; and Bruce Friedman from the Franklin Pierce Law Center Civil Practice Clinic, providing technical assistance. (Continued next page)
Jeff Butler answered the question: “What does the Notice of Intent to Prepay mean to you?” and Maureen Rex spoke about the results of the tenant survey (see separate articles in this issue).

When asked what should be done about the issues of the owners’ actions and the problems listed in the survey, tenants unanimously agreed to organize the Royal-Concord Gardens Tenants’ Association. Jeff summarized that the Association is about people working together to deal with the problems of the community and to make things better. Since it is a grassroots organization, the ways in which things improve are in whatever ways the people who participate decide. “If you care, participate. If you don’t like what the owners, managers, or tenants’ association are doing or not doing, do something about it and participate”, said Butler.

Councilman Reed spoke about the importance of the Gardens to the city as its largest affordable housing resource and about the significance of the Gardens to the Heights community. He suggested that people work together to use whatever resources exist in the community and talked about how we might work together for safety and recreation needs.

Tom Fredenberg spoke about the importance of the Association in dealing with the kinds of issues which legal services cannot appropriately address. Both Tom and Bruce Friedman emphasized that there is no need for tenants to fear reprisals from the owners or managers for participating in the R-CGTA because there are powerful legal protections for those who participate. Anyone who feels they are being pressured should call the attorneys (their numbers are listed on the back page of The Gardener).

After a break Jeff talked about how every tenant can be involved by working in whatever area of interest they have. The plan is to develop committees to deal with the issues that people listed in the survey or talked about at TOC meetings.

At the end of the meeting there was an opportunity for everyone to provide feedback and an evaluation of the meeting. It was all positive. One tenant said the R-CGTA was very interesting and another said they were glad there is finally a tenants’ association where people can work together as a community. One woman reported that when she was visited by A TOC member it was only the fourth time in ten years anyone had knocked at her door!

The next step is for the R-CGTA to begin planning what it will do in the future. All tenants are invited to participate. This is YOUR association. Everyone who is interested in formally becoming a member should contact neighbors who they know participate or call Jeff Butler at 224-0596.

**WHAT DOES THE OWNERS’ NOTICE OF INTENT TO PREPAY MEAN TO TENANTS?**

The notice sent to tenants in January was the first step for the owners to exercise their options under the regulations of the U.S. Department of Housing and Urban Development (HUD).

The notice states: “The plans for the project are to transfer ownership of the project to a qualified non-profit organization utilizing the incentives provided for pursuant to federal statute and regulations. The Owner seeks to accomplish the transfer at the earliest possible time.” The notice is the only document filed with HUD to date, though there have been rumors that the owners plan to do something else.

Under the HUD 40-year financing program, owners have several choices after 20 years: 1) they can prepay the mortgage to become free of HUD’s affordability restrictions and use the property any way they want; 2) they can refinance the mortgage on the property, taking out for themselves profit realized as a result of the increased property value or equity, but keeping the affordable use restrictions; or 3) they can sell the property, but must first offer it to a buyer who will own the property not for profit.
WHERE'S YOUR NICHE?

Are you interested in opposing rent increases, protecting our children, or working to provide help so that no one has to choose between buying groceries or paying the rent? The Tenants’ Association offers you all these opportunities and more. Plans are underway to develop the kind of structure in which every tenant can find something that interests them and participate in improving the quality of life at the Gardens.

Suggestions for structuring the R-CGTA include forming a Tenant Association Council, made up of the officers, committee chairs, and Building Coordinators. The Tenant Organizing Committee (TOC) plans to select officers in May. Committee chairs will be selected as the organization develops. Building Coordinators have already begun to work together through the TOC, but many more volunteers are needed.

The Special Events Committee will work on fun and fundraising through such activities as clean-ups, BBQ’s, parade floats, flea markets, crafts fair, etc.

The Housing Development Committee will deal with the issues of the sale or refinancing of the property, rehabilitation and repairs of the property, and potential tenant ownership.

The Education Committee will publish The Gardener, provide monthly speakers meetings on issues of interest to tenants, and present other events.

The Management and Maintenance Committee will work on issues of the lease, rules, tenant screening, behavior of other tenants, and maintenance and upkeep.

The Safety and Security Committee will work to make the Gardens a safer and more secure place to live (perhaps forming a tenant volunteer block watch program?).

The Social Action Committee will address the various human needs of the community through such activities as opening a food pantry and clothing exchange, starting programs for seniors and for children, developing a child care service, and more.

For now, the functions that will be served by committees are being covered by the TOC.

One of the most exciting opportunities for tenants who want to be involved will be to serve as Building Coordinators. They will act as information conduits between the Association and tenants in every building.

The Building Coordinators (Continued next page)
will distribute information from the Tenant Association Council and seek input from the tenants in their building.

If you are interested in becoming involved now, come to a weekly meeting of the TOC. For information about the next meeting, contact Anita Shea at 225-7885 or Jeff Butler at 224-0596.

AFFORDABILITY TOP CONCERN FROM TENANT SURVEY

When tenants were asked what they most liked about living at the Gardens in the TOC tenant survey, the most reported responses were that they liked the affordability, that heat and utilities are included in the rent, the availability of 3-bedroom apartments, and the location close to services and stores. (While a full report of the tenant survey must wait for more room in another issue of The Gardener, we wanted to report the information tenants considered in their decision to form the Tenants’ Association).

Nearly half the respondents said they plan to stay at the Gardens. 26% said they wanted to own their home, 23% were undecided, and 6% said they wanted more affordable housing or to move.

When asked about interest in membership in the G-CGTA, 40% reported they were interested, 31% wanted more information, 6% said they were afraid (see comments from attorneys in article about meeting to form R-CGTA), and 23% said they were not interested in membership.

A surprising 80% reported they definitely are or possibly are interested in tenant ownership. This is a clear mandate for the Tenants’ Association to provide information about this alternative. It also gives the owners and HUD something to consider.

The most frequent responses when tenants were asked what they disliked about living here included: conditions of buildings and property, safety and security issues, and lack of “community” or people working together. The Tenants’ Association addresses all of these issues.

When asked what tenants feel could improve, most responses were about social changes, such as people being more neighborly, keeping the kids out of the way, and providing help in time of need.
ROYAL-CONCORD GARDENS

COMMUNITY PRIDE DAY

SATURDAY, MAY 4
(RAIN DATE: SATURDAY MAY 11)

Clean-up: 9:00 AM
Everyone meets at office for rakes, trash bags, and coffee.
Clean-up around your unit, then your building, then go help others

Cook Out: 1:00 PM
Common area between Royal and Concord Gardens
Grills ready. Bring your own food & beverages (bring extra to share)

Raffle: 2:30 PM
ONLY $1 each ticket/ 6 FOR $5.
Great prizes: Gift Certificates: Lowe's Cinema movie tickets (2)
Nault's Pharmacy ($10)
Pizza Hut (2 Personal Pan Pizzas)
Theater Posters

COME MEET YOUR NEIGHBORS AND HAVE FUN WORKING TOGETHER TO MAKE OUR COMMUNITY A PLACE OF PRIDE

Sponsored by the Royal-Concord Gardens Tenants' Association
(Not affiliated with Royal Management Company. Please do NOT call the office.)
ROYAL-CONCORD GARDENS

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COME MEET YOUR NEIGHBORS AND HAVE FUN WORKING TOGETHER TO MAKE OUR COMMUNITY A PLACE OF PRIDE

Sponsored by the Royal-Concord Gardens Tenants' Association
(Not affiliated with Royal Management Company. Please do NOT call the office.)
Heights tenants' group gets grant

LINDA GOETZ

The fledgling tenant group at the Heights and Concord Gardens has just gotten a big boost in its efforts to organize the people who live at the complex.

The Community Training and Assistance Center, a non-profit organization in Massachusetts, has awarded the group $10,000.

The grant includes a salary for a part-time tenant organizer and money for expenses, such as telephone, postage and printing.

Though the 300 apartments on the Heights have been renting for 20 years, the tenants organization just got off the ground this spring, in response to news that the owners might sell the complexes.

Tenants' association president Jeff Butler said the officers would meet to choose an organizer.

Butler is interested in the job.

"I think it's essential to teach tenants about their rights and how they can work together," Butler said.
May 23, 1991

GARDENER EXTRA!

The Tenants' Newsletter for Royal and Concord Gardens

NO RENT INCREASE!
No sooner had the headline for the article been written in the May edition: Affordability Top Concern From Tenant Survey, than tenants received a notice for a 15% rent increase (actual rent increases vary between 14%-17%).

In the midst of the owners declaring their intent to sell the property, the management company filed for a rent increase. This action generates many questions, including: Are the owners trying to make the property more attractive to prospective buyers by raising rents to make it more profitable? Are the owners trying to make the property more profitable should they decide to refinance? What's wrong with the management that they can't operate the housing without a rent increase? Did the owners really mean it when they said it was their "...desire to provide for long term preservation of the project as affordable housing" in their December 27, 1990 letter to the Mayor?

Even more crucial questions face tenants: Can we afford to stay here? Are there better deals elsewhere in Concord? What can we do about the proposed increase?

Tenants here should know that rent increases have been successfully fought back for several consecutive years in other HUD-financed properties when tenants mobilized. Other rent increases have gone through without a hitch when tenants did nothing.

The most important reason not to have a rent increase now is timing. Whatever the real reasons, a rent increase at this time would deal only with the short-term. It is in the tenants' best interest to look at the long-term future of the Gardens. The future of ownership and management are now in question. These are questions which must be answered before any changes in rent should be considered.

(Continued page 2 No Increase)

SIGNS OF PROGRESS
After so many months there is another indication that the Tenants' Association is getting somewhere!

Some tenants in Royal Gardens refused to sign the petition opposing the rent increase. They said they heard about us and knew what we were up to. It seems someone who works for the management company has been speaking to tenants saying to watch out for those trouble makers, who are just here to stir things up.

At last Some people finally have some idea what we are all about and at least someone who works for the management company considers us a threat. No finer compliment could be made for our organization.

Let's look at what we have done. We responded to the owners' notice of intent to prepay. We could have done nothing, leaving the consequences of deteriorating housing, higher rents, people continuing to live in isolation, frustration, and anger. We began meeting together and talking to one another and planning to get things done. We put together a survey and held a mass meeting. We published and distributed newsletters to let everyone know what's going on. We got the community working together to help clean up and had fun doing it. We are responding to a proposed rent increase by encouraging people to write letters and sign a petition.

You bet we are here to stir things up! We refuse to be victims and to let our neighbors be victims. We will not let businessmen or government agencies make decisions about us and for us without our participation. We refuse to have our housing fall into disrepair or be sold out from under us. We refuse to let our children's and our neighbors' safety and security be threatened because of our passivity. We refuse to let important decisions about the place we live be made without being consulted.

(Continued on page 2, Progress)
(No Increase) A new factor in the equation is the existence of the Tenants' Association. Tenants are prospective owners who would not increase rents. Tenants can be consulted and involved in controlling costs. Tenant input into management and maintenance could lower costs. Tenants can provide valuable information about repairs and improvements which can reduce costs. A rent increase should not be the first or only action without consideration or exploration of alternatives, especially involvement of tenants. The message should be clear from tenants and HUD should be convinced that there should be no rent increase. 

TOGETHER, WE CAN MAKE A DIFFERENCE!

"THE PEOPLE UNITED WILL NEVER BE DEFEATED"

EL PUEBLO UNIDO JAMAS SERA VENCIDO

(Can We Afford It?) Now, it has been only four years since the last rent increase at the Gardens. The first question is: Can we afford it? The second question is: Is a rent increase reasonable and warranted? 

There are a number of issues we face as a community about affordability. Unemployment in Concord is the highest in years at 8.3%. Inflation in the last year ran at just over 6%. Wages among tenants are relatively low, especially for families with children. The maximum AFDC shelter allowance is only $243 a month, the SSI maximum payment is only $407 a month, and there are not enough Section 8 subsidies to go around. It is clear that some tenants, at least, are in imminent danger of becoming homeless; some will be forced to move; most will have less money to spend on other essentials like food, clothing, and medical care. Clearly, the majority of tenants cannot afford a rent increase at this time, whether 15% or even only 5%.

As to the second question, it should be considered that market and median rents for the state have been dropping. Median rents for the state dropped nearly 2% last year. HUD is supposed to support affordable housing, not to permit rent increases which are unaffordable or less competitive. Market factors do not support a rent increase.

The warrantability of a rent increase should include consideration of the condition of the property. The appearance and disrepair certainly indicate that the units here are simply not worth more rent. The issues are too numerous to mention here, but some of the most striking ones include the lack of a second egress, or way out to the ground, in case of fire from the second story one-bedroom units, most of which are inhabited by elderly persons. There are a number of local housing code violations and HUD Housing Quality Standards violations. These changes should not be paid for out of the pockets of poor tenants who clearly cannot afford it. Rather, it should come from the coffers of the owners, management company, and Federal government. Is it HUD's role to provide decent, affordable housing or to protect the interests of the owners and management company?
NEED FOR RENT INCREASE UNPROVEN

The rent increase as requested by the management company is poorly documented according to the information submitted to HUD and available to all tenants at the office. In his letter to HUD Mr. Chamberlain refers to increased costs in electricity, natural gas, maintenance, and overall operations, yet fails to provide sufficient convincing evidence.

For the increase in electricity, he submits only a letter from a Mr. Blood at Concord Electric listing percentage increases in their electric charges. There is no documentation whatsoever about the last 4 years of electric rates, use, and charges specifically for the Gardens. More importantly, there has been no attempt at all by the management company to work with tenants to control costs.

For the increase in gas, there is a letter from Mr. Devost at Energy North which states: "As per your request the company anticipates a possible 3.5% increase beginning January 1991..." and "...expect a 2.5% increase for the 1991-1992 fiscal year." We can only hope that HUD will not accept rates which are so indefinite as to be "anticipated", "possible", or "expected" nor approve rates before they are approved by the Public Utilities Commission.

In order to justify increases, the management compnay should be required to demonstrate increased actual costs. Again, this request is without even an attempt to work with tenants to control costs. But perhaps the most blatant oversight is the fact that the aging windows leak cold air and that daylight can be seen around some of the doors! Tenants should not be expected to pay higher rents for a problem which should be cured by major capital repairs, especially since the owners are required to maintain a reserve fund. Tenants cannot turn to help from the weatherization program because the State is forbidden from providing weatherization assistance in subsidized housing since the Federal government is supposed to make sure their buildings are adequately insulated and weatherized. In a letter: "RE: ENERGY AUDIT 1991" Mr. Chamberlain claims: "Since their inception, Royal Garden's and Concord Garden's management has maintained a continuous energy conservation program." They refer to replacing older hot water tanks, refrigerators, locks on laundry room doors, stoves, and work on boilers. There is no reference to any third party energy audit consultants being called in for a study and report. This should be required by HUD.

In a memo to HUD Mr. Chamberlain provides a budget narrative for the line items in the budget. The first line, Management Fee, says there is a projected increase due to rental increase. This implies that the management fee is a percentage of rents. This item should not increase because of the unsubstantiated costs as listed above. Water and Sewer are increased by using last year's actual plus a documented 6.2% increase. Certainly, 6.2% of all the water used at the Gardens could be saved by simple conservation measures such as low flow shower heads, bricking toilette tanks, and repairing leaky faucets. Repair Materials are increased over last year by 4.5% for inflation without any justification. Whether last year's expenditures for this line item were adequate or inadequate, Health Insurance and Employee Benefits are simply inflated by 5% without any documentation of increased costs. There isn't even any documentation of the number of employees from one year to the other. Property and Liability Insurance are simply inflated with no documentation at all.

Overall, the management company's documentation and verification is incomplete, at best. By any stretch of the imagination they have not shown the need for a 15% increase in rents. Take a close look at the insides and the outsides of the buildings here and tell HUD if you think they are worth more rent! We can be proud we don't live in a ghetto, but with violations of local and HUD codes there is a long way to go before conditions warrant a rent increase.
WHAT CAN YOU DO?

So, after all, what can you do to stop this rent increase? According to the Notice to Tenants of Intention to Submit a Request to HUD for Approval of an Increase in Maximum Permissible Rents served to tenants and dated April 30, 1991, you may send a copy of your comments directly to HUD:

U.S. Dept. of Housing and Urban Development
Director, Housing Management Division
Cotton Federal Bldg.
275 Chestnut Street
Manchester, NH 03101-2487.

Some tenants have already written to HUD. In your letter you should state why you do not believe HUD should not approve a rent increase. Your personal feelings and perspective about your unit are important. If you need help, you should ask someone to help write your letter. Also, you have a right to go to the office here and ask to see or get a copy of the information the management company is submitting to HUD. You can tell HUD what you disagree with and why. Every tenant should write to HUD opposing the rent increase. You have only until May 31.

Another important action for you to take is to sign the petition against the rent increase being distributed by the Tenants' Association. The petition simply says that the tenants oppose the rent increase because we can't afford it and they don't deserve it. You have a legal right to comment to HUD and to sign your name on the petition. If anyone hassles or threatens you they are breaking the law. If this happens to you, then you should call N.H. Legal Assistance for help.

Finally, you should add your voice to others in the Tenants' Association. Groups of people have a lot more power and influence than individuals. You can accomplish much more through working together with others than you can alone.

Telephone New Hampshire Legal Assistance at:
224-3333
TENANTS

Have you or your friends been forced to give notice because it’s too expensive to live here any more?

Are you fed up with conditions here?

ARE YOU ANGRY ENOUGH ABOUT THE RENT INCREASES TO DO SOMETHING ABOUT IT?

Don’t just let it happen

Join your neighbors in telling HUD:

"NO MORE!"
"Take Back The Rent Increases!"

Who: Tenants of Royal and Concord Gardens
What: Rally, press conference, meeting with HUD officials
When: Monday, July 15, 1991 at 1:30 P.M.
Where: HUD office  Cotton Federal Building  275 Chestnut St. Manchester
How: School bus at common area near office leaves at 12:45
(or drive down on your own)

We have constitutional rights to tell them what we think. Federal and State laws protect us from evictions or reprisals. Exercise your rights!

For more information contact:

Mickey Walker in building 2 apartment 1
Jeff Butler in 17-1 or call 224-0596
Anita Shea in 23-6 or call 225-7885
HUD-APPROVED RENT INCREASES
COMPARSED TO PUBLISHED MARKET RENTS
FOR ROYAL AND CONCORD GARDENS

July 15, 1991
Survey by Mary Walker
Report by Jeffrey Butler
Royal-Concord Gardens Tenants' Association
HUD-APPROVED RENT INCREASES COMPARED TO MARKET RENTS

In June of 1991 HUD approved rent increases for Royal and Concord Gardens apartments located in the Heights area of Concord, New Hampshire. The rent increases announced July 1 were up to 12% and scheduled to take effect August 1.

During the beginning of July, rents listed in the Concord Monitor were surveyed to compare to the HUD-approved rents.

There are different rents for the properties for two reasons:

1. Royal Garden rents are lower because the project is one year older than Concord Gardens.

2. Basic rents consider the tenant's income, which must be lower than 80% of the area's median income. Market rents are paid by tenants whose income exceeds 80% of the area's median income.

Royal-Concord Gardens HUD-Approved Rent Increases for 1991

Royal Gardens

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<tr>
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<th>Market Rents</th>
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<td>Three-bedroom</td>
<td>$491</td>
<td>$584</td>
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Concord Gardens

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<tr>
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<tr>
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<td>$521</td>
</tr>
<tr>
<td>Three-bedroom</td>
<td>$526</td>
<td>$639</td>
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Rents Published for Concord (Utilities Included)

<p>| | | | |</p>
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<tbody>
<tr>
<td>Number</td>
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<tr>
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<tr>
<td>Two-bedroom</td>
<td>$344 - $700</td>
<td>$522</td>
<td>$525</td>
</tr>
<tr>
<td>Three-bedroom</td>
<td>$550 - $700</td>
<td>$625</td>
<td>$625</td>
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</tbody>
</table>
ANALYSIS

1. The approved rent increases are within the ranges of monthly rents for each number of bedrooms for the city.

2. For one-bedroom units:

   a) In Royal Gardens the approved Basic rent of $306 is below the published median rent of $350 (87%) and below the mode of $425.

   b) In Royal Gardens the approved Market Rent of $364 is higher than the published median rent and below the mode. The approved Market rent is 104% of the published median rent.

   c) In Concord Gardens the approved Basic rent of $326 is below the published median rent of $350 (93%) and mode of $425.

   d) In Concord Gardens the approved Market rent of $396 is higher than the published median rent and below the median rent. The approved market rent is 113% of the published median rent.

3. For two-bedroom units:

   a) In Royal Gardens the approved Basic rent of $409 is below the published median rent of $522 (78%) and below the mode of $525.

   b) In Royal Gardens the approved Market Rent of $487 is below the published median rent of $522 and mode of $525. The approved Market rent is 93% of the published median rent.

   c) In Concord Gardens the approved Basic rent of $425 is below the published median rent of $522 (82%) and below the mode of $525.

   d) In Concord Gardens the approved Market rent of $521 is about the same as the published median rent of $522 and mode of $525. The approved Market rent is 99.9% of the published median rent.

4. For three-bedroom units:

   a) In Royal Gardens the approved Basic rent of $491 is below the published median rent of $625 (79%) and mode of $625.

   b) In Royal Gardens the approved Market rent of $584 is below the published median rent of $625 and below the mode of $625. The approved Market rent is 93% of the published median rent.

   c) In Concord Gardens the approved Basic rent of $526 is below the published median rent of $625 (84%) and mode of $625.

   d) In Concord Gardens the approved Market rent of $639 is above the published median and modal rent of $625. The approved Market rent is 102% of the published median rent.
CONCLUSIONS

HUD should rescind rent increases for Royal and Concord Gardens before they take effect in August, 1991.

1. The current rental housing market in Concord, New Hampshire does not support increases in rents at this time.

2. In approving the rent increases, HUD has failed its responsibility to provide affordable housing. This is especially clear since published median rents were exceeded by the one-bedroom market rents in Royal and Concord Gardens and the three-bedroom market rents in Concord Gardens.

3. The approved rent increases do not support affordable housing, which should be a lot closer in cost to one half the median rents than to the median rents.

Definitions:

**Number** refers to how many rents were used in the survey.

**Range** refers to the lowest and highest rents listed.

**Median** is the rent that is half way through the list in the range (half of the rents are above the median, while half are below).

**Mode** is the rent in the list that occurs most often.
Concord

Residents protest 12% rent increase

HUD: 94 will be 'drastically affected'

By RICHARD STRADLING
Monitor staff

Dianne Flanders is a welfare mother with three children, living in a two-bedroom apartment in a subsidized housing project in Concord. Yesterday she went to Manchester to tell the people at the federal Housing and Urban Development office that she can't afford the 12 percent rent increase the company approved for her building.

"I can't afford to buy diapers or food for my children," said Flanders, holding her 6-month-old son, Kyle Kananen, in one hand and a sign that read "Housing is a right, not a privilege" in the other.

Flanders was one of about 20 angry residents of the Concord Gardens and Royal Gardens apartment complexes who met with HUD officials yesterday. They were angry about the rent increase and the condition of their buildings, which they said showed the rent they paid was not put to good use.

The residents got little satisfaction from HUD, which said the rent increase would take affect Aug. 1 as planned. As for the condition of the buildings, agency officials asked residents to provide a list of specific problems, which they would send to the management company.

Including the increases, rents at the two complexes range from $335 to $356 a month for a one-bedroom apartment, $409 to $521 for a two-bedroom apartment and $491 to $639 for a three-bedroom apartment.

The apartments are privately owned, but because they were built 20 years ago with federal money, HUD regulates them as subsidized housing.

In May, the company that manages the complex asked HUD for permission to increase rents by 15 percent. Residents responded with letters and petitions opposing the increase.

Earlier this month, the residents received letters telling them their rent would increase an average of 12 percent on Aug. 1 -- less than requested but still too much, according to residents. They say they don't believe HUD considered their objections when it approved the increase.

See PROTEST -- Page A-6
“We’ve tried to work with HUD, but they’ve closed their ears and rubberstamped the rent increases requested by the owners,” said Jeffrey Butler, president of the Royal-Concord Gardens Tenants’ Association.

Butler said he increase defies logic, because rents elsewhere in the city have stabilized and, in many cases, decreased.

But HUD officials noted that rents at the two complexes had not increased since 1987. Even the 12 percent increase won’t cover all the maintenance costs, they said.

“They’re going to be short,” said Loren Cole of HUD.

HUD officials also said they did not look at what private landlords were charging when considering a rent increase. HUD adds up what it costs to maintain the property, pay utility bills, and the mortgage, and allows the owners to make as much as 6 percent profit on their investment.

Cecile Dionne, who manages the HUD loan on the two complexes, said the owners had taken no profit in at least 10 years.

Dionne said 80 percent of the rent increase was due to increases in city property taxes. The rest was due to higher utility and maintenance costs.

Residents said HUD should have made its calculations the other way around — figuring out what residents could afford rather than what the management company needed.

“You’re looking at numbers,” said Joan Webb, who brought her 3-year-old son, Matthew Hodgman, to Manchester. “You got to look at what we can pay out of our pocketbook, not what you can afford.”

Dionne said HUD surveyed residents in the complexes and determined that 94 households out of 300 apartments would be “drastically affected” by the increase. That means those households will pay more than 30 percent of their income for housing.

Dionne said those people could apply to the city or the state for federal housing vouchers, but she conceded there was already a long waiting list for those. She also said the owners of Concord Gardens and Royal Gardens were applying for additional vouchers on behalf of residents.

Webb assumes she is among those HUD considers “drastically affected” by the rent increase. She says even with child support payments, welfare and $88 in food stamps, after she pays the rent and buys food, she has $17 left.

“I can’t see how the federal people expect us to exist,” she said.

Butler said the residents’ association had offered to work with the management company to reduce costs, by doing yardwork and other tasks, but that those offers had been refused. He also said that the buildings were not energy-efficient and that the part of the increase for utilities could probably be saved with some insulation and storm windows.

“It’s not fair that we have to pay for buildings that aren’t energy-efficient,” Butler said.

Residents also complained about the conditions of their buildings. Damaged window frames, faulty electrical wiring, unsafe playground equipment and broken locks were among the problems they spoke of.

“They have done nothing, I mean absolutely nothing, to warrant a rent increase,” said Anita Shea, vice president of the residents’ association.
Press Information

For

Tenant Action

July 15, 1991

SCHEDULE

I. Tenants leave Concord at 1:00 P.M.

II. Press Conference

A. 1:30 P.M.

B. Cotton Federal Building, 275 Chestnut Street Manchester, 1st Floor

III. Meeting with HUD officials at 2:00 P.M. Presentation of:

A. Return check for amount of rent increase

B. Demands

C. Copy of complaints faxed to Secretary Kemp

D. Copy of report comparing HUD-approved rents with published rents for Concord

Enclosures: List of N.H. Expiring Use Properties

List of tenant demands

Also available: Letter to Secretary Kemp

Report comparing HUD-approved rent increases to published market rents
BACKGROUND

In January, 1991 the tenants of the 300 unit Royal and Concord Gardens, the largest HUD-subsidized private development in the state, received notice from the Massachusetts owners that they intended to sell the property as soon as possible.

Tenants organized and learned that the Gardens had reached the point in its history after 20 years when HUD allows owners to refinance or sell. At this time owners are permitted to change the use of the property, hence "Expanding Use Restrictions" or EUR.

Royal and Concord Gardens were the first of the 2024 units in 18 developments in the state to reach the point of EUR over the next several years.

In regulations from the National Affordable Housing Act of 1990, Secretary Jack Kemp and HUD support community control of these properties and provide incentives for tenant ownership and continued affordability.

In May, Royal Management Company of Norwell, Mass. notified tenants that it had applied for rent increases averaging 15%. Tenants responded during the comment period with letters of objection and by signing a petition opposed to the proposed rent increases. The Tenant Association sent HUD objections in the forms of a newsletter, a Tenant Survey Report in which affordability was the top concern, and comments. Additionally, letters of support opposing the rent increase were sent by the City and the Civil Practice Clinic at Franklin Pierce Law Center on the tenants' behalf.

The objections by the Tenant Association included: 1) tenants have not been consulted or given the opportunity for input into the long-term future of the property; 2) inappropriateness of considering a request for a rent increase in the midst of the process begun by the owners by their Notice of Intent to Prepay the mortgage; 3) since the request for a rent increase included increased costs for electricity and gas, HUD funds, rather than tenants, should pay for energy improvements which will save on costs; 4) a rent increase should not be the first or only alternative, since the beginning of the Tenants' Association is an opportunity to work together with tenants to reduce expenses; 5) the proposed increases make rents unaffordable and is inconsistent with HUD's purpose; 6) the proposed increases are not supported by current market rents, especially considering conditions of the property; and 7) the materials submitted by the management company are unconvincing and contain errors.

Neither HUD nor the management company responded to the questions or issues. On July 1 tenants received notices that HUD had approved rent increases of up to 12%.
In March of this year, HUD issued its **Comprehensive Multifamily Servicing Program**. According to the policy:

"...the Department will concentrate its efforts on the following two objectives:

1) to encourage the owners/agents of HUD insured and assisted housing, including projects with HUD-held mortgages and direct loans, to recognize the partnership which exists between themselves, residents, and resident organizations;

2) to ensure compliance of owners/managers with the regulatory requirements of HUD programs, especially regarding the physical condition and management of properties."

In April, the City of Concord, through its Mayoral Task Force on Royal and Concord Gardens, offered to apply for a grant to pay for an engineering study of the Gardens to determine what the building need. The owners refused the offer.

On July 12 the Tenants' Association faxed a complaint to Secretary Kemp at HUD in Washington complaining that the Manchester HUD office had contradicted the **Comprehensive Multifamily Servicing Program** in the way it permitted the rent increases.

**CONTACTS**

Jeff Butler, President: Royal-Concord Gardens Tenants' Association  
17 Concord Gardens Apt.1  
Concord, NH 03301  (603)224-0596

Cecile Dion, HUD in Manchester  
Cotton Federal Building  
275 Chestnut Street  
Manchester, NH 03101  (603)6667681

Thomas Chamberlain, Royal Management Company  
Washington Square  
80 Washington Street Building F Unit 33  
Norwell, MA 02061  (617)878-6660

For more information on the problem of the loss of affordable housing through expiring use restrictions, contact the N.H. Housing Finance Authority for their publications.
<table>
<thead>
<tr>
<th>Property Name</th>
<th>Units</th>
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<td>Barry Villa</td>
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<td>Beech Hill Park</td>
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<td>Royal &amp; Concord Gardens</td>
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<tr>
<td>Wingate</td>
<td>100</td>
<td>Laconia</td>
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WE, the tenants of Royal and Concord Gardens, having made petition and presented our comments to the Manchester office of HUD, which ignored and denied our reasonable requests by granting unjust and unreasonable rent increases up to 12%, and having no process for appeal, do come herewith to present to the Manchester HUD office our list of the following

DEMANDS

1. An immediate study by a private contractor of the buildings for safety, security and health, with regard to appropriate municipal, State, and HUD standards, and an appropriate plan of action for improvements by the owners as described in HUD policy.

   There are several examples of deficiencies. In the 1-bedroom units the lack of second doors on the first floors and lack of means of egress to the ground from the second floors is intolerable. Each of the 300 units should have fire extinguishers and hard-wired alarm system. Children must stop being injured by old and outdated playground equipment and by the lack of motor vehicle speed controls on the property. All windows and doors which are not lockable must be corrected.

2. An immediate energy audit must be conducted by a private contractor of the buildings with an appropriate plan of action for improvements by the owners as described in HUD policy.

   During the comment period before the approved rent increase, the R-CGTA pointed out several problems and made several suggestions to make the energy use less costly.

3. An immediate study must be conducted by a private contractor of the buildings of the soundness, acceptability, and appearance of same with an appropriate plan of action for improvements by the owners as described in HUD policy.

   Even though the owners turned down the City’s offer to apply for a grant to perform an engineering study, HUD must require such a study before any plan is submitted by the owners with regard to the Notice of Intent to Prepay.

4. Space should be made available, one of the units and eventually a community building, to provide support services to tenants. The R-CGTA has requested space to be used as a food pantry for needy tenants. There are space needs to store clothing and furniture to distribute to needy tenants, child care to support the economic rights of parents, programs for seniors and for children, and community meetings.

   Every week tenants go to the city’s churches and programs for food, clothing and basic furniture. Often, tenants must choose between feeding their children or paying the rent. Many elderly residents are homebound and isolated. Parents are unable to attend school or work because they must stay with their children. The kind of community efforts Secretary Kemp talks about require an appropriate space for tenants to meet.
A plan to provide more parking. Appropriate changes should be made on Christian Ave. to provide spaces and permit parking in front of tenants’ homes. A more rational plan must be devised to deal with resident and visitor parking.

Tenants’ vehicles are regularly ticketed and towed from in front of their own homes. Low income tenants cannot afford such foolishness.

6. Federal funds for the R-CGTA. In order for the provisions of the new housing act to be implemented, resident groups must have funding. It is in all concerned parties’ best interest to have well-organized and well-trained tenants.

7. Take back and rescind approval of the rent increase. HUD must admit it’s mistake, go back and review the comments and the Comprehensive Multifamily Program. Each issue and question submitted by tenants and allies must be addressed.

Rent increases up to 12% should not be imposed at any one time. Due regard should be given to tenants who are re-certified at the same time as a rent increase such that they would not have to pay increases up to several hundred dollars more per month.

8. Full compliance with HUD’s Comprehensive Multifamily Servicing Program by the Manchester Office.

Despite the fact that this new Policy went into effect in March, local staff have ignored their own policy. This new policy mandates a higher degree of owner/management-tenant cooperation and requires HUD staff to get tougher with repairs and maintenance. It instructs field staff to foreclose on property, even if the mortgage is current, where there has been lack of progress to make repairs.

No one from HUD in Manchester even responded to our complaint of tenant harassment contained in our comments regarding the rent increase. There is no indication that any of our comments, questions, or issues have been considered. This is in direct contravention to the policy.

There are an increasing number of idle apartments and vacancies, especially since the notification of increased rents. Units do not meet local housing codes or even HUD’s own Housing Quality Standards. There has been no indication that a repair plan was submitted.

There has been no response to our some half dozen requests to the owners for cooperation over various issues. HUD must intervene at this point to require implementation.

Failure by the Manchester office of HUD to respond to our demands will result further actions by tenants which may include:

A. Continued complaints directly to the Secretary.

B. Full exercise of rights as tenants under N.H. law including rent withholding if appropriate.

C. Use of legal, non-violent tactics in response to further hostile action directed against tenants.

D. Use of litigation to seek redress from all parties violating the constitutional and civil rights of residents as citizens.

E. Pursue support through public and media attention.
This is to notify you that there will be a H.U.D. Engineer on the property on Tuesday, July 16, 1991. He will be doing a physical inspection of the complex, and may be asking to come in to inspect some of the apartments. He will not be going into all the apartments. He will only request to see one or two of each unit size.

Respectfully;

ROYAL-CONCORDGRDNS. MANAGEMENT

Rec’d 7/15/91
4:57 P.M.
WE WIN!!!

Tenants won the first round during the comment period by having the management company’s request for rent increases reduced by 20%. While the 12% that was approved is far too much for any single rent increase, it would have been worse without tenants organizing and becoming active. Clearly, a smaller increase may have been won if only more tenants had made the effort and mustered the courage to get involved. Let us hope that this lesson will be learned.

A major victory was when the Manchester Field Office of HUD requested more Section 8 certificates. In order to win the war on homelessness, more affordable housing must be created. Years of Reagan era regressive housing policies have literally forced millions of families onto the streets. The Section 8 program has been shrinking, so this effort to get more is nothing short of fantastic!

We won the invitation from HUD to provide documentation directly to them about needed repairs. This is unusual and tenants can be satisfied in knowing their demands were heard and that HUD responded favorably.

We also won a commitment from HUD to force the owners and managers to work with tenants, as described in HUD’s new policy. The owners have not responded to four letters from the Tenants’ Association for cooperation, to work with tenants on maintenance, space for a food pantry, and for safety controls.

(Continued on Page 2)

TENANTS’ ASSOCIATION
BUSY WITH HELP
OF VERY SPECIAL PEOPLE

Ask Anita Shea, Vice-President of the R-CGTA why she cares and she’ll tell you it’s because she sees so many of the needs first hand every day. Several times a week Anita can be found driving a family to the soup kitchen or a food pantry. Beginning her second year at the Tech in Concord majoring in Human Services, she brings professionalism and experience to her caring.

In June one older tenant had problems with the gypsy moths invading the inside of her apartment. Anita went over and cleaned them off, but her help didn’t stop there. She researched the problem and found that soapy water would knock the critters down and kill many of them. She went over and sprayed the woman’s outside walls, doors, and deck.

In another opportunity to help, a resident’s sister-in-law was homeless and needed help finding an apartment and finding resources to get an apartment. Anita provided a newspaper, phone, and transportation to see apartments. When that person found a suitable apartment, Anita helped link her with City Welfare and Unite To Help, the security deposit loan program.

In Anita’s efforts to help as many tenants as possible, she wrote a letter to the owners asking to use one of the storage rooms at the Gardens as a food pantry. Ultimately, the Tenants’ Association could provide emergency food and clothing, and perhaps furnishings and other things tenants need.

(Continued on Page 2, Busy)
WE WIN

Tenants wanted an opportunity to be heard and tell HUD what they thought. They won this unprecedented meeting and surely they were heard and understood. For perhaps the first time the Manchester HUD office was held accountable by tenants, hopefully this will only be the beginning of populist activism. We also got the word out through the media to other expiring use HUD properties in the state and set an example for them to follow.

Another win was in building successful alliances and getting the help of other organizations. Both the City of Concord and the Civil Practice Clinic promised their support early on and they came through in supporting tenants in fighting the rent increases.

The most important victories came not in winning any particular outcome or battle, but in making progress on the long-term strategy to win control, empowerment, and building the self-help, grassroots, democratic, tenant-controlled organization. The ultimate victory is in the process, rather than in the outcomes.

Tenants successfully worked together once again:

they enlisted the help of new tenants who had not participated before, strengthened the organization, and built spirit and solidarity. Tenants became empowered through full expression of their First Amendment rights to free speech.

Certainly, more could have been accomplished if more tenants had participated, but more tenants here did learn by example that we accomplish more through collective action than through doing nothing or just talking about the problems.

Busy

In other initiatives since the last Gardener, the Association has been busy writing letters to the owners for the superintendent to meet with the Association's management and maintenance committee and to install speed controls to prevent any more children from being hit by automobiles.

To prepare for the demonstration and meeting with HUD, Anita went to many tenants' doors to help organize. Mary Walker researched Concord rents in the Monitor to compare them with the HUD-approved increases. Jeff Butler made up banners on his computer for tenants who wanted to let everyone know how they felt.

As stated elsewhere in the Gardener, the R-CGTA is not a service organization. It is people working together to organize other people to work together to help one another.

Of course, most neighborly help doesn't get reported in the Gardener, but please let us know if there is anyone special we should mention.

Lastly, the work of the R-CGTA has been greatly enhanced through a national grant for ten thousand dollars from the Mott Foundation. Tenant efforts here have been recognized and supported. Much of the work that went into the grant proposal was from the efforts of tenants working through the Tenants Organizing Committee in the Spring. While meeting attendance has sagged during the dog days of Summer, we look forward to continuing to work together with the many people who helped lay the groundwork for the R-CGTA.

During the next month the Tenants' Association work will be focusing on a major campaign for capital improvements and repairs. Please do your part by listing work that has to be done and submitting it to the Tenants' Association, so that we can keep a record of what needs to be done and so that we can work together as a community to make these improvements come to pass.

As always, all tenants are invited to join us at our weekly meetings. Just contact one of the officers to find out when and where.

OFFICERS
Pres.: Jeff Butler, Apt. 17-1, 224-0596
VP: Anita Shea, Apt. 23-6, 225-7885
Secretary: Mickey Walker, Apt. 2-1

July 23, 1991
TENANTS
ASSOCIATION
LEADS THE
CHARGE!

Rent increases between $30 and $50 a month were approved in June for on-Section 8 tenants, but without considerable assistance from the R-CGTA. During the comment period, the Tenants' Association submitted materials to HUD opposing the rent increases proposed by the management company, including: 1) information in Gardener Extra; 2) a copy of the tenant petition; 3) Tenant Survey Report, indicating affordability as the highest tenant concern; and 4) a three-page list of positions. Additionally, comments were solicited from and sent by the City and Civil Practice Clinic.

HUD responded by reducing the proposed increase by 20%. According to HUD officials, it's their job to see that there is enough money from the project to meet expenses, regardless of other rents in the area or affordability for tenants.

The R-CGTA sought to appeal the decision and was palled to learn that HUD has no appeals process. The Association explored relief through the courts, but warned that in a previous court case HUD could not be forced to reconsider. An appeal was planned with Cecile Dionne of HUD and the Tenant Association's legal representative from the Civil Practice Clinic.

R-CGTA Secretary, Mary Walker, researched rents including utilities in Concord through the Concord Monitor. The results were astounding. One-bedroom HUD-approved Market rents in Royal and Concord Gardens were higher than the median rents published for Concord in the Monitor. The three-bedroom approved Market rent was also higher than the advertised median. Where is HUD's role in providing affordable housing?

The Association issued a request to HUD under the Freedom of Information Act for documents relating to the proposed rent increase process, including profit and loss statements. The Association also learned that HUD had issued in March its Comprehensive Multifamily Servicing Program (CMSP), which requires a higher degree of cooperation between owners/agents and tenants.

Tenants, angered by the rent increases, wanted to do something about it. They wanted their voices to be heard and for HUD to understand that a rent increase would mean for many that they would have to go without such things as food, clothes, health care, and transportation in order to pay the rent. Banners went up in many tenants' windows displaying their displeasure. A meeting was scheduled for tenants to let HUD know their feelings about the rent increases.

The Friday before the meeting, the R-CGTA faxed a letter to Secretary of HUD, Jack Kemp, complaining of the Manchester Field Office's handling of the rent increase and failure to follow the CMSP. Copies of the letter were sent to various HUD officials in Washington and to New Hampshire's Congressional delegation.

Tenants demonstrated in front of the federal building in Manchester and held an unprecedented meeting with HUD, presenting their list of demands. In a meeting that lasted nearly two hours, tenants expressed their displeasure, not just about rent increases, but feeling like they were not considered or heard.

The R-CGTA is not an organization which provides services for tenants, rather it is the legs which carry the tenants forward. Tenants must, as the body, tell the legs where to go. It is clear from experience that through working together, tenants can go further than they ever have before.

"Where is HUD’s role in providing affordable housing?"

THE GARDENER

July 23, 1991
TENANTS DESCEND ON HUD

On Monday, July 15 tenants from Royal and Concord Gardens travelled in a school bus to the federal building in Manchester to protest, hold a press conference, and meet with HUD officials.

Tenants were greeted upon arrival by the press and helmeted police. They carried signs and chanted: "We don't have the 12% to pay your increase in the rent!"

During the press conference, Jeff Butler, RCGTA president, read a statement explaining, "The real issue here is we want control of our own homes", followed by statements by most of the other tenants describing their opposition and how the rent increases would affect them.

The police escorted the protesting tenants in a private elevator to the HUD offices on the third floor. Loren Cole, Cecile Dionne, HUD's attorney and a secretary were present. Cameras and tape recorders were forbidden in the meeting, but one Monitor reporter sat through the meeting. Mr. Cole said that this type of meeting with tenants had never been done before.

Jeff Butler presented HUD with a symbolic check written for the 12% to give back to the people who had approved the rent increase. Copies of the report comparing HUD-approved rent increases with rents published for Concord were distributed. Jeff read the list of tenant demands.

The meeting ended with a number of concessions, including: a HUD inspector would be out the next day, Cecile Dionne would be making a site visit soon, more Section 8 Certificates were being sought, the owners would be made to cooperate with tenants, and more.

No individual could accomplish so much alone with telephone calls, letters, or meetings. But the power of the tenants as a group was evident in gaining ground. Each tenant should not owe a debt to those who participate, but should find their own level of participation in the future. Together, we have made a difference!

DEMANDS

The first demand by tenants at the meeting with HUD was for a study and plan for safety and security. A little girl was pointed out who was recently hit by a car at Concord Gardens, as tenants plead for speed bumps.

Cecile Dionne asked, "Do you know what speed bumps cost?"
Joan Webb responded, "A lot less than it costs to bury a child!"

Demand number two is for an energy audit of the buildings. The management company cited increased gas costs as one of their reasons for the rent increases. The Tenants' Association pointed out that the buildings are poorly insulated and weatherized, especially the windows and around the doors. Further, there has been no response to the Association's offer of getting tenants to work together to conserve energy. It would seem that this is the cost over which tenants have the most control. It would be reprehensible and contradictory to HUD policy were management to ignore this opportunity for cooperation.

Third, tenants demanded an inspection of the buildings' soundness, acceptability and appearance. The owners previously turned down an offer by the City to apply for a grant to pay for an engineering study. HUD responded by asking for documentation of the City's offer, implying they would hold the owners accountable for refusing
to have the study done.
HUD also said an inspector would be coming out the next day. Tenants objected to the failure of the management company to provide advance notice of the inspection. HUD also said Cecile Dionne would be making an on-site visit soon and invited tenants to send HUD lists of what needed repair or replacement.

Fourth on the list was for space to be made available to the Tenants' Association to provide support services for tenants, including childcare and activities for seniors and children. The Manchester office has been asked to assist in requesting HUD in Washington to permit the Association to rent a unit. It is eventually hoped to build a community building.

Parking on Christian Ave. was also addressed and the parking issue in general, so that tenants' vehicles would not longer be ticketed or towed from in front of their own homes. HUD made no comment on this, but have been asked to respond to the demand.

Federal funds were requested for the G-CGTA to continue organizing and for tenant education. HUD's leadership has encouraged community and tenant control of HUD housing and there may be programs to help fund resident councils. There was no response in the meeting to this request.

Next, tenants demanded HUD to take back the rent increases, presenting over an hour of often heated testimony explaining to the people who approved the increases the personal impact increases would have on them and their families. Some will have as little as $10 a month left over for paying other expenses after paying the new rents. One tenant challenged HUD officials to trade places and try living without enough. HUD's response was that they would not rescind the approved increase. However, they did suggest that, even though there is no official appeals process, tenants could try appealing to the New England Regional Administrator in Boston, John Mastropietro. They also informed tenants that they were asking for additional Section 8 certificates for the projects. This terrific news means that more of the poorest tenants would have to pay only 30% of their incomes for rent.

One HUD official had previously admitted that it was a mistake to impose such a huge increase all at once and that the management company should have requested smaller increases each year. They also admitted that 94 tenants will be "drastically affected", paying more than 50% of their incomes for rent.

Finally, we demanded full compliance with HUD's own Comprehensive Multifamily Servicing Program, which mandates a higher degree of owner/management-tenant cooperation. Jeff Butler explained how it was clear that HUD's intervention is necessary at Royal and Concord Gardens because it meets their criteria for a "distressed" project.

A follow up letter was sent to Loren Cole at HUD in Manchester seeking a response to the demands. We remain optimistic that HUD will take tenants seriously and respond to tenant needs and concerns. Regardless of what HUD does, it is important for tenants to take the moral high ground and continue to build momentum for our just cause. These are not the owners' or HUD's homes, they are ours. We must care enough about them to protect them ourselves. Perhaps the greatest demands are on us

HOW TO SURVIVE THE RENT INCREASES

While many tenants may not be able to stay afloat by increasing their income 12%, there are some options and resources available to keep from drowning.
Phone numbers for the programs mentioned here are listed on the back page of the Gardener.

If you live in Concord Gardens, rents are lower in Royal Gardens. Ask what your rent would be if you moved.

As our Monitor survey shows, you can get more for less elsewhere in Concord. We hate to see you go, but...

If you receive AFDC, there is a once a year program called AFDC Emergency Assistance to help with rent, security deposits, and other housing related expenses, up to $500 a year.

City welfare can help pay the rent and moving costs. Apply at City Hall.

Helpline runs a security deposit loan program if you need money to move. Call to apply.

Many churches offer help. Some will help with rent. Most will help with food. One survival strategy is to spend you cash on the rent, then ask for help from the churches for food.

One media report claimed that 80% of the rent increase was due to the increase in property taxes. You can join the R-CGTA in requesting the City to lower the taxes. Also, support a state income tax that reduces the property tax burden. Someone has got to pay for state services besides the poor and working class.

July 23, 1991 6 THE GARDENER
August 7, 1991

Mr. Richard Sullivan
59 Water Street
Hingham, MA 02043

Dear Mr. Sullivan,

I am writing to follow up on our telephone conversation this morning. You called and said that you had received our correspondence from the Tenants' Association to yourself and the other owners. We had previously written to the address listed on the Notice of Intent, which you indicated was Mr. Meyerson's address and said he was away at the Cape, and gave me your address.

You offered to come to Concord next week to meet to discuss our concerns. We agreed to meet here at Concord Gardens on Tuesday, August 13 at 2:00 P.M. I would prefer not to do business from my home and would like to see if we can meet in the office. Please call me when you arrive on Tuesday so we can make arrangements.

In our meeting I expect to discuss the business described in our previous letters to you:

-- Inviting introductions
-- Request to work with management on management and maintenance issues
-- Obtaining space in one of the storage rooms to use as a food pantry for tenants
-- Installation of motor vehicle speed controls
-- Illegal treatment of tenants by management

We repeat our desire for a cooperative relationship between the tenants and owners of Royal and Concord Gardens. We believe the times ahead present challenging and exciting opportunities to involve tenants and owners in working together to improve the quality of life here. We hope that you will join us in our goals.

Please do not hesitate to contact me if I can be of assistance. Thank you for your response to our requests and for deciding to meet.

Sincerely,

Jeffrey Butler,

cc: Cecile Dionne (HUD), Morton Meyerson, Mark Walsh
Anita Shea, Vice President
Mary Walker, Secretary

12 August, 1991

Elliott Berry
NHLA
795 Elm Street
Manchester, NH 03101

Dear Elliott,

I was thinking about our meeting in September for HUD tenants when it occurred to me that there are a few people that might be helpful to have there or at a future meeting.

Bill Traynor
CTAC
105 Beach Street
Boston, MA 02111
(617)423-1444

Pam Bender
Mass. Tenants Organization
14 Beacon Street
Boston, MA 02108
(617)367-6260

Michael Kane
HUD Tenant Alliance
434 Mass. Ave., Suite 203
Boston, MA 02118
(617)267-2949

I suppose we can discuss this if you and I meet to plan the meeting after the schedule is confirmed. Meanwhile, if I talk to any of these people I will mention it to them to see if they are interested.

Hope you enjoy your time off. I look forward to speaking to you after the 19th.

Sincerely,

Jeff Butler
August 30, 1991

U.S. Department of Housing and Urban Development
Ms. Cecile Dionne
Housing Management Division
Norris Cotton Federal Building
275 Chestnut Street
Manchester, NH 03101-2487

Dear Ms. Dionne

I am writing this short letter per the request of Sylvia Larsen, City Councilor for the City of Concord and also chairperson of the Concord/Royal Gardens Task Force. On July 2, 1991, I had a conversation with Thomas Chamberlain regarding his property (Concord/Royal Gardens). During this phone conversation, I mentioned to Mr. Chamberlain that the City would be willing to pay 50% of an engineering study on Concord/Royal Gardens if he and the other owners were willing. Mr. Chamberlain responded in the negative. He expressed his concern that if the City were involved and payed 50% of the study, they would be under more obligation to renovate per findings of that study. He also stated that negotiations were already under way with engineering firms to do a project study that the owners would be funding from private sources.

If you should require any further information regarding this matter, please do not hesitate to contact me.

Sincerely,

Harry Cutting
Community Development Specialist

HC/sh

cc: Sylvia Larsen

occ: Jeff Butler
THE LOOKING GLASS

Once upon a time, nestled in the hills just outside Burlington, Vermont, there was a federally subsidized affordable housing project called Indian Brook Apartments.

In 1986 the owners prepaid the mortgage and converted the apartments into market rate rental condominiums. "No one had known who was ousted from Indian Brook or what happened to them." The tenants disappeared and were never heard from again.

Once upon another time there was a 336-family, HUD-subsidized housing project called Northgate, also in Burlington. The tenants complained about high energy costs due to poor insulation as well as about poor management and maintenance. When prepayment time was coming upon them the tenants organized.

A HUD official was invited to speak to the tenants and explain the owners' options and HUD's response to the situation. The HUD official told the tenants not to worry and that the owners had no intention of prepaying and had no motivation to do so.

But the nasty HUD official soon left his government job and went to work for the owners, instead. It was no surprise that the owners announced that they did want to sell after all.

The tenants of Northgate kept right on organizing. They worked with local, state, and federal government to purchase the property themselves. They made it so they could keep the property as limited equity (so that future tenant-owners will not have to pay more in the future than what it costs today). Rents were kept at 30% of tenants' incomes and, yes, including utilities.

From: Saving Northgate

SPEAK NOW, OR FOREVER HOLD YOUR PEACE

Right now is a critical time for tenant participation. It is the major opportunity for current tenants of Royal and Concord Gardens to influence the conditions of the property. Now is the time to list all those old repairs you've been meaning to mention or that you have already mentioned.

Currently the management company is awaiting the soon-to-be-released final regulations on the Housing Act of 1990 from HUD. These regulations will help the owners determine whether it is more profitable to sell the Gardens or to refinance.

Royal Management has submitted a plan to HUD under the refinancing option, however, this plan can be changed at any time. There should also be a plan which includes proposed repairs, renovations, and rehab for the Gardens.

This time presents a golden opportunity for tenants. We will influence the quality of our homes for ourselves and for future tenants. Either improvements can be made as a result of every tenant's actions or less desirable results will occur through tenants' inaction.

Another opportunity for doing something about repairs is present in HUD's invitation to tenants to provide a list of needed repairs, made at the meeting in July.

One concern is that many tenants will simply let the management company, or even other tenants or the R-CGTA make the decisions about what improvement should be made. Whether tenants benefit or suffer depends on their level of participation.

(Continued on next page)
WHAT CAN YOU DO TO HELP GET REPAIRS AND MAJOR REHABILITATION?

First, you should understand that you have a right to decent housing. You have a right to speak up for yourself and for your home. Golda Meir said: "If I am not for myself, who will be for me?" You must be willing to take a stand for yourself and your needs, and not depend on others to speak up for you.

2.) Make a list of needed repairs in and around your home. Identify the unit and the date. To make it easier you can use the City’s checklist of local housing code and HUD Housing Quality Standards. If something is not listed, just write it in on the bottom.

3.) Submit a copy to the R-CGTA. We can keep a record of all the work that has to be done and hold them accountable for responding. We will also send a copy to HUD and one to the management office. If necessary, we can also notify the City Housing Code Inspector.

4.) You should expect a response within 30 days. If there is no response to anything on the checklist, you can call the City or call HUD.

5.) Whenever you make a maintenance request, keep a copy for yourself. Be sure it has a date. Even low priority items deserve a response within a month.

6) If a landlord fails to make requested repairs, you have a right under New Hampshire law to withhold the rent until the repair is made. If you are interested in this option, contact the Tenants' Association or New Hampshire Legal Assistance for more information.

THE GARDENER

August 28, 1991

CORRECTION

On Friday, July 26 Cecile Dionne called from HUD. She said she had just received a copy of the July Gardener and complained of being misquoted. She said that what she had said in her meeting with tenants was that removable speed bumps were expensive and that permanent ones cost less, even if it meant having to plow around them in Winter.

She added that she felt the way the article was written it made her look like she didn't care.
R-CGTA ACTIVITIES UPDATE

Rent Increase: The Tenants’ Association continues to take action to oppose the rent increase. Information about past increases is being reviewed and the regulations regarding rent increases to ensure that HUD did their job properly. R-CGTA legal representation at the Civil Practice Clinic has written objections to the HUD Regional Administrator. Dick Swett’s office is holding HUD accountable for a response to the July complaint to Secretary Kemp. We are also supporting the owners’ request for a tax revaluation and abatement (perhaps through creating a special tax district for low-income housing).

Prepayment Process: The R-CGTA is working to document needed repairs and rehabilitation. We have contacted the City to have documentation, as requested by HUD, of the owners’ refusal of the City’s offer to help pay for an engineering study of the property. We are also fighting to force HUD to release a copy to us of the owners’ Plan of Action. The owners are refusing to let us in on their plans of what they will do with our homes.

Networking: The R-CGTA is working with the Washington, D.C. based National Low-Income Housing Coalition to make up a list of common complaints from across the country to take to HUD headquarters. We are also planning a meeting with tenants from the other expiring use HUD properties from around the state.

Community Organizing: The Tenant’s Association is working to build membership through distributing the Member Interest form, recruiting Building Coordinators, and has submitted a grant request for $3,000 to pay for a tenant education program.

Supportive Social Services: The R-CGTA is working to start a food pantry on-site for the many residents here who run out of food. We are working on a response to the issue of isolation among seniors, as well as designing programs for day care, youth, and families.

Meeting with Owner: On August 13 the Officers of the R-CGTA met at the Gardens with Richard Sullivan, one of the 3 owners; Tom Chamberlain, head of Royal Management; and Mr. Winseck and Mr. Pingree.

At the meeting Mr. Sullivan would not rule out the possibility of selling the Gardens, even though Mr. Chamberlain insisted that the current plan is to refinance. Mr. Sullivan also stated that no one working for him would be permitted to threaten or harass tenants in any way and said he wanted to be notified if this occurred.

The R-CGTA had requested regular meetings between the Management and Maintenance Committee and a representative of Royal Management. There was an agreement to have a monthly meeting with Mr. Winseck and Mr. Sullivan requested to be kept informed.

Safety and security are a priority issue for tenants. One issue that came up was the installation of speed bumps. Mr. Sullivan suggested hiring a traffic analyst to determine where speed bumps should be placed and asked Mr. Chamberlain to get more information on where to obtain them and costs.

Anita Shea, R-CGTA Vice-president, had written to the owners requesting to use one of the storage rooms as a food pantry, to be operated by the R-CGTA for tenants. Mr. Sullivan was supportive of the idea and Mr. Chamberlain requested us to do some research to find out about any Board of Health or Fire Department restrictions. He also wanted to know how tenants would feel about having more traffic around the unit where the storage room was used.

The most exciting outcome of the meeting was when Mr. Sullivan offered his support to provide the land (in back of the office) to construct a community building! Tenants offered to work to find funding and perhaps even volunteers to do the construction.

One disappointment was their refusal to share with us their Plan of Action filed with HUD. Mr. Sullivan did say that the Tenants’ Association would be the first to know if they decided to sell. There was some very good news when they announced that they have applied for a total of 234 Section 8 certificates.

(Continued on next page)
An update was provided on the tax abatement request. They are currently waiting for a court date to be scheduled. HUD reported that any tax rebate or reduction would be used for the reserve account (which is used for repairs). The R-CGTA has asked that this money be used to reduce rents, instead.

The R-CGTA needs you to be part of a winning team!

Our plan is to have one person from each building as a Building Coordinator. B.C.’s will distribute the monthly newsletter, keep in touch with tenants in their building, help with surveys and Member Interest forms, and participate in the Tenant Association Council.

Very little time is required and you can participate as much or as little as you want. Please contact one of the Officers if you are interested.

NEW RENTS

So, what are the new rents, anyway? Tenants only received notices of what their new rent would be. Here are the new approved rents, effective September 1, 1991:

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>Monthly Basic Rents</th>
<th>Monthly Market Rents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Royal</td>
<td>Concord</td>
</tr>
<tr>
<td>1-bedroom</td>
<td>$306</td>
<td>$326</td>
</tr>
<tr>
<td>2-bedroom</td>
<td>$409</td>
<td>$429</td>
</tr>
<tr>
<td>3-bedroom</td>
<td>$491</td>
<td>$526</td>
</tr>
</tbody>
</table>

Of course, Section 8 households continue to pay 30% of their income for rent.

THE GARDENER

Published by the Royal-Concord Gardens Tenants’ Association
c/o Jeffrey Butler 17 Concord Gardens Apt. 1 Concord, NH 03301 (603)224-0596
President: Jeffrey Butler
Vice President: Anita Shea (Unit 23-6)
Secretary: Mary Walker (Unit 2-1)
Newsletter editor, layout & design: Jeff Butler, R-CGTA
Graphic Artist: Mary Walker Contributing editor: Anita Shea

THE GARDENER 4 August 28, 1991
R-CGTA INVENTORY OF NEEDED REPAIRS AND REHABILITATION

Our project over the next month is a campaign to put together a list of needed property repairs. Please inspect your apartment and fill out the checklist.

Write in at the bottom anything that is not included on the checklist. Tear off this page and return the completed checklist to any R-CGTA Officer or Building Coordinator.

We will also be sending people around distributing and collecting the checklists. Please do not wait, but do it on your own. Thanks for your help.

---

### Housing Code Checklist

<table>
<thead>
<tr>
<th>Check if violation exists</th>
<th>Section of code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Window Screens for all windows</td>
<td>27-2-1 (g)</td>
</tr>
<tr>
<td>Screen/storm doors for all exterior doors</td>
<td>27-2-1 (g)</td>
</tr>
<tr>
<td>Insect screen on all openings in walls, roofs, more than 1/2 inch in diameter</td>
<td>27-3-4 (b) 1</td>
</tr>
<tr>
<td>Rubbish containers and disposal</td>
<td>27-2-1 (f)</td>
</tr>
<tr>
<td>Insect and/or Rat infestation</td>
<td>27-2-1 (h)</td>
</tr>
<tr>
<td>Provision of heat in every habitable room from May 15-Sept. 15th at least 68 degrees farenheit. The temperature is to be read 18 inches above floor level and 2 feet inside any exterior wall</td>
<td>27-2-1 (m)</td>
</tr>
<tr>
<td>Lead based paint</td>
<td>27-2-1(o)</td>
</tr>
</tbody>
</table>

#### KITCHEN

| Sink in good, operable condition | 27-3-1 (a) 1 |
| Cabinets and counters of sound construction with surfaces are easily cleanable and will not impart any toxic or harmful effect to food | 27-3-1 (a) 2 |
| Operable stove | 27-3-1 (a) 3 |
| Operable refrigerator | 27-3-1 (a) 3 |

#### BATH

| Operable flush toilet | 27-3-1 (b) b |
| Operable lavatory sink | 27-3-1 (b) c |
| Operable shower/bathtub with non-absorbant, easily cleanable surfaces | 27-3-1 (b) d |
| The toilet, sink and tub must be properly connected to the drain line | 27-3-1 (b) g |

#### WATER

| There must be enough hot and cold water with adequate pressure to meet your needs | 27-3-1 (b) b,c,d |

---

**THE GARDENER**

August 28, 1991
**STRUCTURAL**

There must be at least two (2) exits from every apartment 27-3-1 (b) e. 
Protective railings must be 30-42 inches high on any steps 27-3-1 (b) f (1)
containing more than 3 risers and be structurally sound. 
Foundations must be weathertight and 
insect and rodent proof. 
Floors must be sound and in good repair 
Windows must be weathertight and watertight 
Roofs must be weathertight 
Exterior walls should be free of serious leaning 
buckling, sagging, cracks or holes 
Interior walls and ceilings free of severe bulging, 
large holes or loose surface materials. 

**SECURITY**

All exterior doors shall have functioning locks 27-3-1 (i) 
All windows accessible from the exterior shall have functioning locks 

**ELECTRICAL**

Every room shall have a minimum of 2 wall outlets or 
one adequate lighting fixture and one wall outlet 27-3-2 (e) 1 
Every common hall shall be adequately lighted 
by natural or artificial light at all times 27-3-2 (e) 4 
Multiple dwellings of over 25 units shall have emergency 
lighting capable of supplying light for 1 1/2 hrs. 27-3-2 (e) 4 

Write in repairs not included on the checklist and your ideas below
Here’s your chance to learn about NUTRITION in the comfort of your home!

The Expanded Food and Nutrition Education Program presents a 12 lesson nutrition correspondence course designed to provide the basics of nutrition, and ways to save money at the supermarket and in meal planning.

The lessons include:
- Super Meal Planning - Part 1 and 2
- Stretching Your Food Dollar
- The Supermarket Game
- Fruits and Vegetables - Part 1 and 2
- Milk and Milk Products - Part 1 and 2
- Breads and Cereals - Part 1 and 2
- Meats, Poultry, Fish and Beans - Part 1 and 2

Lessons are sent to you each week. All you have to do is return a pre-paid postcard lesson quiz to us after completing each lesson. When you have completed the last lesson you will graduate and receive a graduation certificate from UNH Cooperative Extension Expanded Food and Nutrition Education Program.

For more information call 1-800-FOOD-LINE (1-800-366-3546)
or write to:
Valerie A. Long, R.D.
Extension Specialist, EFNEP
UNH Cooperative Extension
118 Taylor Hall
Durham, NH 03824
WHO TO CALL

Emergencies ONLY: Police, Fire, Ambulance: 9-1-1
Police administration: 225-2600
Fire administration: 225-8650

Property
R-CG Office for Repairs & maintenance: 224-9732
City Housing Code Enforcement: 225-8580

Housing/financial
Security deposit loans: Unite To Help 225-9000
Emergency financial assistance for rent:
City welfare 225-8575
Section 8 rental assistance waiting list (must be income-eligible): Apply at C-RG office or Concord Housing Authority: 224-4059

Housing/legal
(Eviction or other tenant problems)
N.H. Legal Assistance: 224-3333
Civil Practice Clinic: 225-3350
Housing Discrimination: 271-2767

Transportation
Concord Area Transit: 225-1989

Food
Meals on Wheels (for seniors): 225-6880
WIC (Women, Infants & Children): 934-3445

Elected Officials
City councilman Clark Reed: (Home) 225-6033
(Work) 271-4484
State Senator: Susan McLane: (Home) 224-0376
State Representative Jennifer Soldati 224-5844
(Plus 6 at-large representatives from Concord)

This newsletter was created using: a Commodore 128D computer, 1764 RAM expansion unit modified to 512K, Commodore 1351 mouse, Commodore 1702 monitor, GeoPrint interface cable, and Hewlett Packard IIIIP Laser printer with additional 2 Meg of RAM.
Invaluable technical assistance was provided by Jeanine Cutler of Fair Play, SC.
September 9, 1991

Dear Neighbors,

This is to request permission to rent the Grange building for meetings of the Royal-Concord Gardens Tenants' Association (R-CGTA).

We would like to use the building one evening a month, probably a weekday evening, tentatively 7 - 9 PM.

The Grange building is ideal for our use because of its proximity to the Gardens. We have so many people who are elderly or handicapped, have young children, or have no transportation.

Our information indicates that your executive committee discussed the possibility of the Tenants' Association using the building and decided against it. We believe it is unfortunate that they may have had misinformation or rumor and we ask you to reconsider, based on this new information.

The purpose of the R-CGTA is for tenants to work together to improve the quality of life in our community. One of our most important current tasks is responding to the owners' Notice of Intent to sell our homes, jeopardizing their affordability. We also are working to address issues of safety and security, management and maintenance, housing development, tenant education, and community-based self-help social services.

Enclosed is a copy of our most recent newsletter, which describes our activities. We hope that this information will help to clarify what we are about and give you more facts on which to make an informed decision.

Since the Grange is well known for its benevolence and community spirit, we believe that we share at least some of our interests in common.
We plan to hold monthly speakers meetings as part of our tenant education activities. Tenants choose the types of speakers they want to hear. For example, one month we will have people from the community to describe resources and services available to seniors. Another month we will ask HUD to come to explain the prepayment process.

If anyone desires further information about the R-CGTA we will be happy to provide it. Thank you for your reconsideration. We look forward to becoming good neighbors and working together for the betterment of our community.

Sincerely,

Jeffrey Butler
"Give Tenants Proper Consideration."

A National Anti-Displacement Project Organizing Packet
on HUD's New Servicing Program for Multi-Family Housing

This is an information packet for residents of HUD-assisted, privately owned housing and organizers working with them. It focuses on the US Department of Housing and Urban Development's (HUD) new Comprehensive Multifamily Servicing Program (CMSP), issued March 11, 1991, as HUD Notice H91-22 over the signature of Assistant Secretary for Housing Arthur Hill. The packet includes not only the actual language of the CMSP, and a detailed explanation of it, but tools to help you use it, including sample letters and lists of contacts across the nation.

The CMSP is a new guideline with great potential to help residents of privately owned properties assisted by HUD, whether under the Section 8 rental assistance program or HUD mortgage insurance programs. For the first time an instruction to HUD staff about this housing clearly expresses Secretary Kemp's push for resident empowerment.

It is of utmost importance that resident groups make use of the CMSP; otherwise, under pressure from owners it may be withdrawn as HUD policy -- or just sit on the shelf, unused.

Subsidized housing, in which our society has invested billions, should not be substandard housing. We aim to support you and provide you with the necessary tools as you work toward a safe, clean, affordable and healthy environment. If there are any questions, please contact Larry Yates at the Low Income Housing Information Service's National Anti-Displacement Project, (202) 662-1530.

The National Anti-Displacement Project
Low Income Housing Information Service
1012 14th St., NW, #1200
Washington, DC 20005
202/662-1530
FAX 202/393-1973

Price: $5

September 1991
October 1, 1991

Carol Sweeney

36 Chestnut Street
Manchester NH 03101

Dear Carol,

This is to confirm our appointment to meet on Tuesday, October 8, 1991 at 2:00 PM at my home in Concord. Other than you and me, our Acting President, Anita Shea and Secretary, Mary Walker plan to attend.

We would like to get to know you and discuss the Resident Initiatives Program (HUD Notice H 91-59, issued 7/1/91) and what it means for us. Our organization is built around empowerment of poor people and we seek to advantage of any opportunities for resident homeownership, management opportunities, and resident enterprises (Social Services and Economic Development on site). We would like some information about HOPE

We wish to begin a relationship which facilitates "direct and immediate response to our questions, needs, and delays"; helped to "identify and catalogue resources available to assist" us should the opportunity to purchase the property arise, informing us about establishing homeownership programs in properties subject to Titles IV or VI of the NAHA; and assist in informing and finding help with homeownership programs of the existences of resources which can of capacity building and technical assistance to us.

We look forward to your proactive assistance in moving forward and conducting on-site reviews of our projects, making efforts to locate technical assistance providers or programs which can assist us, and, should the owners not decide to sell, your efforts with the management agent to explore the possibility of resident involvement in management or on-site social service programs. In short, we look forward to working with you to implement the Resident Initiatives Program here with us at the Gardens.

There are two particular difficulties with which we will need to discuss your assistance. First, we have had great difficulty in getting HUD at any level to respond to us. Second, we need a space in which to carry out the Association’s activities and programs. Perhaps you could assist in deselecting one of the units here so that we could rent it, removing it from the available rental stock, yet for everyone’s benefit.

I am sure we will have many more questions when we meet. We look forward to seeing you. Please do not hesitate to contact me if you have any questions. Thank you.

Sincerely,

Jeffrey Butler
Multifamily Housing Resident Initiatives Program

"President Bush and I believe that HUD's resources can best serve low-income Americans by increasing opportunities for homeownership and choice, rather than building more government-owned government managed housing projects. It's time to get these assets -- these homes and apartments -- into the hands of low-income people..."

- HUD Secretary Jack Kemp

What is meant by Resident Initiatives?

Secretary Kemp has established an exciting and innovative program called Resident Initiatives in HUD's Office of Multifamily Housing Programs which embodies the goals of homeownership and resident empowerment by giving residents the opportunity to actively participate in property ownership and management decisions. HUD's role in promoting Resident Initiatives in the Department's Multifamily Housing Programs fall under the following three components:

1. **Resident Opportunities for Homeownership**
   Enabling low-income renters to become owners of the units in which they reside;

2. **Resident Opportunities for Management Participation**
   Encouraging management companies to include the residents in decisions affecting the management of the property;

3. **Resident Enterprise Opportunities**
   Assisting residents to gain a greater role in the operation of on-site services and programs. This may include social services such as day care centers, job training, health programs, landscaping and crime patrols, and business enterprises.
How do HUD's Multifamily Programs promote Resident Initiatives?

HOPE 2 for Multifamily Ownership - President Bush's HOPE legislation (Homeownership and Opportunity for People Everywhere), authorized by the National Affordable Housing Act of 1990, is the first new housing initiative in over a decade. Under HOPE 2, HUD will make planning and implementation grants to selected applicants to assist them in developing and carrying out homeownership programs for eligible families. Eligible applicants include resident councils, nonprofit organizations, and public agencies. Eligible properties include multifamily housing owned by HUD, or having a mortgage insured or held by HUD, as well as properties owned or held by the Farmers Home Administration (FmHA), the Resolution Trust Corporation, or State or local government. Grants are awarded on a competitive basis.

Property Disposition - The Department manages and sells a large inventory of multifamily properties. Generally, HUD hires professional property managers to oversee these HUD-controlled properties until disposition. During the management phase, HUD has instituted a policy to encourage and increase resident involvement and participation so that residents have greater input on identification and resolution of problems during HUD's ownership of the property. In addition, several HUD-controlled properties have been successfully acquired by residents and converted into tenant-owned cooperative housing.

Prepayment/Preservation - Many HUD-insured multifamily mortgages will become eligible for prepayment in the coming years and could be lost from the supply of affordable housing. In accordance with statutory requirements, HUD is implementing aggressive policies to ensure the multifamily properties eligible for prepayment remain affordable to low-income families and to provide opportunities for residents to become homeowners, while balancing the rights of the owners of the properties.

Other areas - Opportunities to give tenants a stronger voice, including their input in the property management or in the provision of on site services, such as day care facilities and job training activities, may arise when multifamily property owners seek discretionary financial assistance from HUD.

How can I find out more about Resident Initiatives?

HUD's Field and Regional Offices have staff to assist in Resident Initiatives. For more information on HUD's role in this area of housing, contact:

Margaret Milner, Acting Director
Multifamily Housing, Office of Resident Initiatives
Department of Housing and Urban Development
451 7th Street S, Room 6130
Washington, DC 20410
Telephone: 202/708-4542

Robert T. Richards, Special Assistant
Multifamily Housing, Resident Initiatives
Department of Housing and Urban Development
451 7th Street S, Room 6106
Washington, DC 20410
Telephone: 202/708-2495
FAX No. 202/708-2583
MEMORANDUM FOR: All Regional Administrators, All Regional Housing Directors, All Housing Management Division Directors, All Field Office Managers

FROM: Philip J. Salamone, Deputy Assistant Secretary for Multifamily Housing Programs, HM

SUBJECT: Restatement of Policies and Issuance of Procedures to Recognize and Encourage the Rights of Residents in Insured and Assisted Multifamily Housing

This memorandum summarizes and restates the policy of the Department with regard to the rights and obligations of parties and HUD staff in dealing with the residents of HUD-owned, HUD-held, assisted, and insured multifamily properties.

I. POLICY

It is the policy of the Department of Housing and Urban Development to provide all residents with decent, safe and sanitary housing. Residents shall be advised of significant factors and events affecting their tenancy, and shall be able to organize to represent and enforce their rights under the law. The Department encourages owners and managers to recognize the partnership which exists among residents, owners and managers. In all of its actions, the Department endeavors to empower residents.

II. BACKGROUND

In developing this policy the Department has over the past several years established procedures and rules to recognize, encourage and set forth the rights, responsibilities, obligations and duties of owners and managers to the residents of housing that is HUD-owned, has HUD-held mortgages or is assisted or insured.
Significant among them are those compiled and set forth here:

- **Laws of the United States**

In the Housing and Community Development Amendments (HCDA) of 1978, Congress recognized the importance and benefits of resident cooperation and participation in creating a suitable living environment in multifamily housing where HUD is providing subsidy in Section 236, 221(d)(3) BMIR and Rent Supplement programs. The HCDA of 1978 instructed the Secretary to "assure that ... (4) project owners do not impede the reasonable efforts of resident tenant organizations to represent their members or the reasonable efforts of tenants to organize", 12 U.S.C. 1715z-1b. Congress required that regulations be promulgated to implement the rights recognized and created by the statute. 24 CFR Part 245 Subpart B - Tenant Organizations fulfills that directive of Congress.

- **24 Code of Federal Regulations, Part 245**

Subparts D to H of Part 245 provide for a comment period where residents can express to the owner and to HUD their concerns and ideas in many instances. The properties where the comment period applies include those where HUD is providing subsidy in the Sections 236, 221(d)(3) BMIR and Rent Supplement programs. The events triggering the comment period are requests for rent increase, a change to the resident-paid utilities, a change in the use of the property, a partial release of the secured property and for major capital additions. Owners are generally obliged to notify the residents of the event and consider resident comments in completing their plans.

- **HUD/Management Agent Contract**

The Department revised the contract of its management agents for HUD-owned and Mortgagee-in-Possession properties. The new contract requires that management agents meet with the residents; support the residents' efforts to organize and support the provision of social services on-site to improve the quality of life of the residents.
National Affordable Housing Act of 1990 (NAHA)

The Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) added by Title VI of NAHA, gives residents significant opportunity for homeownership involving multifamily housing where the owner is seeking to prepay its mortgage. The Department has published regulations implementing LIHPRHA in the April 8, 1992, Federal Register, at 57 FR 11991.

Section 248.173, in particular, sets forth the residents' rights and procedures to acquire ownership of property eligible for prepayment. In addition, the regulations require notice to residents and provide for resident representation in the process even in those transactions in which the owner seeks incentives to extend low income use or is allowed to prepay the mortgage. To assist residents to avail themselves of these rights, Congress has appropriated funds to provide technical assistance to resident and community groups to participate in the process.

24 Code of Federal Regulations Part 290

In the sale of HUD-owned multifamily property, the Department has established procedures which assist the residents to organize to purchase the property. HUD will directly negotiate the sale of subsidized properties to resident organizations which possess a high degree of cohesion and capacity. For resident organizations that do not meet that requisite capacity, several models of conversion transactions are being developed to provide ownership for them in the future as their capacity grows. The Department is developing these models to assist residents to finance the ownership purchases. In all cases, residents of HUD-owned multifamily property have the right to comment on the Disposition Recommendation before it is made final. This is designed to assure that the rights of residents are protected even in sales to non-resident organizations.

NOTICE H91-22 - Comprehensive Multifamily Servicing

In the Comprehensive Multifamily Servicing Program, HUD recognizes and encourages the implied partnership among residents, managers and owners. In that effort, HUD field
offices must encourage increased communication among resident organizations, owners and managers; afford greater accessibility for residents to owners and managers; ensure that consideration is given by owners to valid resident comments; and increase understanding and prompt resolution of resident concerns.

-Secretarial Policy-

Secretary Kemp has established Departmental Policy Objectives which affect the operation of the programs in the Office of Housing and thereby the residents of multifamily properties. These are:

Objective I - Expand Homeownership and Resident Initiatives in Insured or HUD-Held Multifamily Projects; and

Objective III - Empower the Poor through Resident Management and Homesteading

Keep these policies in mind as you formulate your work plans and go about your day to day activities with regard to these properties.
October 16, 1991

Debra Bowdenstein
Civil Practice Clinic
Franklin Pierce Law Center

Dear Debra,

This is to follow up on our telephone conversation this morning. I hope you're feeling better soon.

Please find a reference to HUD's responsibility to provide affordable housing. I suspect it may be found in the preamble of one of the housing acts.

Would you please review the enclosed HUD policy regarding regarding rent increases, the enclosed historical documentation, and the documentation you should already have from the 1991 rent increase? Ideally, I would like to catch them in a procedural error. When you are finished please return the policy.

Here is a list of written communications to HUD to which there has been no response:

1. Fax to Kemp dated 7/12/91
2. Joe's letter to HUD Manchester dated 5/30/91
3. Joe's letter to HUD Boston dated 7/2/91
4. Tenant demands delivered to HUD Manchester 7/15/91
5. Letter to L. Cole in Manchester following up tenant action and demands dated 7/17/91
6. Tom Fredenburg's (NHLA) recent letter to HUD DC appealing F.O.I.A. request of owners Plan of Action
7. In addition, Congressman Swett's office telephone me on two occasions promising a response to the Kemp fax by 10/1

Thank you for your assistance in these matters. I look forward to hearing from you soon.

Sincerely,

Jeffrey Butler
October 22, 1991

Mr. Jeffrey Butler
President
Royal-Concord Gardens Tenants' Association
17 Concord Gardens Apartment 1
Concord, New Hampshire 03301

Dear Jeffrey:

Thank you for forwarding a copy of your letter to Secretary of Housing and Urban Development Jack Kemp regarding the Comprehensive Multifamily Servicing Program. I appreciate your taking the time to bring your concerns to my attention.

I sincerely hope that Secretary Kemp will be able to assist you in resolving your current difficulties. Please do not hesitate to contact me if I can be of any assistance in this matter.

With warm regards,

Bob Smith, U.S.S.

/cc
ROYAL-CONCORD GARDENS
TENANTS' ASSOCIATION

TENANT EDUCATION MEETING

YOUR RIGHTS TO DECENT HOUSING:
WHAT YOU CAN DO

Presented by New Hampshire Legal Assistance

When: Tuesday Evening 7:00
October 22, 1991

Where: Grange building on Ormond Street

Homemade refreshments will be served
Child care provided on-site
For more info. call 225-7885 or 224-0596
October 28, 1991

Carol Sweeney
Resident Initiatives Coordinator
Manchester Field Office- HUD
Cotton Federal Building
275 Chestnut Street
Manchester, NH

Dear Ms. Sweeney,

This is to request your assistance in asking HUD in Washington to permit the Tenants' Association to rent one of the two bedroom units here at the Gardens. We understand that this would require deselecting one of the units from the Section 236 program and that this would be the first step for our requested arrangement.

We believe that removing a two bedroom unit from the affordable housing market would be justified because of our intent to use the unit to support current tenants. It is our desire to develop a system of community-based self-help supportive services for the residents of Royal and Concord Gardens. It is also important for the R-CGTA to have a place to meet to develop the organization to fully realize tenant empowerment.

We have talked about and planned a number of supportive services, including:

- a food pantry for tenants
- parenting, drug abuse and child abuse prevention
- Recreational and social programs for elderly
- Child care for parents working and in training
- Monthly tenant education meetings

One major barrier to our efforts has been the lack of space to plan these programs and the space to carry them out. If HUD would permit, we would like to be able to rent one of the two bedroom units here at market rent. We have the funds to do so.

There have been a number of vacancies here for some time and there is almost always a two bedroom vacancy. I'm sure you have access to the actual vacancy information for the Gardens.

Please let us know if we can provide you with any other necessary information. Thank you for your assistance in this matter. We look forward to a prompt, affirmative response.

Sincerely,

Jeffrey Butler
Mr. Jeffrey Butler  
Concord Gardens Apts.  
Bldg. 17 Apt. 1  
Concord Heights  
Concord, N.H. 03301  

Re: Royal/Concord Gardens, apartment rental  

December 5, 1991  

Dear Mr. Butler,  

In response to the Tenants' Association request to rent a two-bedroom apartment, Concord/Royal Gardens is concerned initially with regard to the general concept.  

As you are aware periodically the standard lease is reviewed through HUD to make it clear what responsibilities and obligations both the tenant and landlord have toward each other as well as toward other tenants.  

The lease is structured so that it is clear what activities are permitted and prohibited all with an intent to provide a safe, clean, well maintained and orderly living area.  

The idea of shifting a unit to the Tenants Association is also a transfer of control from the owners to a volunteer association which raises the following questions:  

a. what percentage of tenants belong to the association;  
b. does the association speak for all tenants;  
c. how is responsibility placed within the association i.e. with officers or individuals being responsible for supervision of activities;  
d. how is use of the space determined and what participation is required of management;  
e. what method is used to limit use primarily to tenants; and  
f. how are complaints of adjacent tenants relating to activities, noise, etc. handled by management.  

Aside from a lack of control by management and the inherent conflict with the existing standard lease other general questions have to be addressed such as:
a. insurance;  
b. city zoning and ordinances;  
c. laws requiring property forfeiture for drug activities on premises;  
d. repairs and  
e. access by management.  

In order to better evaluate the request of the Tenants' Association, it would be helpful to have a more detailed proposal.

Sincerely,

Thomas P. Chamberlain

cc: Carol Sweeney,  
Resident Initiatives Coordinator
January 9, 1992

Assistant General Counsel
for Personnel and Ethics Law
DEPT. OF HOUSING AND URBAN DEVELOPMENT
Room 10254
451 7th Street SW
Washington, DC 20410

RE: Royal Concord Gardens Tenants Association

Dear Sir or Madam:

I am writing on behalf of my clients, the Royal Concord Gardens Tenants Association, concerning their Freedom of Information Act request made to the Manchester, New Hampshire office of the Department of Housing and Urban Development. As my clients' request was denied by letter of December 11, 1991, we are requesting that your office review that denial. I am enclosing copies of the initial request of November 22, and the denial of December 11.

The Tenants Association is an organization of low-income residents of a Section 236 housing project, who are trying to gain information about what is going to happen to their homes. Once they received a notice of intent to sell from the owners of the project, they became justifiably alarmed. In order to better understand what was about to happen to them, they have requested that HUD provide them with the Plan of Action submitted by the owners. HUD's refusal to supply that document is the subject of this review.

My clients' letter of November 22, eloquently states the compelling reasons why the residents of a low-income housing project should have access to documents pertaining to their landlord's plan for their housing; I will not reiterate those reasons, but commend them to you for your consideration. Their reasons for being vitally concerned about what will happen to their homes are obvious.

I should make clear that this request, although we made an earlier request in August, 1991, is not a second request. Rather, since the owners provided a later notice to the tenants in November, 1991, our assumption has been that the owners also either filed a new Plan of Action, or amended the earlier Plan of Action. If that is not the case, then the only plan we are
requesting is the one filed in January, 1991. Of course, if our request for this information is granted, we expect to be provided with any and all plans of action.

Mr. Barry's letter of December 11, 1991, states that this plan falls under Exemption Four of FOIA. Assuming that there is confidential business information, release of this information could only be harmful to the owners if they do intend to sell. It should be possible to provide the tenants with the information they seek without disclosing that type of information. For instance, my clients have a right to know whether or not the Plan of Action concerns only a sale or a financial restructuring. If the latter, then virtually anything in the Plan of Action should be available to the tenants without disadvantaging the owners. Further, my clients would like to know what incentives for retaining ownership have been suggested or requested by the owners; this information would not necessarily have to include the dollar amounts, but rather the types and extent of incentives.

What I am suggesting is that a blanket refusal to provide the Plan of Action is not appropriate. The information my clients seek (plans for financial restructuring and incentives related thereto) could be provided without harm to the owners. Either part of the plan could be made available, or the entire plan with the confidential information deleted.

Finally, I must reiterate the sense of my clients' initial request, which is that HUD should not be in the business of withholding information from tenants about the disposition of their homes, particularly in light of HUD's stated goal of increasing cooperation between project owners and tenants. I hope that the information we request today can be provided without the necessity of further action. Thank you for your attention to this matter.

Sincerely,

Thomas A. Fredenburg
Staff Attorney

TAF/bsa
Enclosures
cc: Jeff Butler
RETURN CHECKLISTS NOW!

We need your help now to let HUD and the management company know what needs to be done for repairs. As we explained last month, right now is a golden opportunity to get the minor and major repairs done to the buildings and property.

The checklists which were included in the last issue of The Gardener have been slow in coming back. Please take the time now to inspect your apartment, complete the checklist and return it. If you need a new checklist or want to return one, contact Anita Shea in 23-6 (225-7885), Jeff Butler in 17-1 (224-0596) or Mickey Walker in 2-1 (no phone). You can drop it off, mail it, or call and ask someone to come get it.

Some people have expressed concern that they are afraid of retaliation for participating. The truth is that one of the owners guaranteed that no one would be hassled, HUD invited tenants to give them information on what repairs need to be done, and you have a right to live in homes that are up to HUD’s standards and comply with the city’s building code.

Please don’t let this opportunity pass you by. Add your list of repairs to the dozens that have already been turned in. You can make a difference for yourself, your neighbors, and future tenants.

COMMUNITY-BASED SUPPORTIVE SOCIAL SERVICES: A SELF-HELP APPROACH

Living in a community such as the Gardens, with its high density, diversity, and concentration of very low, low, and moderate income members, it is no surprise that there is a concentrated need for supportive social services. In other words, our community is much more than "brick and mortar". There is a social context for our housing.

There is a need for more income just to survive. Nearly everyone has a need for employment or public benefits. Neither of these is easy to obtain. Further, for every extreme need, there are many more people with needs which put them on the edge of disaster. For example, for every unemployed person, there are many more who are underemployed because their jobs don’t pay enough or because the job market has soured. For every person receiving food stamps, there are many more who are eligible and who have nutritionally inadequate diets. For every elderly person languishing in their apartments, there are many more living painfully lonely, isolated lives. For every child who is unsupervised or abandoned there are many more who are alone for part of the day, the so-called "latchkey children".

(CONTINUED NEXT PAGE)
For every drunk who is arrested for spouse abuse, there are many more who are not arrested. For every person who is evicted for not paying their rent, there are many more who barely pay the rent and have no more money on which to survive.

The problem is not that resources do not exist to meet these needs. One big problem is the large gap between where these services exist and the people who need them. Another problem is that many of the resources satisfy a need, but don’t do anything to change the conditions which continually bring about the need.

A solution to the problems is the idea of community-based supportive social services using a self-help approach. Community-based means making a way of accessing solutions and resources right here at the Gardens. Supportive means that help is offered to maintain people where they are, preventing more dire circumstances, and helping rather than doing for the person. Social services are those services which help with people needs (as opposed to building needs, for example). The most exciting part of this concept is the self-help approach. Rather than relying on others to determine what our needs are and solutions, using a self-help approach means that we residents of the community determine our own needs, develop our own solutions, and decide on resources.

Tenants have already made the decision to act to improve the quality of life here in our home community. The next step is for tenants to meet to round out the list of needs, prioritize, and plan. Through working together we can improve the quality of life in our community. Won’t you do your part? If a few people do a little, a little bit can be accomplished. But if a lot of people, or even everyone, do a little, a lot can be accomplished.

What’s your vision for our community? Come and share it at a meeting with other tenants. You might be surprised how welcome your ideas are!

Members of our community have talked about some of these issues. Some needs have already been listed. Some of these needs include: a food pantry, clothing exchange, on-site day care and after school activities, recreation and resources for seniors, in-home care for seniors, parent support and training, stopping substance, spouse, and child abuse, and activities for youth. Perhaps you can think of some more needs in our community which should be addressed.
WHAT CAN YOU DO ABOUT THE SOCIAL NEEDS IN OUR COMMUNITY?

First, you have to realize how important you can be to your community. Improvements and change can best occur when everyone realizes that they are a part of the whole and that each has something valuable to contribute. In fact, it tends to be the same small group of people who get involved to get things done. But it doesn’t have to be that way. We have a long and rich history of neighbors pulling together, not only in disasters, but in helping one another. Almost everyone in a community used to participate in barn raisings, picnics, quilting bees, and volunteer fire departments. Current examples of people working together for the good of the community include the Teddy Bear Picnic to benefit local charities and the annual parade benefit sponsored by Pineconia Grange. Community spirit is not dead. If we all pull together, we can go a long way!

Next, get to know at least the names and faces of the people who live in your building. You don’t have to like everyone or become great friends. For most of us here, it means getting to know the people in only eleven other apartments. Say hello. Tell them your name. Ask them their name. If you are really brave, tell them that if there is ever anything they need, ask, and tell them you will try to help. Robert Frost was being sarcastic when he wrote: "good fences make good neighbors".

If you want to go an extra step, knock on the door of neighbors you haven’t seen in awhile. Maybe someone is ill or needs your help. If they tell you that they want to be left alone, tell them you respect their wishes, but that you care enough to check in once in awhile anyway.

When you are ready to move from being neighborly to just the other people in your building, join the R-CGTA in being neighborly to the whole community. Friendly, courteous and helpful neighbors make good neighbors, not good fences.
BUSSING ISSUE PLAGUES THE GARDENS

No, not the kind of bussing issue involved in school desegregation, but with nearly as strong reactions. When school started this year it seems the children who take the bus were unsupervised. They were scattered all over the place darting dangerously in front of traffic on Chamberlain Circle and disturbing the peace at an early hour.

The resident manager spoke to the R-CGTA and asked for help to get the situation under control. The officers met and decided to take turns going up to the central area between Royal and Concord Gardens for a few days. The children were asked to wait on the opposite side of the road in the park for the bus. A few problems were encountered. Some of the children waiting for the bus do not even live at the Gardens. A few were disrespectful, used vulgar language, and refused to cooperate.

The bus company was called and they explained the bus could not come the other way, because the bus could not make the turn onto Chamberlain from Christian Avenue, so the bus turns on its lights for children to cross from the park to board the bus.

Since some children remained unruly, a truant officer was requested and came for a couple of days to supervise. Things seem to have settled down since then. According to the resident manager, he would hate to have the bus not stop on the property because of the misbehavior of a few. He said it is the parents' responsibility to supervise their children. He also said he was concerned about the children going into the laundry rooms while waiting for the bus in the morning during the Winter months.

All parents of children who take the bus should talk to their kids and let them know they are expected to behave appropriately in the morning. It would be a shame if the management required parents to stay with their children until the bus arrived or to escort their children to the bus. Even though some parents leave for work as early as 7:00 AM and the bus doesn't arrive until 8:00, children remain the responsibility of their parents.

Let's hope that things go well and that no further intervention is necessary. Please don't hesitate to walk to the park where the kids wait for the bus occasionally to be sure the children are behaving. We can all thank one another for cooperating.
Dear Gardener,

I would like to address this letter to all the parents of Concord Gardens. It's about the children playing in the road and parking area. There are places for the children to play. So why do they play in the road?

Just today, as I was getting ready to back out of my parking space, there were a few kids on bikes standing around talking. As I started to back up, a couple of the kids decided to ride their bikes right behind me. They knew I was backing up, but that didn’t stop them.

I have two children myself, but I don’t let them play out in front of my apartment when there is a place out back to play. The problem is, the children don’t watch out for the cars and the drivers don’t watch out for the children. I know the speed limit is 15 mph, but how many cars do you see going that slow? Not too many.

I also know it’s hard to keep an eye on the children while they are outside, but if we teach them how to cross the road and ride their bikes safely, they won’t get hurt. We need to get the cars to slow down, they won’t work if the children don’t look where they are going as they step into the road.

Everyday I see children running across the road and they don’t look to make sure if there is a car coming or not. The children expect the drivers to watch out for them, but there are some areas where the drivers can’t see around. One of the areas is the dumpsters.

The drivers can’t see around them to see if there is a child that might run out in front of them. I guess what I am trying to say is, don’t let the children play in the road. Make them play in back of the apartments where there is a big yard to play in.

Plus, let’s teach our children how to cross the roads and to ride their bikes safely, if they have to be in the road, because some day they will need the knowledge so they won’t get hurt.

Sincerely,
Donna Wilder

IN MY OPINION
by Mickey Walker

Does the R-CGTA really have good intentions for the tenants? What is the Tenants’ Association accomplishing for tenants? Why bother with organizing? These are questions I have been asked by a lot of tenants. However, the R-CGTA is working since Summer to open a food pantry for tenants. So, I believe that the R-CGTA really does have good intentions and is accomplishing things for tenants.

As to whether or not to bother organizing, there are people who complain about conditions at the Gardens and their way of living, yet do nothing about it. However, the R-CGTA affords the opportunity for people to work together to do something about conditions and who want a better way of life.

In my opinion the right to decent housing is important. I feel one way to face life’s difficulties is by banning together as a community. Whether or not we succeed is up to you!
AREA RENTS DECREASING

The New Hampshire Housing Finance Authority (NHHFA) recently released its November 1991 Residential Rental Cost Survey. After years of steady increases rents in the city of Concord have actually dropped! The following chart shows the NHHFA median rents for Concord, Basic Rents for Concord Gardens, and Market Rents for Concord Gardens (rents for Royal Gardens are lower than for Concord Gardens).

<table>
<thead>
<tr>
<th>Number of Bedrooms</th>
<th>Median Rent</th>
<th>Basic Rent</th>
<th>Market Rent</th>
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<tr>
<td>1</td>
<td>$482</td>
<td>$326</td>
<td>$396</td>
</tr>
<tr>
<td>2</td>
<td>$627</td>
<td>$429</td>
<td>$521</td>
</tr>
<tr>
<td>3</td>
<td>$616</td>
<td>$526</td>
<td>$639</td>
</tr>
</tbody>
</table>

Notice that the Concord Gardens Market rent for 3 bedrooms exceeds the median rent for Concord! (NHHFA explains that the median rent for 3 bedrooms is lower than for two bedrooms because the factor added for heat and utilities is less.) Certain documents from HUD define "affordable" rent as Fair Market Rent (determined by HUD). The NHHFA uses their median rent figures to challenge Fair Market Rents. Other HUD documents refer to allowable rent increases at the rate of inflation. If this is permitted, basic and market rents may well exceed the surveyed market rents.

The bottom line is that the data shows that there are lower rents in Concord than at the Gardens. We can only guess that a lower occupancy rate at the Gardens would result. Concerned parties (HUD, owners, management, tenants) should question the economics of higher rents at the Gardens. As we have argued, the market does not support increased rents at the Gardens!

UPDATE

This is the first issue of the Gardener since August. We apologize that we have not been able to make this a monthly newsletter as we had intended. The officers are all attending school; there has been other work preventing us from putting time into the newsletter, the holidays came, and we have been dealing with such things as babies, deaths, finals, and other of life’s challenges. We hope to get back on track this year to get you the news.

Networking The R-CGTA has been busy building networks and coalitions. In November we met with concerned members of the community to obtain political and financial support for our efforts. This coalition will meet again in February to take part in planning and assisting the R-CGTA. We are working with N.H. Legal Assistance to develop a network of expiring use HUD tenants in New Hampshire and with the Community Training Assistance Center to develop a New England-wide network. We continue to work with the Low Income Housing Information Service’s Assisted Housing Network on a national level. We also participate in the National Housing Law Project network. These linkages provide invaluable information and increase our political strength.

Anita Shea, Acting R-CGTA President, attended the Mott Small Grants Program Northeast Regional Summit from November 15-17. The conference was held at Babson College in Wellesley, Mass. Conference participants included people working in housing and economic development throughout New England. Workshop topics included, building neighborhoods and organizations, collaboration and strategy sharing, building leadership, role play, fundraising, and building long-lasting alliances. Anita was enthused about the conference and said she most enjoyed the people and building alliances.

Fundraising We are pleased to announce that the R-CGTA has been awarded a grant for $2,000 from the Haymarket People’s Fund for tenant education. The primary tenant education activities are the newsletter and tenant education meetings. In addition, the R-CGTA is expecting the second half of the $10,000 grant from the Mott Foundation for tenant organizing. Indirect support includes the N.H. Technical Institute selecting the R-CGTA as a Practicum site for Human Services students and site for New Hampshire College Graduate School of Business HUD Community Development work study.

THE GARDENER 6 January 8, 1992
Did you work during 1991—and did your family earn less than $21,250?

Did a child live with you for at least half the year?

If so, you may be eligible for up to $2,000 from the Earned Income Credit. It's a federal benefit for both married and single parents.

Getting your Earned Income Credit takes just two simple steps:

1. file a federal income tax return (Form 1040A or 1040)
2. fill out "Schedule EIC" and attach it to your tax return

If you're eligible, you'll either owe less in taxes—or the government will mail you a check!

You can get the Earned Income Credit even if you don't owe income tax.

There's another way to get your Eamed Income Credit: your employer can add it to your paychecks during the year.

For more information, call the IRS toll free at 1-800-829-1040.
WHO TO CALL

Emergencies ONLY: Police, Fire, Ambulance: 9-1-1
Police administration: 225-2600
Fire administration: 225-8650

Property
R-CG Office for Repairs & maintenance: 224-9732
City Housing Code Enforcement: 225-8580

Housing/financial
Security deposit loans: Unite To Help 225-9000
Emergency financial assistance for rent:
City welfare 225-8575
Section 8 rental assistance waiting list (must be income-eligible): Apply at R-CG office or Concord Housing Authority: 224-4059

Housing/legal
(Eviction or other tenant problems)
N.H. Legal Assistance: 224-3333
Civil Practice Clinic: 225-3350
Housing Discrimination: 271-2767

Transportation
Concord Area Transit: 225-1989

Food
Meals on Wheels (for seniors): 225-6880
WIC (Women, Infants & Children): 934-3445
Food Stamps: 271-6200
Most churches

Elected Officials
City councilman Clark Reed: (Home) 225-6033
(Work) 271-4484
State Senator Susan McLane: (Home) 224-0376
State Representative Jennifer Soldati 224-5844
(Plus 6 at-large representatives from Concord)

This newsletter was created using: a Commodore 128D computer, 1764 RAM expansion unit modified to 512K, Commodore 1351 mouse, Commodore 1702 monitor, GeoPrint interface cable, and Hewlett Packard IIP Laser printer with additional 2 Meg of RAM.
Invaluable technical assistance was provided by Jeanine Cutler of Fair Play, SC.

THE GARDENER 8 January 8, 1992
CONCURRENT HOPE WORKSHOPS

FEATURED SPEAKERS

HOPE I - Homeownership programs for public housing residents.

WORKSHOP LEADER: Jim Wallace, Boston Regional Office Resident Initiatives Coordinator

PANEL MEMBERS: Jim Smith, Executive Director, Westbrook Maine Housing Authority

Emile Beaulieu, Resident Initiatives Coordinator, Manchester HUD Office

HOPE II - Homeownership programs for residents in government insured or owned, or FHA distressed multifamily properties.

WORKSHOP LEADER: Carol Sweeney, Resident Initiatives Specialist, Manchester HUD Office

PANEL MEMBERS: Loren Cole, Director, Housing Development Division, Manchester HUD Office

Jim Drazen, Boston Regional Office Resident Initiatives Specialist

HOPE III - Homeownership program for low income families to purchase publicly held single family (1-4 units) properties.

WORKSHOP LEADER: Frank V. DelVecchio, Director, Office of Community Planning & Development, Boston Regional Office, HUD

PANEL MEMBERS: Gerry Hanauer, Community Planning & Development Representative, Manchester HUD Office

George Bridgeman, Realty Specialist, Manchester HUD Office
HOPE program funding made available by HUD

Guidelines and NOFA published January 14

Secretary Jack Kemp's initiative for Homeownership and Opportunity for People Everywhere (HOPE) is now ready to commence. In the January 14 Federal Register, the U.S. Department of Housing and Urban Development issued its revised program guidelines and announced its funding availability. All applications for the NOFA should be submitted by April 17, 1992 in order to ensure consideration.

The HOPE Program is comprised of three components: HOPE I, HOPE II, and HOPE III. The homeownership program for public and Indian housing is HOPE I, HOPE II for HUD-foreclosed multifamily projects, and for single family housing, HOPE III.

Approximately $351 million has been allocated for the HOPE program in fiscal 1992. Out of this allocation, $161 million is authorized for HOPE I, and an independent $95 million to both HOPE II and III.

Resident organizations, public and Indian housing agencies, and private nonprofits may apply for both planning and implementation grants under HOPE. For HOPE I, $137 million is being allocated for implementation grants, $8 million for full planning grants, and $6 million for mini-planning grants. For HOPE II, $80 million is being allocated for the implementation grants and $15 million for both the mini and full planning grants. However for HOPE III, the Department is allocating $85 million for the implementation grants and $10 million for planning grants. (Under HOPE III, there are no mini-planning grants.)

All planning grants are available on a competitive basis. Obtained funds may be used for providing training and technical development to program operators; conducting feasibility studies; doing preliminary architectural and engineering work; providing resident and homebuying counseling; and/or conducting economic development activities. Additionally, under HOPE III, grantees may use the funds to assess the stock of eligible properties. Further, the planning grants may also be used for the development of resident organizations, under HOPE I and II.

Because of the revised program guidelines, applicants for both HOPE I and II are now required to propose the establishment of the resident organization immediately after the effective date of the planning grant, if no such entity already exists. However, it is also under new program guideline revisions that the Department will be considering even those organizations applying for tax-exempt status under Section 501 (c) of the Internal Revenue Code as eligible applicants, provided they do so on or before the planning application date and they receive IRS approval before the grant becomes effective. (These changes are applicable to both planning and implementation grants.)

The maximum allowable amount for a full planning grant, under HOPE I and II is $200,000, or $800 per unit for projects over 250 units and $100,000 for mini-planning grants. Likewise, $100,000 is the maximum amount for planning grants under HOPE III. However, unlike HOPE I and II, HOPE III has no “safe harbor” provision allowing applicants to seek more money if a good cause can be demonstrated.

All implementation grants are allocated amongst the ten regional offices, which in turn award them to eligible recipients. For HOPE III, all funds are allocated on a formula basis. However, for HOPE I and II there are no derived formulas or specific dollar amounts being allocated. The intent of the Department is to have at least three implementation grants awarded in each of the ten regional offices.

Grantees may use the funds from the implementation grant for architectural and engineering work, acquisition of eligible properties, rehabilitation, administrative costs, counseling and training, relocation, replacement reserves, legal fees, ongoing training needs, and economic development. In addition, grantees may provide financial assistance to home buyers, under HOPE III and operating assistance, under HOPE I and II.

Unlike the planning grants, there are matching requirements for the implementation grants. For both HOPE I and II, grantees must provide a non-federal matching contribution equal to at least thirty-three percent of the implementation grant. The matching contribution for HOPE I may not be less than twenty-five percent of the implementation grant. Matches can be in the form of cash contributions, administrative costs, taxes, land or other real property, infrastructure, and debt forgiveness.

All planning grant applications are first reviewed by HUD for eligibility and completeness and then later are rated and ranked. There are five selection criteria for HOPE I and II and four for HOPE III, there is a possible total of 100 points for each. For HOPE I, up to 40 points can be received for an applicant's capability, and up to 15 points each for resident and home buyer interest, property suitability, local support, and efficient use of the grant. For HOPE II, up to 30 points may be awarded for an applicant's capability; up to 20 points each for resident and home buyer interest, property stability, and local support; and up to 10 points for efficient use of the grant. For HOPE III, up to 40 points can be awarded for an applicant's capability, and up to 20 points each for local support, the need of a homeownership program, and planning approach.

Under HOPE III, bonus points may also be awarded in regions where funds from the initial regional allocation still remain (that is after all approvable implementation grants have been selected). If a region has not used 10 to 25 percent of its allocated funds, planning grants may receive a 10 point bonus. However, if up to half of the region's allocations still remain, then applications receive a 15 point bonus. A twenty point bonus will be awarded if more than half of the region's allocations are unused.

Implementation grant applications are also first reviewed for eligibility and completeness, and judged whether the proposed program meets affordability standards and if the costs are within applicable costs limitations. Once the reviews are completed, the remaining applications are rated and ranked.

For HOPE I, there are nine major selection criteria for a total of 100 points. Up to 30 points may be awarded for application capability; up to 25 points for program quality and feasibility; up to 10 points each for resident and home buyer interest, efficient use of grant, and property stability; and up to 5 points each.

Please see "HUD releases HOPE" on page ...
HUD releases HOPE NOFA and guidelines
continued from page 3

For local support, relationship to applicable Comprehensive Housing Affordability Strategy (CHAS), and commitment to minority women business enterprises. In addition, up to 15 points can be deducted if there would be a depreciation in public or Indian housing in the area.

A total of 95 points can be received under HOPE II. Up to 25 points can be awarded for program quality; up to 20 points for property suitability; up to 15 points each for application capability, and feasibility and efficient use of the grant; and up to 10 points each for local support, and resident and home buyer interest. Likewise, up to 10 points may be deducted on how relatively few homeownership opportunities are created for low-income persons.

Under HOPE III there are nine major selection criteria and each application can earn up to 100 points. Up to 20 points can be received for application capability; up to 15 points each for efficient use of the grant and need for program; up to 14 points for local support; up to 11 points for size of the inventory; up to 10 points for program quality; and up to 5 points each for relationship to the applicable CHAS, commitment to minority or women business enterprise, and fair housing choice.

Persons interested in submitting comments on the revised program guidelines are encouraged to do so on or before April 15, 1992. For more information on the HOPE Program, individuals may contact the following: Gary Van Buskirk at (202) 708-4233 for HOPE I, Margaret Milner at (202) 708-4542 for HOPE II, and John Garrity at (202) 708-0324 for HOPE III. Comments may be submitted to HUD's Rules Docket Clerk.
MEMORANDUM

TO: Jeff Butler
FROM: Emily Achtenberg
DATE: February 14, 1992
RE: Royal/Concord Gardens: Scope of Consultant Services

Based on our brief discussion, this is a proposed scope of services for the type of work that I think might be most useful to the Tenant Association at this point. After thinking some more about your situation and talking with Lizbeth, I continue to feel that you need to do some more sorting out of the ownership, project, and regulatory situation in order to develop an effective strategy. Doing this investigative work will help you figure out what the owner's options really are, and will put you in a better position to influence a stay-in-plan or to purchase, whichever is appropriate.

I have also spoken with Debbby Fox about her potential involvement as a rehab consultant and her ideas about the cost of a preliminary architectural survey. Because it's unclear how much money you can raise, I'm suggesting a minimum and a maximum budget. The scope of work would be adjusted accordingly.

Tasks
1. Project Research
   The first step will be to collect and analyze available project documents and data, including:

   • Regulatory: eligibility under ELIHPA vs. LIHPRHA; status of Notice and Plan of Action filings;

   • Ownership: nature and composition of the ownership entity; decision-making structure (who has authority to sell?); who gets what from refinancing or sale; tax considerations.

   • Market: what is the likely value of the project in a refinancing or sale? Does the project have sufficient value to qualify for preservation incentives?

   • Financial: what are the operating expenses and debt structure of the property? Does the partnership have outstanding liabilities that may affect a sale/ refinancing strategy?

   • Occupancy: what are the characteristics of current tenants (income, family size, etc)? What are current rent/income ratios? What would be the impact of changes in rent structure after sale/ refinancing? How many tenants are eligible for subsidies?

   • Physical: what is the physical condition of the property? What types of renovations are needed/desired by tenants and what is the probable cost?
2. Strategy Development

Based on this information, we can better understand (1) what the owner's motivations and options are; and (2) the general feasibility of sale or refinancing. This will enable the Tenant Association to identify leverage points and develop a more effective preservation strategy.

If the owner is determined to stay-in, we can use the information to critique the Plan of Action and negotiate for specific repairs, more affordable rents, management improvements, future purchase option, etc. Tenants will have 60 days after HUD gives preliminary approval of the Plan of Action to comment on the Plan (under ELIHPA).

If it appears that the owner can be forced to sell, the information can be used to begin to develop a preliminary purchase plan.

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<th>Estimated Budget</th>
<th>Min.</th>
<th>Max</th>
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<td>Emily Achtenberg (regulatory &amp; financial analysis) at $75 per hour*</td>
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<td>$15,000</td>
</tr>
<tr>
<td>Debra Fox (rehab &amp; management analysis) at $50 per hour*</td>
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<tr>
<td>Architectural/ Engineering Studies</td>
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<td><strong>Total</strong></td>
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*plus expenses (travel, long-distance telephone, outside copying, Fed Exp)

cc: Debra Fox
February 27, 1992

Dear Jeff:

Even after hearing your disappointing report, I am glad we finally met and discussed ways that I might help get Concord and Royal Gardens residents the improved community they have so long deserved. In case you hear from HUD that the property can still be used for a HOPE 2 planning grant application, let me put in writing my suggestion on how we could proceed:

I have reviewed the planning grant application and believe that I could be of most help to you in developing the feasibility and budget parts of the application. I could also develop quality narrative and print work for all sections that are to be turned into HUD. My experience with the local HUD office also implies I might be the best person for contacts with HUD on this application once you are given the green light on the use of the property.

The pieces of the work I would not be able to do by myself are:

- Getting all residents to answer and sign the survey
- Getting other potential low income buyers to answer and sign the market survey
- Getting the owner to agree to sign the letter of intent

While I would be glad to help in these matters, they would best be done by yourself or others.

More importantly, I would need some assurance that all three of these would be done by early April before I spent a lot of time on my parts of the application preparation. A Board vote committing itself to doing whatever it can to accomplish these three tasks would be the best way of my knowing fairly soon that there are others besides you who see these as feasible.
After thinking about my working on a contingency basis, I believe it would be best for me to charge a lower fee than I mentioned at our meeting for work I would do after your group is awarded the grant. This lower fee would need to be coupled with a greater number of guaranteed hours of work during the first year after receiving the planning grant.

I would do whatever work I could on the preliminary application for free, charging only for actual out-of-pocket costs such as phone calls, travel and any supplies used in the applications themselves. In return, I would need the Board to agree that I would be hired for at least 60 hours (twice the number of hours that I would probably spend in this first phase) after the planning grant is awarded to your group, at a rate of $100 per hour plus out-of-pocket expenses.

I would need the Board to formally approve this arrangement before I spent much time on the application. I would be glad to meet with them or a sub-group chosen by them, if that would be helpful to get this agreement approved quickly.

Please feel free to contact me at anytime to discuss this. I will be out of the area from March 5th to the 14th, but there is much that you and the Board need to do first so I do not see this as delaying the work I would do. I hope there is some way the property can be found to be acceptable for the grant application, but in either case, I am looking forward to being a part of the long struggle you have already begun.

Sincerely,

[Signature]

David Freeman-Woolpert
March 4, 1992

Jeff Butler
17 Concord Gardens Apt 1
Concord, NH 03301
224-0596

Dear Jeff:

Thank you for your interest in Learning Structures community-built playgrounds. This packet contains our "Playground Profiles" which includes basic information and fees for projects ranging from $7,000 to $60,000.

Our custom designed playgrounds include 8 to 45 separate play stations assembled on site by well-orchestrated volunteer teams using local materials. Construction is always completed in one weekend in the New England barn raising tradition. I have also sent you, under separate cover, our new video tape. The video is on loan, however if you wish to keep it, the purchase price is $10.

Since 1972, we have worked with over 300 clients to develop learning and play environments which respond to the needs of children. All play equipment meets or exceeds U.S. Consumer Product Safety Commission Guidelines, and includes the first year annual maintenance program at no cost to our clients.

Since you fall within our local travel zone, you will receive our 10% discount on our total Learning Structures fees listed in the enclosed "Playground Profiles" booklet. These savings can be used to lower the cost of your playground or to buy additional materials for a larger design.

To learn more about starting your own community built playground send for our video. To meet with a Learning Structures designer in person we would be glad to schedule a Planning Day at your convenience. We look forward to hearing from you.

Sincerely,

Cheryl A. Smith, Business Manager
MEMORANDUM

Date: April 6, 1992

From: Jeff Butler

To: R-CGTA Officers: Anita Shea, Acting President
Mary Walker, Secretary
Jacki Butler, Acting Treasurer

Re: Proposed Fiscal Policies

1. Budgets and budget amendments will be approved by the officers. Unbudgeted expenditures and disbursements will require approval of the officers. Unbudgeted disbursements may be made only with the approval of the officers.

2. Payments will be by check and require the signatures of two officers to ensure accountability.

3. Approved expenses not paid to vendors, which are paid out of pocket, will be reimbursed upon submission of receipts and reimbursement request form.

4. Prepayments and cash advances must be authorized by the officers. Such advances will require receipts, reimbursement request form, and balance of cash (if any) within 30 days of disbursement.

5. Authorizations and fiscal decisions by the officers will be duly recorded in writing.

6. There will be no standing petty cash. Petty cash may be issued for change for special events with the officers' approval.

7. The treasurer will report monthly on income, expenditures, and fund balances by the end of each month for the previous month.

8. Salaries are not paid, currently. Instead, contract service fees are used to compensate staff. It is up to the organization to determine WHAT is to be done. It is up to the contractor to determine HOW tasks are done. Contractors will submit written documentation for payment.
April 20, 1992

Jeff Butler  
Bldg. 17, Apt. 1  
Concord Gardens  
Concord, NH 03301

Re: RCGTA/Motorcycle Rules

Dear Jeff:

I have heard from a tenant that the management at the Gardens is enforcing a rule against having motorcycles on the property. Apparently this rule has been in place all along, although this is the first I have heard of it.

It is pretty clear to me that this is an unreasonable rule that either was not or should not have been approved by HUD. I think it is something that the Tenants' Association should be concerned about if it is being enforced against people across the board. If it turns out that it is only being selectively enforced against my individual client, I would be interested to know that. If you either know or could find out whether the rule is being enforced against everyone, I would appreciate that information.

Obviously, it would also be an excellent organizing tool if people could get excited about this and other unreasonable rules and the process by which they were put together. Give me a call when you get a chance.

Sincerely,

Thomas A. Fredenburg  
Staff Attorney

TAF/ebd
AGREEMENT

We, the undersigned officers and members of the ROYAL-CONCORD GARDENS TENANTS ASSOCIATION, hereafter referred to as RCGTA, having met on several occasions in mediation to resolve certain issues and possible discrepancies, do covenant and agree totally and unreservedly with the following statements and to the following conditions:

A. Jeff Butler will send the necessary and required reports to CTAC as soon as is reasonably possible.

B. Jeff Butler will have deposited Two Hundred Fifty-six Dollars and ninety-five cents ($256.95) into the RCGTA bank account prior to the signing of this agreement.

C. Jeff Butler will deposit an additional Four Hundred Eighty-four Dollars and ninety-eight cents ($484.98) into the RCGTA bank account in the following manner: A series of deposits to equal Four Hundred Eighty-four Dollars and ninety-eight cents ($484.98), the last and final of these deposits to be made no later than September 30, 1992.

D. Jeff Butler will provide an inventory of all RCGTA property, equipment, and supplies and agrees to the relocation of the same among officers and members of RCGTA at the times and places designated by RCGTA.

FURTHER:

E. RCGTA states unequivocally and without reservation that Jeff Butler is and remains a member of RCGTA in good standing.

F. That RCGTA has examined all records, reports, and ledgers of RCGTA and, whereas certain issues and discrepancies existed, these have all been resolved and explained to the complete satisfaction of RCGTA.

G. RCGTA states that Jeff Butler has provided valuable advice, counsel, and expertise to RCGTA and RCGTA will continue to utilize these assets when necessary, in recognition and appreciation of their value.

H. RCGTA will send or cause to be sent a letter or letters to CTAC and Kate Mc Govern setting forth any and all statements and conditions agreed to above which might be necessary to demonstrate RCGTA’s complete satisfaction with the explanation and resolution of the issues dealt with in mediation and Jeff Butler’s continued membership in good standing with RCGTA.

Signed: Anita Shea
President, RCGTA

Jeff Butler
Member, RCGTA

Date: July 5, 1992

Signed: Philip Carr
Member/Adviser, RCGTA

Joyce Carr
Member, RCGTA
ROYAL-CONCORD GARDENS TENANTS' ASSOCIATION

PROPOSED

OPERATING PRINCIPLES

JULY, 1992

The R-CGTA exists for the empowerment and interests of residents and for the purpose of their community social and economic development. This principal will underly all aspects of the organization. The principal is expressed in the following areas:

A. Organizational
B. Social
C. Housing Development

A. The tenants have a right to organize and the organization will be solely tenant controlled

1. Membership is only open to tenants/residents who are not employed by or work for the interests of the owners or managers or other interests outside of residents.

2. All decision-making will be made only by members.
   a. A consensus model for decision-making will be used as often as practical. Consensus consists of decisions developed by the group and seeks a solution that all can agree to.
   b. Advisory groups, outside of membership, are limited to provide advice and recommendations.
   c. Tenants have an internal accountability to one another and to all other tenants/residents.

3. All positions in the structure and employment of the organization will consist only of tenants, except:

4. Non-tenant technical assistants may be engaged with the approval of the members within the guidelines described in these principles.

5. The organization will provide resources for training tenants in order to follow these principles.

6. Decision-making will take place in meetings, with general notification by the tenants and/or their representatives present.
   a. General meetings will be open to all members.
   b. Registered members will receive advance notices of meetings.
   c. All tenants will be notified of meetings by notices in common areas such as laundry rooms and newsletters.
   d. All notices to vote for By-laws, amendments, and elections will be posted in the common areas of every building.
7. Members of the organization have both the right and the responsibility to resist actions hostile to their well-being and community self-control.

B. Social development of the community will emphasise community self-help (rather than through an organization providing services or advocacy).

1. Tenants will work together with other tenants to define our own needs and solutions.

2. Tenants will mobilize resources internal to our community to benefit our community, with priority given to the whole. This does not preclude accessing outside resources when needed.

C. Tenants have a right to protect and control their resources, including their housing. Among these rights are:

1. Fair and humane rent policies

2. Aggressive improvement plans

3. Housing that is affordable forever

4. Development and permanent ownership by tenants

5. Accountability to the needs of current tenants, future residents, and the community by all

6. Hold all levels of government and agencies at least as accountable to tenants as to property owners and managers.
DATE: 8/17/92
TO: Officers and Members of the R-CGTA
FROM: Jeffrey Butler

For your information:

There are two types of funds, restricted and unrestricted. Restricted funds are those which have been raised for a specific purpose. For example, if we are holding a bake sale for tenant education activities, all of the proceeds MUST be used for tenant education activities. Another example is an approved grant proposal, which acts as a contract. Funds cannot be used in any other way other than described without approved revisions. Variations on line items should not exceed 5% of the approved amount. Unrestricted funds are, as the name implies, not restricted in how the money is spent by the funding source. For example, if we have a car wash to benefit the R-CGTA, we can use the money for anything we want for the R-CGTA. The only restrictions are that the expenditures should be based on an annual budget or expenditures approved by a board.

Generally, funds can be raised for three different purposes: operating, program, and capital. Operating funds should be used for the general operations of an organization. The most common type of operational expenses are for salary or contract services and the expenses related to doing business (telephone, office supplies, equipment, fundraising activities, etc.). Operating funds are the most difficult to get because most foundations will only pay for programs. Operating funds have the least restrictions because they can be used for anything related to operations. Program funds are often the easiest to raise. They are to pay for a single program or function of an organization. For example, we raised funds for our tenant education program. This money should not be used for activities not directly related to this activity. Finally, capital funds are large sums of money for long-term benefit. Examples include land, buildings, and investments. An organization could use operating funds or part of program funds to pay for mortgage on a building, but usually this is such a large expense that organizations carry out a capital campaign over a period of a few years to make a purchase all at once. For example, if we wanted to pay for a community building, we might carry out a capital campaign.

I hope this information is helpful and useful to your understanding of financial matters.
September 8, 1992

Anita Shea
23 Concord Gardens Apt. 6
Concord, NH 03301

Dear Anita,

We met on Monday evening, August 31, 1992 with Ken Nealy the lawyer acting as mediator. Also present were Mr. and Mrs. Carr. At that meeting you informed me that six of you had resigned from the R-CGTA as of noon that day. You said that you would turn over all equipment, documents, and checkbook within seven days.

Today is the ninth day and I still have not received these materials. Please give them to me as soon as possible.

Also, in April of this year you transferred the R-CGTA funds to a new account over which I have not had access and removed my name from the account at Officeland. Since it is my responsibility to provide accounting of funds, please provide a written report to me of all charges and expenditures.

I understand the following transactions were made:

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/1/92</td>
<td>Check # 180 Payment to Mickey Walker</td>
<td>$100</td>
</tr>
<tr>
<td>4/30/92</td>
<td>Charge at Officeland by Anita</td>
<td>$15.93</td>
</tr>
<tr>
<td>4/30/92</td>
<td>Check to Anita for ?</td>
<td>$595.92</td>
</tr>
<tr>
<td>5/15/92</td>
<td>Cash contributions (homeless &amp; Lenny)</td>
<td>$100</td>
</tr>
<tr>
<td>6/5/92</td>
<td>Equipment (walkie talkies)</td>
<td>$176.34</td>
</tr>
</tbody>
</table>

In addition, I believe there has been $22.87 in bank charges since the end of April on the two accounts.

I am particularly interested in learning the purposes of the $15.93 charge to Officeland, the $595.92 check to you, and any other charges or expenditures not listed.

Please provide this information as soon as possible. I appreciate your cooperation in these matters.

Sincerely,

Jeffrey Butler
September 8, 1992

Tom Fredenburg
NHLA
Green Street
Concord, NH 03301

Dear Tom,

Please make a F.O.I.A. request to Loan Management at HUD in Manchester on behalf of the tenants of Royal and Concord Gardens for the following information:

Copies of the most recently completed audits for Royal and Concord Gardens. I am informed by Jack Donovan of the N.H. Community Development Finance Authority that these are public documents. The purpose is to review how the owners spent money on the projects for us to be informed and to take advantage of opportunities when they arise.

Whether or not the owners are proceeding under Title II or Title VI of the Housing Act. This Spring they had to make a choice after the new rules came out. We need to know because if they chose to proceed under Title VI there are many more requirements for disclosing information to tenants.

The results of the property appraisal completed by HUD. This information will be helpful in determining the potential of a future sale and/or the limits for capital improvements in the event they don’t sell. It is my understanding this appraisal was completed in the last year and was the major source of contention between the owners and HUD in the Plan of Action.

When are the current Section 8 subsidies due to expire?

Thank you for your assistance in these matters. The Tenants’ Association is going through a period of reorganization without the officers "elected" in 1992 or two previous members. We will be holding meetings soon and I plan to keep you informed.

Sincerely,

Jeffrey Butler
ROYAL-CONCORD GARDENS TENANTS' ASSOCIATION
17 Concord Gardens Apartment 1
Concord, NH 03301
(603)224-8348

September 8, 1991

William J. Slotnik, Executive Director
Community Training and Assistance Center
30 Winter Street
Boston, MA 02108

Dear Mr. Slotnik,

Please be advised that Anita Shea requested me to delay sending the report until after we had completed mediation. On Monday, August 31 Ms. Shea, two members (Mr. and Mrs. Carr) and I met with the attorney mediator.

In that meeting Ms. Shea announced that as of noon that day the "officers" and the Carrs had resigned from the Royal-Concord Gardens Tenants' Association.

The remaining members and I plan to continue to meet and to organize. We will keep you informed of our progress. I regret that our organization has had to go through so much turmoil, but I understand that it is not so unusual.

Please do not hesitate to contact me for any reason. Thank you for your assistance and patience.

Sincerely,

Jeffrey Butler
Anita Shea  
23 Concord Gardens Apt. 4  
Concord, NH 03301

Dear Anita,

This letter is to acknowledge your resignation from the organization, to let you know how much I appreciate your work for the R-CGTA, and to thank you for giving me the materials for the R-CGTA. We need to make arrangements regarding the checking accounts to close one down and remove your name from the accounts. I also need to ask you to please provide some more information.

In April of this year you transferred the R-CGTA funds to a new account over which I did not have access and removed my name from the account at Officeland. Since it is my responsibility to provide an accounting of all funds to our funders, please provide a written report to me of all the charges and expenditures since April. I need to report the dates, amounts, and purposes of each transaction. I will list the transactions I am aware of here. Please fill in any unlisted or incorrect information.

4/1/92 Check #180 for payment to Mickey Walker $100
4/30/92 Charge at Officeland by Anita. *Purpose unknown* $15.93
4/30/92 Check to Anita. *Purpose unknown* $595.92
5/15/92 Cash contributions for homeless & Pingrees $100
6/5/92 Cash for equipment (walkie talkies) $176.34

Please note that I am unaware of the purposes of the two transactions on 4/30/92. Additionally, I believe that there have been $22.87 in bank charges since the end of April on the two accounts.

I have no objections to you retaining the printing calculator. I believe Mickey still may have some supplies, such as hanging files, file folders and notebooks.

Thank you for your cooperation in these matters. Best wishes for you future plans for a new job and new housing. Please do not hesitate to contact me if I can be of any assistance.

Sincerely,

Jeffrey Butler

cc: Tom Fredenberg, NHLA
Kate McGovern, NCI
Housing Development

Issues

After the management company informed tenants they had no plans to sell the property, we waited to see how the regulations from the new housing act would affect their decision. As it turned out, the Act allows the owners to follow the old Title II regulations, instead of the new Title VI regulations, which give tenants a lot more access to information.

The next opportunity for tenants was during the capital needs assessment process, in which tenants could have told HUD what kinds of improvements need to be made. Prior to HUD's capital needs assessment inspection this summer, the management company sent around a notice, but failed to indicate the important purpose of the inspection. When asked how long tenants had to submit comments on the capital needs assessment, the person in Loan Management at HUD responded that it was completed long ago. She said that under Title II the owners did not have to complete the assessment, but that HUD recommended it. She said the owners sent out an engineer to do inspection, then HUD sent out four of their engineers.

When asked when she anticipated HUD might approve the owners' Plan of Action, when tenants could see what the owners planned, she responded that she didn't know and that the Plan was being processed by the Housing Development Division.

Under the law, when the Gardens became 20 years old (last year), the owners could have chosen to sell the property or stay in. They could have chosen to sell to tenants.

Since the housing market has declined, the owners apparently decided that it is more advantageous for them to stay in. They can benefit from: the cash flow from the properties, the increased value, and through incentives provided by HUD.

HUD's HOPE II Program would provide up to a $13 million grant for a tenant purchase.

The major opportunity for tenants to have a voice in property improvements was during the capital needs assessment process, which HUD now says is completed.

One strategy for tenants, now, would be to involve the city through reporting housing codes violations. After HUD releases the Plan of Action there will be a 30 period for comments, during which the city could have a major impact. During this time tenants will also be allowed to comment on the Plan.

If you want a copy of the city's housing code check list, you can obtain one by calling code enforcement at 225-8580.

R-CGTA

The Royal-Concord Gardens Tenants Association is going through a period of re-organization. Please check the laundry rooms for notices of meeting times and dates.

If you have filled out a member interest form in the past, meeting notices will be delivered to your door.
CATChing Up

The new construction across from Royal Gardens on East Side Drive can hardly go unnoticed.

The Concord Area Trust for Community Housing, or CATCH, is finally beginning construction on 24 units of cooperatively-owned family housing.

CATCH is still accepting applications and can be reached at: 225-8835.

Congratulations to CATCH for helping make the American Dream come true!

Local Economic Development

Where do you go when you need some sewing done or a button repaired? Where can you buy quality local crafts? Who can you call to do some light housekeeping? Who does babysitting in the neighborhood?

These and many other products and services are available right here at the Gardens. The problem has been that there was no way for people to advertise these services.

Beginning with the next issue of The Gardener we will publish classified ads for Garden residents to sell to other residents (Sorry, the rules won’t allow us to do business from our homes with the public).

If you have a product or service to sell and want to advertise to tenants, call Jeff for more information at: 224-8348.

TENANT MEETINGS

Tenant meetings will be held Wednesday evenings from 7 - 8 PM at apartment 17-4 (Kim Butler’s). This is your opportunity to work with your community to make it better.

Oct. 7: Organizational Development
Oct. 14: Tenant Education
Oct. 21: Housing Development
Oct. 28: Management & Maintenance
Nov. 4: Safety & Security

REMINDER

DON’T FORGET TO VOTE IN THE GENERAL ELECTION ON NOVEMBER 3.
YOU CAN STILL REGISTER AT THE CITY CLERK’S OFFICE
October 28, 1992

Dear Residents of Royal and Concord Gardens,

On October 22, 1992 HUD granted to the owners its preliminary approval for refinancing of the properties under a new program called Title II. The refinancing will guaranty that Royal and Concord Gardens remain as affordable housing for the long term. In addition, the refinancing provides new resources to pay for many repairs and improvements to Royal and Concord Gardens. The following is being provided by Boston Investment and Financial Services Corp on behalf of the owners in order to answer many of the questions you likely will have regarding the impact of the refinancing on you.

1. **Q: What is Title II?**

A: Title II is a new program developed by HUD to preserve certain affordable rental housing developments for the benefit of low and moderate income families for the long term. In exchange for the owners' agreement to preserve this housing for persons of limited incomes, HUD provides owners certain incentives including new Section 8 rental subsidy and equity loans.

2. **Q: How is the new Section 8 rental subsidy administered?**

A: For all Title II properties in the Concord area, you qualify for Section 8 rental subsidy if your annual gross income is less than the following:

1 Person Family: Income < $15,300 per year
2 Person Family: Income < $17,500 per year
3 Person Family: Income < $19,650 per year
4 Person Family: Income < $21,850 per year
5 Person Family: Income < $23,600 per year
6 Person Family: Income < $25,350 per year

Note: If you recently have had a change in income, it is necessary for you to recertify your income with management within the next 60 days. If you have not had a change in income, you do not recertify until your next regularly scheduled lease renewal.
3. **Q: How much will my rent be in the future?**

A: All current residents of Royal and Concord Gardens, both those who will qualify for Section 8 and those who will not, will pay a monthly rent equal to 30% of their adjusted monthly incomes, up to the following initial maximum limits: 1 Bedroom Apartment: $510; 2 Bedroom Apartment: $680; 3 Bedroom Apartment: $855. For those residents with Section 8, the federal subsidy will cover the difference between the resident's contribution (30% of adjusted income) and the rents listed above. At present, approximately 82% of the current residents of Royal and Concord Gardens will qualify for this new Section 8 subsidy. For those residents without Section 8, the owner will receive no outside subsidy.

For some residents application of the 30% of income formula will result in a reduction from current rent, while for other residents this will result in an increase in rent. Note, however, that any increase will be phased-in over a three year period in accordance with HUD guidelines in order to lessen its impact.

4. **Q: What kinds of repairs and improvements will be done?**

A: The most significant improvements are the replacement of every window with new thermal break energy efficient windows. In addition, all of the original boilers and hot water heaters will be replaced. A new playground area will be created behind the management office. Other items include: significant repaving, new building signage, refurbishment of the laundry rooms, refurbishment and replacement of many kitchen appliances, cabinets and counters, new bathtub enclosures, new bath flooring and bath/kitchen faucets. Additional insulation will be installed in the attic spaces and all second story decks will be replaced.

5. **Q: When will these changes happen?**

A: If everything proceeds according to schedule, we estimate that the revised rental structure will be implemented as of February 1. We will keep all residents posted as to our progress. Depending on weather conditions, we anticipate that the repairs will begin shortly thereafter, and be fully completed approximately 12 months later.
This is to advise you that the Plan of Action (POA) for the above-referenced project has received preliminary approval pursuant to Title II, Subtitle B of the Housing and Community Development Act of 1987 and HUD's implementing regulations at 24 CFR Part 248. If you have any comments concerning the Plan, HUD will take them into consideration before granting final approval. If you wish to submit a comment, you must do so within 60 calendar days from the date of this notice. Please address them to:

Francis Gros Louis  
Chief, Loan Management Branch  
U.S. Dept. of Housing and Urban Development  
275 Chestnut Street  
Manchester, NH  03101-2487

Final Approval of the POA is subject to the following:

1. Firm commitment for a maximum of $2,769,592 Section 241(f) loan and the receipt and satisfactory review of any conditions placed upon the firm commitment.

2. Written certification that the required tenant notice for the POA has been sent to each tenant as well as posted in each occupied building at the project for 60 days.

3. Written certification that the tenant notice requirements contained in 24 CFR, Part 245 for proposed rent increases has been posted.

4. An owner's certification that the units set aside for Section 8 assistance meet housing quality standards, per 24 CFR 886.113, including lead paint abatement.

5. HUD review of tenant comments received and final approval of any possible modifications in the terms of the POA resulting from consideration of these comments.

6. An Owner's Certification that low income housing tax credits will not be used in this transaction (Notice 90-17).

The terms and conditions of the preliminary approval of the Plan of Action are as follows:
Management & Consultants Meet with Tenants

Wednesday evening, Oct. 27 Tom Chamberlain of Royal Management, Bob Cardman and Jeff Goodman of Boston Investment and Financial Services Corporation, consultants, met with tenants to discuss the owners’ Plan of Action for the Gardens, to which HUD has given Preliminary Approval. The consultants said they anticipate closing the deal by the end of January.

About 45 tenants were at the hour and a half meeting to hear what the speakers had to say and to ask questions.

A two-page handout was distributed explaining the Plan (copies should be available at the office).

The owners have chosen their option to retain the property and maintain it as affordable housing, rather than sell. The consultants said they hope to distribute a notice to tenants within the next week.

The notice starts the clock for the 60 day period for review and comments on the Plan by the community and tenants. It is the only opportunity for input on the plan when tenants and others can make recommendations for things which should be included.

Plans for Affordability

In order to preserve the Gardens as affordable housing, plans call for increasing the number of Section 8 subsidies from the current 120 to about 246 of the 300 units. Rents on the remaining units would be capped at $510 for 1-bedroom, $680 for 2-bedroom, and $855 or 3-bedroom units. Utilities will remain included in the rent.

Under Section 8, tenants pay only 30% of their adjusted gross incomes for rent. The government pays the owners the difference between what the tenant pays and the rent caps listed above.

So, if you have a 2-bedroom apartment and receive $609 income a month, you would pay $183 a month (without any adjustments) and the government would pay the $426 difference. Adjustments to reduce income include payments for medical expenses, child care and deductions for handicaps and for children.

At tenants' request, Mr. Chamberlain said he would make a list of adjustments and deductions available at the office.

Qualifications for Section 8 include those households with 50% or less of median income:

<table>
<thead>
<tr>
<th>Household size</th>
<th>Annual Max. Income limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Person</td>
<td>$15,300</td>
</tr>
<tr>
<td>2 Person</td>
<td>17,500</td>
</tr>
<tr>
<td>3 Person</td>
<td>19,650</td>
</tr>
<tr>
<td>4 Person</td>
<td>21,850</td>
</tr>
<tr>
<td>5 Person</td>
<td>23,600</td>
</tr>
<tr>
<td>6 Person</td>
<td>25,350</td>
</tr>
</tbody>
</table>

82% of curent tenants have incomes which qualify them for Section 8. Tenants with recent changes in income would have to recertify within the next 60 days. The Section 8 contract between the owners and HUD lasts for 5 years and can be renewed after that. According to the consultants, there will be one more opportunity to change the number of Section 8's before the contract is finalized.

What About Families with Incomes Higher than 50% of Median Income?

Tenants would still pay 30% of their income up to the maximum rents listed above. Rent increases would be phased in over a three year period.

One tenant at the meeting remarked that there is plenty of housing in the area that costs less. Mr. Cardman responded that you can "vote with your pocketbook", meaning that you can choose to move if you can find cheaper housing elsewhere. The same tenant asked if income was counted before or after taxes, and was answered that the policy counts income before taxes. The advantage to staying here is that if something happens and you lose your income, your rent can be recalculated on your lower income.

According to the consultants, there is currently no mechanism to increase the maximum rents, although it is expected there will be a way to increase them, based on HUD-established Fair Market Rents for the County.

The Tenants' Newsletter of Royal and Concord Gardens
Repairs and Improvements
An essential part of the Plan of Action is the owners’ plan for the property. HUD is requiring about $2 million in repairs and improvements (which, on paper, will look like $4 million because of escrow accounts).

Again, the handout listing the information should be available in the office.

Just to tempt you, some of the plans include replacing all the windows with new aluminum energy-efficient ones, additional insulation in the attics to keep the units warmer, replacing the boilers and hot water heaters, repaving, landscaping, and more.

Some apartments require substantial improvements and a few tenants will be inconvenienced by having to leave their belongings and temporarily staying in another vacant apartment while the repairs are made, which could take up to one to two weeks.

One tenant voiced his concern for the security of their belongings if they had to move out temporarily.

Another tenant asked if the Plan included more maintenance crew members, since the ones we have are overwhelmed. The response was that the same number of crew members should be able to respond to problems sooner, since the improvements will mean they won't have to be going to the big jobs that they are now.

Tenants Questions
Tenants were told that some of the repairs will be universal, while others will be specific to certain units.

A tenant asked about water damage. She was answered that there will be a lot of drywall repairs and water drainage problems will be repaired.

Another asked if local labor will be used to do the work. The response was that the subcontract work would be up to the contractors, who have not been selected yet.

A tenant expressed concern for the new playground’s location and safety. Another asked if the management company planned to go ahead with a playground from Community Built, which works with kids and parents to design and construct the playground. The response was that the refinancing loan will provide money for new playgrounds.

Someone asked if there would be new leases, and Mr. Chamberlain said that there would be a new one.

A tenant asked why dishwashers weren't allowed. Mr. Chamberlain said he asked the same question himself and said he thought it had something to do with the capacity of the pipes which remove water.

One tenant asked about plans for the outsides of the buildings and the grounds. The response was that there are plans to do paving, improve building signs, add exterior lighting, painting and repairs to damaged siding, an addition will be made to the maintenance workshop, and landscaping will be improved.

Another tenant expressed concern about puddles which become ice. She was answered that work will be done to change some of the slopes to improve water runoff.

When a tenant asked about improvements, such as adding a deck, the response was that this is not allowed because the building's appearance would not be uniform and decks would decay.

Another question was about the range hoods, for which filters are not available. The response was that there are plans to replace some of them.

There were questions to Mr. Chamberlain from tenants about specific concerns regarding their units and buildings. Mr. Chamberlain stayed after the meeting to answer questions for anyone who wanted to talk to him.

Alternatives
If you are interested in moving to affordable, tenant-owned housing, CATCH is holding informational meetings on the following dates:

- Wed., Oct 28 from 5-7 PM
- Wed., Nov. 4 from 5-7 PM
- Thurs. Nov. 5 from 11 AM - 1 PM
- Tues., Nov 10 from 6-8 PM

at their offices at 79 S. State Street. For more information, call: 225-8835.

The Tenants' Newsletter of Royal and Concord Gardens

October, 1992
SUBJECT: NOTICE TO TENANTS: Preliminary Approval of Plan of Action

PROJECT NAME: Concord Gardens
PROJECT NO.: 024-44007-LDP
LOCATION: Concord, NH

This is to advise you that the Plan of Action (POA) for the above-referenced project has received preliminary approval pursuant to Title II, Subtitle B of the Housing and Community Development Act of 1987 and HUD's implementing regulations at 24 CFR Part 248. If you have any comments concerning the Plan, HUD will take them into consideration before granting final approval. If you wish to submit a comment, you must do so within 60 calendar days from the date of this notice. Please address them to:

Francis Gros Louis
Chief, Loan Management Branch
U.S. Dept. of Housing and Urban Development
275 Chestnut Street
Manchester, NH 03101-2487

Final Approval of the POA is subject to the following:

1. Firm commitment for a maximum of $2,671,892 Section 241(f) loan and the receipt and satisfactory review of any conditions placed upon the firm commitment.

2. Written certification that the required tenant notice for the POA has been sent to each tenant as well as posted in each occupied building at the project for 60 days.

3. Written certification that the tenant notice requirements contained in 24 CFR, Part 245 for proposed rent increases has been posted.

4. An owner’s certification that the units set aside for Section 8 assistance meet housing quality standards, per 24 CFR 886.113, including lead paint abatement.

5. HUD review of tenant comments received and final approval of any possible modifications in the terms of the POA resulting from consideration of these comments.

6. An Owner’s Certification that low income housing tax credits will not be used in this transaction (Notice 90-17).

The terms and conditions of the preliminary approval of the Plan of Action are as follows:
Concord

Subsidized apartments to be fixed up

New federal program changes rent structure; most benefit

By KATHLEEN BURGE
Monitor staff

The owners of Concord Gardens and Royal Gardens hope to keep the two-decade-old apartment complexes for another 20 years under a new federal program that requires them to renovate the housing project.

If the apartment complexes qualify for the new program, tenants would pay rent under new guidelines.

Officials haven't determined who would benefit from the rent changes and who will pay more. But Cecile Dionne, a loan specialist at the federal Department of Housing and Urban Development, said few tenants would see a rent increase.

"It would benefit most tenants," she said.

The 300 apartments, divided evenly between the two neighboring complexes, are among the most affordable housing in Concord. Tenants pay rent on a sliding scale, depending on their income, the size of the apartment and a basic rent.

Under the new program, all tenants would pay rent equivalent to 30 percent of their income.

Now some people are spending 40 or 50 percent of their income on rent, Dionne said. Others are paying less than 30 percent.

For those tenants whose rent will increase, guidelines limit the size of the increase, which can be phased in over three years.

The owners, a three-person partnership, alarmed both tenants and city officials when they notified HUD last year that they would like to sell the apartments. But later, the owners told HUD that they plan to keep the complexes.

The partnership has applied to take part in a new federal program that would allow the owners to take out equity loans on the buildings in exchange for meeting certain requirements, like making repairs.

The program was designed to give owners of federal housing projects an incentive to keep the project for another 20 years, rather than selling.

The number of apartments that qualify for federal subsidies will increase under the new program, said Tom Chamberlain, general manager of the Massachusetts company that manages the apartments. It's still unclear how many more apartments would qualify.

HUD has granted the owners preliminary approval, but final approval could take until spring or summer, Dionne said.

The changes in rent wouldn't take effect until after the federal government granted final approval. Now HUD is taking comments from tenants in Concord Gardens and Royal Gardens about the new program.

The owners have sent tenants information about the new program and held a meeting at the apartment complex this fall.

Now the people who live in the two complexes are waiting to see whether they will be affected by the new rent structure.

Heather Hamblett and Sue Schmitt, two mothers on welfare, weren't worried about their rent increasing because they now qualify for federal housing subsidies. But they were happy to hear about the repairs.

The sliding windows don't lock tightly, they said; the owners plan to replace the windows.

The owners also have told tenants that they will replace boilers and hot water heaters and all second-story decks. And they said they will build a playground behind the management office.

Tony Benson's parents have lived in Royal Gardens for 18 years, almost since the apartment complex first opened. But the couple wasn't worried about the rent increase, she said. "They were looking to move somewhere else," she said, since the apartment complex wasn't well-maintained.
CATCH COOPERATIVE HOUSING INFORMATION

What is cooperative housing? Following are some commonly asked questions about housing cooperatives. We hope the answers provided assist you in understanding what a cooperative community is all about and whether or not cooperative housing is an alternative you and your family wish to explore further.

WHAT IS A COOPERATIVE?

A cooperative (co-op) is a business owned by the people who use it. A housing co-op is a corporation owned by the families who live in the building, who have joined together to provide themselves with the best possible housing at the lowest possible price. Each owner is a member, and each member owns a share in the corporation that owns the property. Only resident members can own shares in the cooperative.

WHY LIVE IN A CO-OP?

If you can't afford a large downpayment or mortgage payments to buy your own home, but you still want stability, control, a decent place to live, and a fair return on your investment, you can pool your money and skills with other people and together "buy" the same kind of control that individual homeowners have.

As a co-op member, you need to meet with your neighbors regularly and will have a chance to know people from other co-ops in the community. This will allow you to learn from each other's skills, interests, and experiences. Eventually, you will be part of a network of people who need and want to work together, which has a different feel to it than a lot of separate houses in just any neighborhood.

SO WHO ACTUALLY OWNS EACH APARTMENT?

The cooperative corporation! Each household buys a share in the entire property that the co-op owns. You are not actually buying your own unit but a share in the co-op, which in turn, owns the building as a whole. CATCH maintains ownership of the land. As a co-op member, you are not taking out a mortgage to buy a piece of property, your cooperative is.

WHY DOES CATCH MAINTAIN OWNERSHIP OF THE LAND?

CATCH is a Community Land Trust. The Community Land Trust model is currently used all over the United States. Community Land Trusts are non-profit organizations which purchase land with the intent of keeping it accessible and affordable to everyone in the community forever. Most Community Land Trusts also have a commitment to provides secure, affordable housing for community residents.
When CATCH purchases land with a building on it, we do one of two things. Sometimes we keep the building and the land, and rent apartments at affordable rents to low-income families. Other times, we help groups of renters to form co-ops, which buy the building from CATCH.

When a co-op is formed, the cooperative association signs a ground lease with CATCH. In the ground lease, CATCH leases the land to the co-op for approximately 99 years. We also develop a resale formula which prevents the co-op from selling its building at market rate. The co-op must sell back to CATCH if it wants to sell, and must sell it at an affordable price so that others can live in affordable housing there afterward.

SO DO I HAVE TO PAY RENT?

Yes, but we call it a monthly carrying charges. Unlike rent, your money does not go into a landlord's pocket for profit. What you pay monthly is based on exactly what it costs to own and run your building, no more and no less. Included in this amount are things like:

* mortgage and rehab loans
* water and sewer bills
* property taxes
* maintenance
* insurance
* joint utilities

In a co-op, you pay your monthly carrying charge to the co-op, similar to renting, but the co-op is owned by you and the other people who live in the building! Members are renting from their own corporation. Because every member is both a stockholder in the corporation and a tenant under an occupancy agreement (or lease) members are often called "stockholders" or "tenant-stockholders."

CAN I BUY RIGHT NOW?

Buying into the co-op is a fairly long process. This is because CATCH wants to make sure that all members of the co-op are ready for ownership, and that CATCH is ready also. Typically, it takes about two years for a co-op to become ready to buy its building. During those two years, CATCH provides Technical Assistance (TA) to the co-op. CATCH's trainers will help the co-op to learn about everything from bookkeeping to writing bylaws to resolving conflict in the group.

When the co-op feels ready to purchase the building and CATCH feels that the co-op is ready also, we enter into a closing agreement where the co-op buys the building. At that point, all members must pay a downpayment. The security deposit you pay when you move in counts toward the downpayment, and CATCH helps each member to develop a savings plan to save up the rest of the downpayment or price of the share.
Until the time the co-op buys the building from CATCH, residents actually do pay rent to CATCH, who is the landlord until selling time.

**WILL THE CARRYING CHARGES EVER GO UP?**

Realistically speaking, yes, especially considering the current rate of inflation. Roughly half of the initial monthly carrying charge is mortgage principal and interest and that, of course, does not change unless the corporation refines the mortgage. But the other portion of the monthly charge includes such items as real estate taxes, insurance, and maintenance, and all of these are subject to increase. The chief advantage of a cooperative is that charges are budgeted on a cost-only basis, which means that the only increases in monthly charges will be increases caused by the rising costs of operating your building. You and your fellow co-op members will be deciding what the monthly charges need to be, not a landlord trying to make the biggest possible profit off your building. If you can find a way to spend less money, then you can avoid some increases. For example, members can contribute their own skills and energy to complete a task like snowplowing, or can pay other people to do it.

**WHO RUNS THE CO-OP?**

You and your neighbors do! Co-ops are run by a Board of Directors who are democratically elected by the co-op members. Each household has one vote. If you are on the Board of Directors, you will be sharing in the responsibility of making decisions as a group that affect the co-op. Some of your responsibilities as board members will be to help decide on house rules (such as a pet policy), select new members, make sure that necessary repairs are made, and set the monthly carrying charges.

The backbone of the coop is usually the committees. Committees do most of the work, and come to the Board of Directors when they need to make policy decisions or make big financial decisions. Committees typically do all of the researching of costs, and develop recommendations to the Board. Most coops have at least the following committees: Legal, Finance, Maintenance, and Social.

**WHO TAKES CARE OF THE BUILDING?**

Again, you and your neighbors do. Many co-ops have an outside management company to assist them with certain tasks, like collecting carrying charges and paying co-op bills. The difference between a coop and traditional rental housing with a paid management company is that in a coop, the management company is supervised and hired by the coop.
When the cooperative is ready to buy the building, you will be able to decide whether to continue hiring the property management company or to go it on your own. If you and other co-op members decide to manage the building yourselves, you can split up the responsibilities according to your abilities. One member, for instance, would keep the financial books, another might be responsible for snow shoveling and yard work, and a third minor repairs and maintenance of the common areas. Regardless of how you split up the tasks, however, you will each have to put in a certain number of hours a month doing things for the co-op.

Even though it may seem like a lot of work to be a member of a co-op, when you can divide tasks among several households, it takes a lot less of your time than if you were a traditional homeowner and had to take care of everything yourself. Also, you are saving money every time you do a co-op task yourselves.

WHAT IF I WANT TO MAKE IMPROVEMENTS TO MY APARTMENT?

Residents in the co-op enter as renters, and upon completion of training, become co-op shareholders. After that time all interior decorating, painting, etc. is the shareholder’s responsibility. (Prior to receiving shares, residents must petition in writing the co-op Board of Directors to make changes in their unit.) Any installation or alteration to the apartment, such as adding a bathroom, must have prior written approval of the Co-op, and in many cases the approval of other funding sources for the development.

IS THE COOPERATIVE PROTECTED AGAINST UNFORSEEN EXPENSES?

There are a number of different types of unexpected emergencies that can come up in a housing co-op: minor and/or major repairs, vacancies, or increases in the cost of operating the building, like increases in property taxes or water and sewer bills. There are a number of different mechanisms built into the co-op to help deal with these types of emergency situations and their costs.

In the event of minor unexpected repairs, you or one of your co-members will have to arrange for the repairs to be made. They will be paid for out of the co-op’s maintenance budget.

All CATCH buildings converted into co-ops will have been recently renovated. Eventually, though, major building systems, like the roof or heating system, for instance, may need to be replaced. While the co-op will still be responsible for arranging the repairs, the money to pay for them will come from a reserve fund that you will be paying into on a monthly basis.
The money to pay for other emergencies, like vacancies or increases in costs, would also come out of other reserve funds. Part of each co-op member’s monthly carrying charge will be set aside in a reserve fund. These reserves are similar to a savings account for the cooperative. The budget that CATCH uses to establish the rent includes these reserves. Once the co-op owns the building, they can decide whether to raise or lower the amount contributed to the reserves.

WHAT ABOUT INSURANCE ON MY PROPERTY?

The co-op corporation carries insurance only for the building. It does not carry insurance on your own individual personal property. You may take out an individual policy for your personal belongings.

WHAT ABOUT TAX DEDUCTIONS?

In many co-ops, your portion of the monthly charge paid out by the corporation for real estate taxes and interest on the mortgage is tax deductible by you. At the end of the fiscal year, the corporation will issue every member a statement telling you how much you may claim for interest and real estate tax deductions. The amount of deduction you will get depends upon your family’s particular tax status.

WHAT IF I DON’T GET ALONG WITH MY NEIGHBORS?

The key word in learning to live in a co-op is cooperation. Before you can own your share in the building, all adult members of your household will be required to participate in a series of training sessions that will help give you and other co-op members the necessary skills to try to resolve conflicts on your own (this is part of CATCH TA). CATCH estimates that training sessions will be held 1 or 2 times per month for around two years prior to the time the cooperative buys the building. If you have a conflict that you can’t resolve on your own, you can receive outside help from co-op members from other buildings, or from the Mediation Center.

Without each member’s commitment to try to resolve conflicts, a co-op can’t survive. If you have difficulty making compromises with other people, a co-op may not be for you.

WHAT ARE SOME WAYS THAT MEMBERS PARTICIPATE?

Members attend meetings and training, vote in elections, and serve on the board of directors and committees. Depending on what members want, the co-op can plan social and other activities. Each family also shares in the maintenance of common areas and grounds.
You can be a tremendous asset to the Cooperative. Each member who takes an active interest in the community helps to make it a better place for all. By working together, the co-op cuts costs and keeps carrying charges down. By planning and sharing both work and play activities, you get to know your neighbors and are able to develop a stronger sense of belonging in the community.

HOW DOES MY SECTION 8 FIT INTO ALL THIS?

It is very important to know that if you are using a Section 8 subsidy, all the HUD and Concord Housing Authority restrictions of the Section 8 program will apply to you. These restrictions include the number of people allowed in your townhouse, how those people are related (are they married?), and other things. If you are going through the Section 8 program, it is VERY IMPORTANT that you know your regulations. If you need help to get more information on these, please call Betty at Concord Housing Authority (224-4059) - she can help to put you in touch with the answers.

This means that if you live in a cooperative with Section 8 units (like the new Townhouses), the co-op must abide by Section 8 rules for the families in those units. In other words, though co-op members get to set their own rules, they must do so with Section 8 rules in mind.

WHAT HAPPENS IF I WANT TO MOVE OUT?

When you decide you want to leave your apartment, the co-op corporation will have the first right to purchase your share. CATCH co-ops are limited equity co-ops, which means the resale price of shares in the cooperative are limited. You will not be able to sell your share to whomever you want at whatever price the market will bear. The reason is simple: a key goal of CATCH is to create and then maintain affordable housing over the long-term. The limited equity formula means that housing will be affordable for generations.

When you move, the maximum you can receive is your share cost, with interest, added to your portion of the mortgage principal that has been paid, plus a modest adjustment for inflation and authorized improvements.

SO HOW DO I GET INVOLVED IN A CO-OP?

Please call CATCH for more information (225-8835)! Everyone is eligible to apply. You will be invited to attend an Orientation, then, you fill out an application. The resident selection process includes an interview and reference checks. CATCH has a resident selection committee to review applications.

If you desire to own and manage your own home and feel you would like to do it cooperatively with your neighbors, a co-op may be the right housing alternative for you!
PARTIAL LIST OF NON-FEDERAL HOUSING RESOURCES

Center for Community Change  
1000 Wisconsin Avenue, N.W.  
Washington, DC 20007  
202/342-0519

Community Information Exchange  
1120 G Street, N.W., Suite 900  
Washington, DC 20005  
202/628-2981  
(Published Raising the Roof: A Sampler of Partnerships for Affordable Housing, with United Way)

Enterprise Foundation  
500 American City Building  
Columbia, MD 21044  
301/964-1230

Habitat for Humanity  
Habitat and Church Streets  
Americus, GA 31709-3498  
801/723-7133

Housing Assistance Council  
1025 Vermont Avenue, N.W., Suite 606  
Washington, DC 20005  
202/842-8600

Local Initiatives Support Corporation  
733 3rd Avenue, 8th Floor  
New York, NY 10017  
212/455-9800

Low Income Housing Fund  
605 Market Street, Suite 200  
San Francisco, CA 94105  
415/777-9804

Low Income Housing Information Service  
1012 14th Street, NW, Suite 1200  
Washington, DC 20005  
202/662-1530
National American Indian Housing Council
122 C St., N.W., Suite 280
Washington, DC 20001
202/789-1754

National Association of Affordable Housing Lenders
43 Commercial Wharf, Suite 9
Boston, MA 02110

National Council of State Housing Agencies
444 North Capitol St., N.W., Suite 438
Washington, DC 20001
202/624-7710

National Low Income Housing Coalition
1012 14th St., N.W., Suite 1200
Washington, DC 20005
202/662-1530
PARTIAL LIST OF POTENTIAL FEDERAL HOUSING RESOURCES

Farmers Home Administration (FmHA) - provides money for home repair and rehabilitation, rent and ownership. FmHA is the lender and does not require approval from lending institutions. Loans for single family homes are done through FmHA county offices and multi-family housing loans through the FmHA district office. FmHA offices are listed under the U.S. government in the phone book. The Housing Assistance Council (1025 Vermont Ave., N.W., Suite 606, Washington, D.C. 20005, 202-842-8600) is also a good source for information on FmHA programs.

Section 502 - Home Ownership Loans: includes a Rural Housing Demonstration Program which allows construction and design which does not meet standard rules and regulations, and does not cause any health or safety problems. Annual notice of program published in December; in the past, there has been $10 million available per year.

Other parts of 502 of interest to Indians include the Homeownership Loan Incentive Program and the Homeownership Loan Inventory Program.

Section 504 - Very Low Income Housing Repair Loans and Grants: provides grants (for 62+ population only) and loans (owner-occupants with incomes below 50% of median who can’t secure affordable credit from other sources) for home repairs to decrease safety and health hazards.

Section 515 - Rural Rental and Cooperative Housing Loans: loans to finance or "cooperatively" owned homes, including congregate homes for elderly and disabled (but not nursing homes of skilled nursing facilities). Also includes a Rural Housing Demonstration Project similar to the one listed above in Section 504.

Section 523 - Self Help Technical Assistance Grants: provides TA to groups that sponsor self-help housing programs (tribes can fall under this group). Program allows groups of families to use Section 502 monies to jointly build homes, resulting in lower construction costs.

Section 521 - Rural Rental Assistance Payments: provides rent subsidies for low-income families or individuals to reside in FmHA rural rental, cooperative or farm labor housing.

FmHA also has community programs, such as water and waste disposal, community facility, business/industrial loans, solid waste management grants, emergency community water supply grants.
Indian Housing Authorities can participate in HUD programs after demonstrating to HUD that it can finance, own and operate housing projects. Some of the HUD programs are listed below; for more detailed information contact your regional HUD office.

**Section 8 Programs** include moderate rehabilitation, rental voucher and rental certificate programs; available to households with incomes that fall below 80% of the area median. Contact: 202/755-4969, 202/708-0477.

**Public and Indian Housing Program** provides housing to low income families through purchase or construction. Contact: 202/755-0950.

**Low Income Housing/Homeownership Opportunities for Low Income Families** helps Indian families, with the assistance of Indian Housing Authorities (IHA), purchase homes. IHA acts as lender and family pays mortgage to the IHA. Contact: 202/708-1015.

**Comprehensive Improvement Assistance Program** (CIAP); IHA's can use this funding for major capital improvements and repairs; homeowners can sometimes access CIAP funds for repairs that address various health, safety or energy conservation needs. Contact: 202/755-0950.

**HOPE I - Homeownership and Opportunity for People Everywhere**; provides planning and implementation grants to low income families, families already living in public or Indian housing, or families receiving other HUD assistance to use in buying homes through sales of public housing, privately owned housing, publicly subsidized housing, and FHA foreclosed housing. Contact: 202/708-4233.

**HOME** provides for low income housing grants; states and local jurisdictions can use the federal money allocated to them based upon the needs of the area, and can include new construction, renovation or rental assistance programs. Contact: 202/708-2685.

HUD also has various community development programs that may be accessed by Indians and tribes: Indian community development block grants (202/708-1322), rehabilitation loans (202/708-1367), and HOPE III (202/708-0324) which pushes for first time buyer purchase of homes.

Various HUD mortgage programs include HOPE II (202/708-4542) which helps residents buy and maintain multifamily properties, various forms of mortgage insurance, and a housing counseling assistance program (202/708-3664).
Community Reinvestment Act, passed in 1977, mandates banks and savings institutions develop procedures to meet the credit needs of the entire community they serve, especially low income persons. For more information, contact: National Community Reinvestment Coalition, 1000 Wisconsin Ave., N.W., Washington, D.C.; 202/342-0717.

Federal Housing Finance Board (FHFB) oversees Federal Home Loan Banks, but not to same extent as the Federal Home Loan Bank Board. Monitors/oversees Community Investment Program (program required by savings and loan (S & L) bailout which offers very low interest-rate advances to federal home loan banks to be used solely to finance community development activities - savings from low interest rates must go back to lenders customers), and the Affordable Housing Program (also required by the bailout; federal home loan banks must offer "subsidized advances" to member lenders for investments in affordable housing projects that are aimed at moderate and low income people). For information, contact: FHFB, 1700 G Street, NW, Washington, DC 20552; 202/408-2848 or 2825.

Resolution Trust Corporation (RTC), was established by the S & L bailout act, and is responsible for taking over S & Ls that have failed and selling their assets to try and recapture some of the tax dollars spent on the failures. RTC Affordable Housing Program mandates that RTC set aside apartments and houses it acquires when it takes over S & Ls and designate them for sale to low income individuals or non-profit agencies that will designate them as low income units. For more information, contact: Affordable Housing Disposition Program Operations Specialist at 202/416-4012.
Mott Conference Participants

Allen Park Tenants Association
75 Market Place
Springfield, MA 01118
(413) 782-5951

Denise Gore, Executive Director
Danielle Shultzki, Board Treasurer
Pat Sirensky, Board President

Coalition for a Better Acre
450 Merrimack Street
Lowell, MA 01854
(508) 453-7519

Elizabeth Gutierez, Organizing Director

Comunidad En Accion
P.O. Box 2953
New Britain, CT 06051
(203) 224-4225

Hector Ortiz, Executive Director
Rosa Rivera, Program Associate

Direct Action for Rights and Equality
340 Lockwood Street
Providence, RI 02907
(401) 351-6960

Mattie Smith, Board Treasurer
Sheila Wilhelm, Board Chairperson
Dudley Street Neighborhood Initiative
513 Dudley Street
Roxbury, MA 02119
(617)442-9670

Gus Newport, Executive Director
Sue Beaton, Board Member

East Harlem Interfaith
2050 Second Avenue
New York, NY 10029
(212)427-1500

John Berry, Steering Committee Member
Carlos Permell, Program Associate
Reverend John Vaughn, Executive Director

Highgate Residents Association
106 Highgate Drive
Barre, VT 05641
(802)479-5357

Kadie Schaeffer, Community Organizer
Greg Wagner, Board Member

Inquilinos Boricuas En Accion
405 Shawmut Avenue
Boston, MA 02118
(617)262-1342

Clara Garcia, Executive Director

North Canal Tenant Council
450 Merrimack Street
Lowell, MA 01854
(508)453-7519

Pedro Alguila, Council President
Roni Gibely, Council Member
Northgate Residents Association
361 Northgate Road
Burlington, VT 05401
(802)862-3911
Helen Maciejewski-Foley, Executive Director

Prospect Corridor Bronx Task Force
965 Longwood Avenue
Bronx, NY 10459
(212)328-1064
Raoul Murez
Yolanda Rivera, Executive Director

Royal-Concord Gardens Tenants’ Association
17 Concord Garden, Apt. #1
Concord, NH 02121
(603)224-0596
Jeff Butler, Association President
Anita Shea, Association Vice President

Union of City Tenants
GPO Box 980
New York, NY 10116
(212)463-7818
Bernard Alaston, Lead Organizer
Gwendolyn Evans, Board Co-Chair

Waltham Alliance To Create Housing
333 Moody Street
Waltham, MA 02154
(617)891-6698
Charlotte Dickson, Executive Director
Danton Perez, Organizer
New Hampshire Community Loan Fund Survey of
New Hampshire Affordable Housing Network
1992

Organizational Information
(This Page May Be Completed by Telephone Interview)

What is the name of your organization?:

What year was the organization incorporated?:

What is your group's target (area, income, etc.)?:

Staff positions: # Paid _______ # Volunteer Staff _______

Titles: _____________________________________________

________________________________________________________

Number of Board Members:_____
(Please complete enclosed board member check list)
Number and names of committees: #

If you use, number of non-staff, non-board members serving on committees:_____
What is their expertise?:

Number of Members (for membership organizations):_____

Annual Dues: $______

Date of Annual Meeting: _______________________

Total # of Projects Developed & Under Development: _______  Total # Units:_____

Other Development Activities
Does your organization undertake planned activities to foster business owners/investors? If so, what?

Does your organization do direct property management?

Does your organization provide training in property management?

Does your group undertake planned activities in community organizing and advocacy?

Does your group provide tenant counseling services?

Does your group provide shelter for the homeless?

Does your group provide homeowner counseling?

What other services does your group provide?

Does your group have a computer?  What type?  What software?  Does it have a modem?
**SOURCES OF OPERATING REVENUE**

**CURRENT YEAR**

<table>
<thead>
<tr>
<th>Dollar Amount</th>
<th>% of Revenues</th>
</tr>
</thead>
</table>

1. **Net Operating Income** (AKA positive cash flow from property, surplus, owners’ fee, excess revenue over expenses):

2. **Internal Fees**
   - Rents:
   - Service Fees:
   - Admin. Fees:
   - Other:

3. **Interest Income**:

4. **Memberships & Dues**:

5. **Donations**:

6. **Local Government**:
   - CDBG:

7. **Local Corporate**:

8. **Local Religious**:

9. **Foundations, Grants, & Gifts**:
   - Mott:
   - United Way:
   - Other:

10. **Other**:

**TOTAL REVENUES: $**

Capital Reserves Account:
New Hampshire Community Loan Fund Survey of New Hampshire Affordable Housing Network 1992

**PROPERTIES DEVELOPED**
(Please copy this page for each project)

<table>
<thead>
<tr>
<th>Location (street):</th>
<th>Year completed:</th>
<th>Project Type¹:</th>
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<table>
<thead>
<tr>
<th>Housing Type (circle):</th>
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<tr>
<td>Single Family</td>
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<table>
<thead>
<tr>
<th>Properties-Units:</th>
<th>(Scattered Site)</th>
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<table>
<thead>
<tr>
<th>Bedrooms:</th>
<th># 1-BR</th>
<th># 2-BR</th>
<th># 3-BR</th>
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<tr>
<th>Income Levels:</th>
<th>TDC:</th>
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<table>
<thead>
<tr>
<th>Rents:</th>
<th>Cost/Unit: (If known)</th>
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<thead>
<tr>
<th>Cash flow:</th>
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<table>
<thead>
<tr>
<th>What happens to cash flow (maintain properties, reduce rents, recovered by organization)?:</th>
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<table>
<thead>
<tr>
<th>Developer's fee:</th>
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<tbody>
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**Project Funding Sources**

<table>
<thead>
<tr>
<th>CDBG:</th>
<th>NHHFA AHF:</th>
<th>NHHFA Other:</th>
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<tr>
<th>FHLB AHP:</th>
<th>HOME:</th>
<th>NHCLF:</th>
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<table>
<thead>
<tr>
<th>CDFA</th>
<th>Local Bank Pool:</th>
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| Other: | |
|--------| |

Also, if known, has bank sold loan to a secondary market? Please list local bank pool terms.

¹ Project types: New Construction, acquisition, substantial rehab (more than $25K), moderate rehab., repairs or weatherization, commercial or industrial development.
New Hampshire Community Loan Fund Survey of New Hampshire Affordable Housing Network 1992

(Please copy this page for each project)

PROPERTIES CURRENTLY UNDER DEVELOPMENT

Location (street): ____________________________________________________________

Date of Purchase & Sale Agreement: __________________________________________

Anticipated completion date: ________________________________________________
(rent up or rehab. complete)

Project Type¹: _______________________________________________________________

Housing Type (circle):
Single Family   Multi-Family   Commercial   Rental   Condo   Coop

Properties-Units: __________ -- __________

Bedrooms: # 1-BR: ______ # 2-BR: ______ # 3-BR: ______

Income Levels: ______________________________________________________________

Acquisition Cost: $ __________________________

Rehab. Cost: $ __________________________

Est. TDC: $ __________________________

Est. Cost/Unit: $ __________________________
(If known)

Funding sought (sources & amounts):

¹ Project types: New Construction, acquisition, substantial rehab (more than $25K), moderate rehab., repairs or weatherization, commercial or industrial development.

Notes:
## New Hampshire Community Loan Fund Survey of
New Hampshire Affordable Housing Network
1992

### HOUSING DEVELOPMENT

<table>
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<tr>
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<td>Bedrooms</td>
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</tbody>
</table>
Program Helps Families to Build Their Own Homes

Do you want to:

* Perhaps pay less for a mortgage than you now pay for rent?
* Become a homeowner with less than $500 as a down payment?
* Build the house to save on construction costs?

If you want to do these three things, then you should attend one of the upcoming meetings to see how you can participate in the Self Help Homebuilding program and become a homeowner.

Through the Self Help Homebuilding program, people in Androscoggin and Oxford counties who otherwise might not be able to become homeowners are able to own houses "with a tiny bit of cash up front - less than $200 for a year's insurance - have a small mortgage payment and do a great deal of work."

"We're trying to come up with families for the next batch of six houses to be built," states Hank Wakefield, coordinator of the Self-Help Homebuilding program for Community Concepts, a private, nonprofit organization with over 25 years experience with housing.

Community Concepts, in cooperation with the Farmers Home Administration, provides technical assistance to groups of qualified families agreeing to mutually build six homes, of which one will be theirs. The first group of 6 families sponsored by Community Concepts began building in May and expect to be in their homes by Christmas.

According to Wakefield, a group of six FmHA-qualified families form an association that becomes responsible for building 65 percent of six houses. "They're not building their own house by themselves," states Wakefield. Contractors are hired for such items as foundations, plumbing, electrical, and heating. The rest is up to the group.

Family members are required to put in 25 hours per week. During the first round of 6 families that are building homes in the Norway/Waterford area, the families are putting in closer to 60 hours per week.

For the next group of six homes, Community Concepts is looking for people with low or very low income who wish they were homeowners but can't come up with the downpayment. A four-person family, for example, is considered very low income if its adjusted gross income is below $15,700. It's considered low income below $25,200.

See Homebuilding page eleven
People in either bracket are usually eligible for 1% mortgage financing, which is making the mortgage payments on the first 6 houses approximately $150 per month.

Although Community Concepts is looking for only six families for this next round, Wakefield says families should still come to the meeting if they are interested, since the agency hopes to build 12 homes each year starting in 1994. It is important for the agency to have families approved by FmHA long before the actual construction begins.

Applicants must be creditworthy. However, Wakefield adds, "if somebody has a problem on their credit record, that shouldn't hold them up" from applying. While the application is being processed, the agency may be able to help clear up the problem. Also, the agency can provide counseling or tips on how to turn the credit history around in order to be eligible a few years down the road.

People should know that "no credit is good credit." In other words, having no credit history is fine.

This is not an emergency program, Wakefield cautioned. It takes a while to process applications, and a lot more time for pre-construction meetings and building. People should think of the program as a long-term investment that will happen within a year's time.

The program is for rural housing, so homes can not be built in Lewiston or Auburn. However, city residents are welcome to apply.

Upcoming informational meetings will be held on Wednesday, August 19th at 6:00 p.m. at the Congregational Church (green church) in Mexico, and at Community Concepts' South Paris office on 35 Market Square on August 24, 26 and 27 at 6 p.m.

If you are interested in the Self-Help Homebuilding program, call Community Concepts at 743-7716. Staff will schedule you for the next meeting in your area.
Key Points

- housing remains predominantly a private good... through the workings of a price and profit system;
- housing has proved unusually vulnerable to a rise in real costs;
- "One consequence of rising real costs and income-creep is a marked decrease in the production of new housing units relative to population and GNP."
- "A second consequence is an ever-expanding system of public subsidy."

Summary

The paper reviews the causes of unaffordability and history of U.S. housing policy and public funding.

4 Waves of Public Intervention:

1. Public intervention in housing in 1892 began as a health and safety issue, rather than affordability. "Better housing was an act of self-preservation; even the affluent were prey to tuberculosis." Also, the threat to the social order.

2. Second wave during the Great Depression. Hoover's Home Owners' Loan Corporation. The era of subsidy had begun.

3. Third wave after WWII, rehousing millions of returning veterans. Urban Redevelopment Act: "A decent home in a suitable environment for every American Family."

4. Kennedy's New Frontier and Johnson's Great Society. Production subsidies were largely replaced by family subsidies and new construction supplanted by

There is a description of the housing problem. Housing affordability and income trends are compared. Cost factors are analyzed.

3 trends over the last 15 years contributing to the problem of housing affordability:
- low-income families lost real income at an unprecedented rate;
- housing prices for the poor escalated faster than for any other group;
- federal support for new subsidized housing was substantially reduced

Homelessness is discussed as the outcome of failed housing policy. Housing quality is addressed, especially for the poor and minorities. Rural housing problems are discussed separately as a quality problem, versus the affordability problem in urban areas. Future needs are projected, indicating that there will be less of a need for new housing starts as the baby boomers age and there will be fewer new households forming.

Support for housing is reviewed, beginning with the Great Society, through the recession in the early 1980's, finishing with a discussion of promising local responses.
Lastly, there is a section on future directions for the Ford Foundation to widen the national policy debate, assist nonprofit housing developers, and link emergency shelter and permanent housing.

Comments

The paper discusses the housing dilemma from the perspective of a funding foundation, with its unique perspective. The record of foundations is impressive, including support for CDC's, establishing the Local Initiatives Support Corporation, Neighborhood Housing Services, Tenant Management Corporations, housing trust funds, community loan funds, the Enterprise Foundation, National Trust for Historic Preservation, the Institute for Community Economics, and the Trust for Public Lands. In short, foundations have been key in the development of the private, nonprofit housing sector. The linchpin of their argument is that philanthropic organizations do not begin to have the resources to pay for the scale of housing needs by itself, but has been central to analysis and supporting capacity for change. Foundations have an important role in providing the seed capital.
CHAPTER 6
ELIHPA Projects

A. INTRODUCTION

Even though there is a new preservation law on the books, the Emergency Low Income Housing Preservation Act of 1987 (ELIHPA) is still available to certain projects. Some owners will be seeking incentives to stay-in or sell the project under ELIHPA, and some purchasers may prefer this option as well. This Chapter reviews the pro's and con's of ELIHPA vs. LIHPRHA, summarizes the rules and regulations that govern ELIHPA projects, and discusses some special issues for tenants, non-profit groups, and public agencies dealing with ELIHPA projects.

1. Eligibility

Certain projects may still be eligible to proceed under ELIHPA, based on the "Transition Rule" provisions of the new statute and regulations (see p. 2-39). In general:

- The project mortgage must be eligible for prepayment on or before December 31, 1992.

- The owner must have filed a valid Notice of Intent (under either LIHPRHA or ELIHPA) on or before December 31, 1990. This action preserved the owner's future right to proceed under either law.

If an ELIHPA Plan of Action was filed after October 11, 1990, the owner must proceed under ELIHPA and is ineligible to file under LIHPRHA.
• Eligible owners who have not filed an ELIHPA Plan of Action, but who wish to continue to preserve their ELIHPA options, must file a new Notice of Election to Proceed within 30 days after the effective date of the Interim Rule. The owner may choose to proceed under ELIHPA or to participate in the LIHPRHA appraisal process before making a final decision. If the owner fails to file this notice, the right to proceed under ELIHPA is forfeited.

• If the owner wishes to proceed under ELIHPA after completing the LIHPRHA appraisal process, a new ELIHPA Notice of Intent must be filed within 30 days after receipt of HUD's notice of the Preservation Value (see p. 2-12). Owners who fail to file this notice forfeit their ELIHPA rights. Owners must compensate HUD for the appraisal expense if they subsequently choose to proceed under ELIHPA.

If an ELIHPA Plan of Action was filed with HUD on or before October 11, 1990, the owner may continue processing under ELIHPA and subsequently seek to convert to LIHPRHA in order to receive additional incentives (see p. 2-40). If an ELIHPA Plan of Action was filed after October 11, 1990, the owner may not refile under LIHPRHA and has no conversion rights.

Nationally, over 600 projects have filed initial notices to preserve their "ELIHPA rights," excluding projects with Plans of Action already approved or in process. See Appendix A to identify Massachusetts projects that may be eligible to proceed under ELIHPA.

2. ELIHPA vs. LIHPRHA: A Comparison

Many owners who have preserved their options are in the process of deciding whether to proceed under ELIHPA or LIHPRHA (as well as whether to stay-in or sell). This is a complex decision that requires a careful analysis of applicable HUD regulations and specific project circumstances.

An informed tenant group, non-profit organization, or local public agency may be able to affect how the owner views his or her choices. If you are a prospective purchaser of a project that is eligible to proceed under ELIHPA, it is important to understand the pro's and con's of each option to determine which is best from the purchaser's point of view. This section summarizes some of the key differences (see also Exhibit 6A).
**Basis For Incentives**

In general, ELIHPA incentives are **affordability-driven**. That is, what the owner can get is based on the reconstituted rent structure under an ELIHPA Plan of Action, which in turn reflects the tenant income profile and the Fair Market Rents for the area. Under LIHPRHA, incentives are **value-driven**. What the owner gets is based on the property's fair market value (Preservation Value), determined through the appraisal process.

**Valuation**

Under ELIHPA, the unsubsidized value of the property is its highest and best use value, whether the owner seeks to stay-in or sell. ELIHPA does not explicitly require conversion and rehab costs to be considered in the appraisal (although state financing or subsidies may; see p. 6-23). Under LIHPRHA, if the owner stays-in, the property can only be valued as market-rate rental housing. Conversion and rehab costs must be backed out of the Preservation Value, and detailed appraisal rules apply.

**Allowable Return**

In ELIHPA projects, the allowable annual return is negotiable under the Plan of Action. Under LIHPRHA the return is fixed at 8% on Preservation Equity. (In the past, some ELIHPA Plans of Action gave owners unrestricted cash distributions. This option does not apply to Plans filed after July 16, 1991.)

**Equity Takeout**

Under ELIHPA, the insured equity takeout loan is the lesser of: (1) 90% of market equity; or (2) the amount of debt that can be serviced based on the reconstituted rent roll (including Section 8 subsidies). Usually, the rent roll is the governing factor. The maximum loan term for future ELIHPA projects, based on the Interim Rule, is 20 years. (Projects with insurance commitments received prior to May 8, 1992--the effective date of the Interim Rule--can extend their loan terms to 40 years.)

Under LIHPRHA, the maximum insured equity takeout loan is the lesser of: (1) 70% of Preservation Equity; or (2) the amount of debt that can be serviced by the 8% allowable return; or (3) the amount of debt that can be serviced at the maximum rents (Federal Cost Limits). The maximum loan term, based on the Interim Rule, is 20 years. At higher interest rates, the allowable return may substantially limit the size of the ten percent of the equity loan proceeds are held back by HUD for years.
Acquisition Loan
Similarly, under ELIHPA the maximum acquisition loan that HUD will insure under Section 241(f) is the lesser of: (1) 90% of market equity, or (2) the amount of debt that can be serviced based on the reconstituted rent roll (including Section 8 subsidies). The maximum loan term, based on the Interim Rule, is 20 years (40 years for "grandfathered" projects with mortgage insurance commitments issued before May 8, 1992). Under LIHPRHA, the maximum 241(f) loan is the lesser of: (1) 95% of Preservation Equity (plus transaction and related costs for Priority Purchasers), or (2) the amount of debt that can be serviced at the maximum rents (Federal Cost Limits). In the Interim Rule, HUD has limited the maximum loan term to 20 years.

Rehabilitation
Under ELIHPA, rehabilitation costs can be funded through the equity or acquisition loan (thereby reducing the amount of proceeds available to the owner or seller). Rehab can also be funded from another source, such as Flexible Subsidy. Under LIHPRHA, rehab is funded separately (e.g., through a 241(d) loan or a Flex Sub loan).

Section 8 Eligibility
Under ELIHPA, Section 8 eligibility is generally limited to very low income households. However, if the project is being sold to a tenant or non-profit purchaser, low income households are also eligible. Under LIHPRHA, very low and low income households qualify for Section 8 assistance in every case.

Section 8 Rent Levels
Under ELIHPA, Section 8 rents are effectively market-based, capped at 100% of the Fair Market Rents. Under LIHPRHA, Section 8 rents are cost-based, capped at 120% of the Fair Market Rents (or submarket area rents, for high-value projects).

Preemption
LIHPRHA preempts state and local laws that limit the ability of owners to prepay or receive incentives, or that are uniquely applicable to prepayment-eligible projects. Under ELIHPA, there is no provision for federal preemption. In jurisdictions with rent control or condominium conversion statutes, this could be a significant factor affecting the appraised value of the property (and the level of incentives the owner can receive).

Eligibility
While the eligibility requirements are essentially the same under both statutes, there are some differences. For example, projects with
defaulted mortgages may be barred or disadvantaged under LIHPRHA, but not under ELIHPA. Projects that cannot demonstrate a “higher and better use” than their current subsidized use do not qualify for ELIHPA incentives. LIHPRHA requires a more specific value test (i.e., the project must have positive Preservation Equity); however, projects may also be disqualified if they are in a “windfall profits” area.

□ Constraints on Sale
Sales under LIHPRHA are heavily regulated, e.g., as to how the value of the property is appraised, what the owner can sell for, who the owner can sell to, etc. ELIHPA sales have much more flexibility. There is no maximum sales price.

□ Incentive Process
Under LIHPRHA, the process for securing incentives is highly regulated, especially for a sale. The Plan of Action cannot be filed until after the Preservation Value is determined (9 months) and, in the case of a sale, the marketing phase is completed (potentially an additional 15 months). The ELIHPA process is relatively unstructured, and the timetable may be different for each individual project. The Plan of Action can be filed simultaneously with the owner's Notice of Intent.

□ Term of Use Restriction
Under LIHPRHA, an owner who receives incentives must retain the property as low and moderate income housing throughout its remaining useful life (at least 50 years). Under ELIHPA, use restrictions are limited to the remaining HUD mortgage term (at most, 20 years).

□ Termination of Use Restrictions
Under ELIHPA, low income use restrictions may be terminated (whether or not the mortgage is prepaid) only if there is no adverse impact on tenants or on the affordable housing supply. Under LIHPRHA, there are numerous grounds for termination and prepayment: i.e., if no bona fide offer is received, if the purchaser cannot consummate the sale, if insufficient appropriations are available to fund the incentives, or if a Resident Council purchases the property for homeownership without continuing affordability restrictions.

□ Information to Tenants
Under LIHPRHA, tenants receive copies of all relevant notices and Plan of Action filings upon submission. Tenants have 60 days to comment on the Plan of Action after it is filed. Sellers must provide prospective purchasers with relevant project information as soon as the official marketing period begins.
Under ELIHPA, tenants get a copy of the Notice of Intent but only a summary of the Plan of Action, after it has received Preliminary Approval. Tenants have 60 days to comment at this stage (which is often too late to make a difference). Prospective buyers must rely on seller good will for project information.

3. Owner, Purchaser, and Tenant Perspectives

☐ Stay-in Owners
Many owners who wish to retain their properties will prefer to seek incentives under ELIHPA. The major advantages are a shorter (20 year) lock-in period and a faster processing timeline.

For stay-in owners seeking equity loans, key variables include the income profile of the project, the applicable Section 8 market rents, and the value of the property. If the project has a high proportion of Section 8-eligible (very low income) tenants and the Section 8 rents are adequate, or the value is relatively low, equity takeout based on the ELIHPA rent roll may equal or exceed the maximum equity loan available under LIHPRHA (70%).

☐ Selling Owners
For owners of high-value projects, the prospects for achieving a fair market value sales price are significantly better under LIHPRHA than under ELIHPA. However, where the property value is limited, an ELIHPA sale may be appropriate. Owners may be willing to accept a lower price under ELIHPA in exchange for faster processing.

If the tenant profile includes a significant number of low income households, a sale to a tenant or non-profit buyer will generally be advantageous (because the availability of additional subsidies will increase the price that can be paid). Owners seeking to retain their management contracts, to sell to related parties, or generally to have more control over purchaser selection may also opt for ELIHPA.

☐ Purchasers
Under ELIHPA, there are no Priority Purchase rights. However, tenant and non-profit groups have a subsidy advantage that can encourage owners to deal with them.

For tenant and non-profit purchasers, ELIHPA offers the benefit of early and more certain site control. The owner's decision to sell is not dependent on HUD's determination of value, and the owner can execute a purchase and sale contract right away. Especially for a non-profit that is not a preferred Priority Purchaser (see p. 2-16), ELIHPA could save a lot of time and risk.
The major problem for the ELIHPA purchaser is that project costs may significantly exceed the debt that can be supported by the ELIHPA rent roll—especially with the reduced (20 year) term for 241(f) loans. Many ELIHPA sales will require substantial purchaser equity. At the same time, if the non-profit can negotiate a substantial price discount on a project with a favorable tenant profile, it may be able to mortgage most of its costs. Non-profits that can expedite ELIHPA transactions will also be first in line for scarce resources (such as Flexible Subsidy) that may be more difficult to secure when the demand increases under LIHPRHA.

**Tenants**

From the tenant's perspective, ELIHPA offers fewer opportunities for prepayment along with several disadvantages. First, the term of required low income use is limited to 20 (vs. 50) years. Second, low income tenants may not receive Section 8 subsidies (although their rents will be limited in any case to 30% of adjusted income). Third, if the owner is getting an equity takeout loan, there is no automatic holdback to use as leverage to assure that repairs are completed. Finally, there is no timely or guaranteed access to information (e.g., Plan of Action).

These problems should not arise where a tenant, non-profit, or public agency is acquiring the project. In these cases, the purchaser should voluntarily agree to extend the property’s low and moderate income use “in perpetuity,” and provide complete access to information for tenants. Section 8 subsidies will be available to all very low and low income tenants. Where the owner is staying-in (or selling to a for-profit purchaser) under ELIHPA, you may want to negotiate an agreement that will remedy these deficiencies.

**B. STATUTORY, REGULATORY, & POLICY FRAMEWORK**

This section summarizes the major statutory provisions governing ELIHPA projects, together with HUD’s implementing regulations (24 CFR 248 Subpart C, as amended) and current field instructions (Notice H91-29, “Processing Plans of Action Under the Housing and Community Development Act of 1987,” April 9, 1991). The field instructions are subject to change.

**General Prepayment Limitation (S. 221, 248.203)**

In general, owners of eligible low income housing may not prepay the project mortgage or voluntarily terminate mortgage insurance without HUD-approved Plan of Action.
### Summary: ELIHPA Versus LIHPRHA

<table>
<thead>
<tr>
<th>Basis for Incentives</th>
<th>ELIHPA</th>
<th>LIHPRHA</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Affordability (tenant profile)</td>
<td>• Value</td>
<td>• Based on appraised Fair Market Value (Preservation Value), determined through appraisal process</td>
</tr>
<tr>
<td>• Based on reconstituted rent roll owner can achieve under Plan of Action</td>
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<table>
<thead>
<tr>
<th>Valuation</th>
<th>ELIHPA</th>
<th>LIHPRHA</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Highest and best use</td>
<td>• Stay-in: market-rate housing</td>
<td>• Sale: highest and best use</td>
</tr>
<tr>
<td>• No requirement to deduct conversion costs (unless MHFA Appraisal Guidelines apply)</td>
<td>• Conversion costs deducted</td>
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<th>Allowable Return</th>
<th>ELIHPA</th>
<th>LIHPRHA</th>
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<tbody>
<tr>
<td>• Negotiable</td>
<td>• Limited to 8% on Preservation Equity</td>
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<th>Equity Loan Amount:</th>
<th>ELIHPA</th>
<th>LIHPRHA</th>
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<td>• Lesser of:</td>
<td>• Lesser of:</td>
<td></td>
</tr>
<tr>
<td>1) 90% market equity; OR 2) amount of debt serviceable through reconstituted rent roll</td>
<td>1) 70% Preservation Equity; OR 2) amount of debt serviceable through 8% allowable return on Preservation Equity; OR 3) amount of debt serviceable at maximum rents (120% FMRs)</td>
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<th>Maximum Term:</th>
<th>ELIHPA</th>
<th>LIHPRHA</th>
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<td>• 20 years *</td>
<td>• 20 years</td>
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<tr>
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<th>ELIHPA</th>
<th>LIHPRHA</th>
</tr>
</thead>
<tbody>
<tr>
<td>• No</td>
<td>• Yes (10%, 5 years)</td>
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<thead>
<tr>
<th>Acquisition Loan Amount:</th>
<th>ELIHPA</th>
<th>LIHPRHA</th>
</tr>
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<tr>
<td>• Lesser of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) 90% market equity; OR 2) amount debt serviceable through reconstituted rent roll</td>
<td>• Lesser of:</td>
<td></td>
</tr>
<tr>
<td>1) 95% Preservation Equity (plus transaction &amp; related costs for Priority Purchasers); OR 2) amount debt serviceable at maximum rents (120% FMRs)</td>
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<th>Maximum Term:</th>
<th>ELIHPA</th>
<th>LIHPRHA</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 20 years *</td>
<td>• 20 years</td>
<td></td>
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<table>
<thead>
<tr>
<th>Rehab Costs</th>
<th>ELIHPA</th>
<th>LIHPRHA</th>
</tr>
</thead>
<tbody>
<tr>
<td>• No specific incentives provided</td>
<td>• Assistance available to cover costs</td>
<td></td>
</tr>
<tr>
<td>• May be included in equity or acquisition loan, or separately funded (Flexible Subsidy)</td>
<td>• Must be separately funded</td>
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<table>
<thead>
<tr>
<th>Action 8 Availability</th>
<th>ELIHPA</th>
<th>LIHPRHA</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Limited to very low income households; BUT low income households also eligible if tenant or non-profit purchaser</td>
<td>• Very low and low income households</td>
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</table>

<table>
<thead>
<tr>
<th>Rent Limit</th>
<th>ELIHPA</th>
<th>LIHPRHA</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 100% FMRs, capped by market</td>
<td>• 120% FMRs or SMRs, capped by costs</td>
<td></td>
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</tbody>
</table>

40 years for insurance commitments issued prior to effective date of LIHPRHA Interim Rule.
## Summary: ELIHPA Versus LIHPRHA

<table>
<thead>
<tr>
<th></th>
<th>ELIHPA</th>
<th>LIHPRHA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preemption of State/Local Laws</strong></td>
<td>• No</td>
<td>• Yes</td>
</tr>
<tr>
<td><strong>Eligibility</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage Default</td>
<td>• No restriction</td>
<td>• Post-enactment default disqualifies; pre-enactment default must make restitution</td>
</tr>
<tr>
<td>Value</td>
<td>• Must have a &quot;higher &amp; better&quot; use than subsidized housing</td>
<td>• Must have positive Preservation Equity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• May not be in a Windfall Profits area</td>
</tr>
<tr>
<td><strong>Constraints On Sale</strong></td>
<td>• Unregulated; sales price negotiable</td>
<td>• Heavily regulated (appraisal, sales price, purchaser selection, related parties, retention of management company after sale, etc.)</td>
</tr>
<tr>
<td><strong>Incentive Process</strong></td>
<td>• Unstructured; each deal different</td>
<td>• Highly regulated, especially for sale</td>
</tr>
<tr>
<td></td>
<td>• No delay in Plan filing, but timeline for HUD approval uncertain</td>
<td>• Plan filing delayed until completion of appraisal and marketing periods</td>
</tr>
<tr>
<td><strong>Use Restrictions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term</td>
<td>• Remaining HUD mortgage (20 years)</td>
<td>• Remaining useful life (50+ years)</td>
</tr>
<tr>
<td>Termination</td>
<td>• Limited grounds (no adverse impact)</td>
<td>• Multiple grounds (no adverse impact, no bona fide offer, buyer failure, lack of appropriations, homeownership purchase)</td>
</tr>
<tr>
<td><strong>Participation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenant Info</td>
<td>• Tenants &amp; state/local government get Notice of Intent</td>
<td>• Tenants &amp; state/local government get all notices and Plan of Action upon submission</td>
</tr>
<tr>
<td></td>
<td>• No access to Plan of Action</td>
<td></td>
</tr>
<tr>
<td>Notice &amp; Comment</td>
<td>• 60 day tenant notice &amp; comment period after Preliminary Approval</td>
<td>• 60 day notice &amp; comment for tenants, state/local govt. after Plan is filed</td>
</tr>
<tr>
<td>Buyer Info</td>
<td>• Potential buyers have no right of access to information</td>
<td>• Potential buyers have right to information during marketing period</td>
</tr>
</tbody>
</table>
Summary:
ELIHPA Tenant Income Profile & Rent Rules

TENANT INCOME PROFILES (Current & Historical)

1) Determine gross income and family size for each household in occupancy:
   - Current: on date of Plan approval (use most recent data)
   - Historical: on January 1, 1987 (or next available date)

2) Compare to HUD schedule of income limits:
   - Current: use schedule closest to recertification date
   - Historical: use February 6, 1987 income limits

3) Assign each household to a category:
   - Very Low Income (<50% Median)
   - Low Income (51-80%)
   - Moderate Income (>80-95%)
   - Market (>95%) (will count as moderate in establishing profile)

4) Subdivide low income category into sub-tiers:
   - Low 1 (51-60%)
   - Low 2 (61-70%)
   - Low 3 (71-80%)

To establish sub-tier income limits: divide 80% limit by .8; multiply by 60% (70%)

5) Allocate vacancies proportionally

6) Determine target profile, based on higher number of very low income households

7) TARGET PROFILE MUST BE MAINTAINED FOR TERM OF USE AGREEMENT, to the extent practicable.
   If historical profile applies, restore through turnover.

CURRENT TENANT RENTS (Non-Section 8):

1) Rents (including utilities) may be increased to a level that does not exceed the lesser of:
   - 30% of adjusted income OR
   - Fair Market Rent (FMR) for the unit

2) If Factored Rents are used for new tenants, the rent MAY be limited by the Factored Rent for the unit

3) Rent increases of 10% to 30% must be phased in at no more than 10% per year.

4) Operating cost increases may be passed through during the phase-in period only.

5) Total phase-in rent cannot exceed the maximum rent (30% of income, FMR, or Factored Rent, if applicable).

EXAMPLE:

<table>
<thead>
<tr>
<th></th>
<th>No Factored Rent Cap</th>
<th>Factored Rent Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Income</td>
<td>$32,000</td>
<td>$32,000</td>
</tr>
<tr>
<td>Less allowable deductions (2 X $480)</td>
<td>(960)</td>
<td>(960)</td>
</tr>
<tr>
<td>Adjusted Income</td>
<td>31,040</td>
<td>31,040</td>
</tr>
<tr>
<td>+12 X 30% = Maximum Gross Rent</td>
<td>776</td>
<td>776</td>
</tr>
<tr>
<td>Fair Market Rent Cap</td>
<td>750</td>
<td>750</td>
</tr>
<tr>
<td>Factored Rent Cap</td>
<td>N/A</td>
<td>725</td>
</tr>
<tr>
<td>Applicable Gross Rent</td>
<td>750</td>
<td>725</td>
</tr>
<tr>
<td>Less Utility Allowance</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Applicable Contract Rent</td>
<td>750</td>
<td>725</td>
</tr>
<tr>
<td>Current Rent</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Increase</td>
<td>50%</td>
<td>45%</td>
</tr>
<tr>
<td>Rent Phase-In:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Year 1</td>
<td>Year 2</td>
</tr>
<tr>
<td>Rent Phase-In:</td>
<td>583</td>
<td>667</td>
</tr>
</tbody>
</table>

N/A to non-profit sales (all low income tenants get Section 8).
May be capped at market comparable rent.
HUD policy requiring this limitation is currently being reevaluated.
Summary:
ELIHPA Tenant Income Profile & Rent Rules

NEW TENANT RENTS (Non-Section 8):

A. Income-Based Rents

1) 30% of adjusted income, less utility allowance
2) FMR cap is not required†
3) Floor Rents may apply (based on 30% x 50% median)

EXAMPLE:

Gross Income $32,000
Less allowable deductions (2 x $480) (960)
Adjusted Income 31,040
Maximum Gross Rent 776
Less Utility Allowance 0
Maximum Contract Rent 776

B. Factored Rents

1) Rent is fixed for each income tier and BR size, based on standard assumptions:
2) Assumes income at midpoint of tier;
3) Calculate effective median income (lower of area median or national median x 1.25)
4) Determine maximum Factored Rents, using HUD factors (see below)
5) FMR cap is not required†
6) Floor Rents may apply (30% x 50% median)

RENT ADJUSTMENTS (Non-Section 8 Units):

A. Income-Based Rents

1) Rents adjusted with changes in tenant income (annual recertifications)
2) Limiting factors, if applicable, are also adjusted annually (FMRs, market comparables, Factored Rents)

B. Factored Rents

1) Unit rents change with operating costs (HUD-approved budget)
2) New Factored Rents apply as caps (based on changes in area median income)
3) Tenant rent may change if income change places household in a new (sub)tier (annual recertifications)

SECTION 8 TENANTS:

1) Section 8 subsidies available for all very low income households, based on target profile
   Non-profit buyers get Section 8 for all very low and low income households
2) Tenants pay 30% adjusted income (less utilities)
3) All rent increases exceeding 10% must be phased-in

HUD FACTORS:

<table>
<thead>
<tr>
<th></th>
<th>0BR</th>
<th>1BR</th>
<th>2BR</th>
<th>3BR</th>
<th>4BR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low 1</td>
<td>0.009625</td>
<td>0.010313</td>
<td>0.012375</td>
<td>0.014180</td>
<td>0.015469</td>
</tr>
<tr>
<td>Low 2</td>
<td>0.011375</td>
<td>0.012188</td>
<td>0.014625</td>
<td>0.016758</td>
<td>0.018281</td>
</tr>
<tr>
<td>Low 3</td>
<td>0.013125</td>
<td>0.014063</td>
<td>0.016875</td>
<td>0.019336</td>
<td>0.021094</td>
</tr>
<tr>
<td>Moderate</td>
<td>0.015400</td>
<td>0.016500</td>
<td>0.019800</td>
<td>0.022688</td>
<td>0.024750</td>
</tr>
<tr>
<td>Floor Rents</td>
<td>0.008750</td>
<td>0.009375</td>
<td>0.011250</td>
<td>0.012891</td>
<td>0.014063</td>
</tr>
</tbody>
</table>

† As per current HUD policy, but may be required by recent statutory change. Some projects have used market comparable rents as a further limitation.