

Region V 2019 Annual Report



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A Message from the Regional Administrator



Having wrapped up the second year of my returning tour as the HUD Midwest Regional Administrator, I'm finding that one thing never changes in Region V: we are always working tirelessly in our continued commitment to serving the American people.

This 2019 annual report highlights the accomplishments coming from both our field and program offices as well as the range and volume of our shared milestones as we continue to support Secretary Ben Carson's goals. These priorities include:

- Supporting Fair, Sustainable Homeownership, and Financial Viability
- Ending Homelessness as we know it
- Removing Lead-Based Paint Hazards and other Health Risks from Homes
- Enhancing Rental Assistance
- Reducing Barriers to Affordable Housing
- Developing EnVision Centers
- Supporting Effectiveness and Accountability in Long-Term Disaster Recovery
- Promoting Section 3
- Bolstering Growth in Opportunity Zones

The Office of Field Policy and Management's role is to develop relationships in communities to ensure the success of the White House and Secretarial priorities. As you read through this report, you will read about the progress we have made in these areas together with our partners and how these accomplishments add up throughout our region. With almost \$3.7 billion in grants and other HUD investments in our six states, the Department has shown its commitment to improving the quality of life for those who live here.

I'd like to thank Deputy Regional Administrator Jim Cunningham and my staff for their talent and commitment to public service. Moving into a new decade, we look forward to collectively continuing our work with our partners in our efforts to serve the most vulnerable among us and to improve the lives of all in our region.

Sincerely,

A handwritten signature in blue ink that reads "Joseph P. Galvan". The signature is written in a cursive, flowing style.

Joseph P. Galvan
HUD Midwest Regional Administrator

Letter from the Deputy Regional Administrator



Thank you for taking the time to read the Region V 2019 HUD Annual Report. The report reflects the hard work and dedication of all the HUD employees in Region V's six states: Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin. As mentioned in the report, HUD invested over \$3.6 billion to help 52.5 million residents that call Region V home.

Fiscal Year 2019 was a year of many transitions. The Department, including the Office of Field Policy and Management (FPM) said goodbye to many dedicated employees, either to retirement or pursuit of new career adventures. To them I say, thank you for your service. FPM also welcomed six new staff throughout the region in 2019 including: Kimberly Danna, Marta Juaniza, Ryan LaFollette and Sam Mendelson in Chicago, Leah Berti in Indianapolis and Claire Hackett in Milwaukee. I also want to mention that Rosa Ailabouni and Colleen O'Kane joined our Columbus Office just after the new year.

In 2019, FPM focused on Secretarial initiatives for the Department, several of which are highlighted throughout the report. Under the leadership of our Regional Administrator, Joseph P. Galvan, our efforts demonstrate Region V's commitment to improving economic conditions for HUD-assisted residents. Region V led the nation with five initial EnVision Center demonstrations sites and added two more by year's end, with a total of thirteen in the region by the time of this publication. The Region V team continues to promote job opportunities through partnerships with our public housing agencies and Community Planning and Development grantees on Section 3. We also continue to work on ending homelessness through tireless efforts to help communities provide permanent housing with the goal that any episode of homelessness is brief, rare and non-recurring. We promoted the largest ever funding for reducing lead hazards in housing and led the nation in the number and amount of Lead Hazard Demonstration grants awarded. Our Public Housing and Special Applications Center staff worked hand-in-hand to reposition nearly 5,000 public housing units in Region V, 4,967 to be exact.

I also want to thank everyone for their efforts to serve people who rely on HUD programs for a roof over their head. Region V led the nation in the number of customer service interactions as recorded in FPM's Customer Relations Management system. At the end of the Fiscal Year, we recorded over 10,000 customer service requests. I want to recognize our Customer Service superstar, Rodney Flippen, who personally answered 6,416 customer service calls in FY 2019.

We often don't take time to celebrate our successes; I hope this report allows you to see the difference we all collectively make as HUD employees. Together, we can continue to provide HUD programs and services to those most in need in our great nation!

With much appreciation,

A handwritten signature in blue ink that reads "Jim Cunningham".

Jim Cunningham
Deputy Regional Administrator

Departmental Priorities

Ending Homelessness Through Veterans Affairs Supportive Housing (VASH)

HUD's 2019 Annual Homelessness Assessment Report to Congress found that homelessness among veterans was reduced by 2.1 percent nationally this past year. In the State of Michigan, veterans' homelessness was reduced by 13.6 percent during the same timeframe. The Detroit Office of Field Policy and Management and the Office of Public Housing worked diligently with HUD's partners at the Department of Veterans Affairs and with the Continuum of Cares (CoCs) by having monthly coordination calls for the purpose of breaking down the bottlenecks to use of vouchers through the HUD-Veterans Affairs Supportive Housing (VASH) program.

HUD-VASH vouchers are a component of the Housing Choice Voucher program and combine rental assistance from HUD with case management and clinical services provided by Veterans Affairs to enable homeless veterans to obtain affordable, decent housing in the private market. The calls were part of localized housing "blitzes" to more effectively move homeless veterans to a leased-up VASH voucher list, thereby reducing veterans' homelessness and increasing VASH utilization. A secondary aspect of the calls was identifying areas of concern, such as lack of participating landlords or moving graduating veterans no longer needing supportive services to standard tenant-based vouchers.

Fighting Homelessness with Foster Youth to Independence (FYI)

The Foster Youth to Independence (FYI) initiative assists young people aging out of foster care and who are at risk of experiencing homelessness. The initiative offers housing vouchers to local public housing authorities to prevent or end homelessness among young adults under the age of 25 who are, or have recently left, the foster care system without a home to go to. FYI requires that communities provide supportive services for the length of assistance to help youth achieve self-sufficiency. Region V is actively reaching out to public housing authorities and public child welfare agencies so that the two entities can explore partnership agreements, which is the first step to potentially being awarded these tenant-protection vouchers.

Section 3

Section 3 ensures that jobs, training, and contracting generated by HUD funding be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing (Section 3 Residents), and to businesses that substantially employ those persons.



The Section 3 staff in Region V ramped up outreach efforts and training throughout fiscal year 2019. Efforts were focused on increasing entries on the online

Opportunity Portal and Business Registry database; identifying and overcoming barriers faced by PHAs and local governments in hiring Section 3 businesses; increasing Section 3 reporting in the Section 3 Performance Evaluation and Registration System; and increasing the number of Section 3 residents hired and Sections 3 businesses receiving contracts.

Success Story: Partnering to Increase Section 3 in Indianapolis

Faced with significant underreporting by Section 3 partners and an underutilized business registry, the Indianapolis Field Office partnered with the Regional and Headquarters Office of Fair Housing and Opportunity to develop a training curriculum that would encourage compliance with reporting requirements and spur program activity.

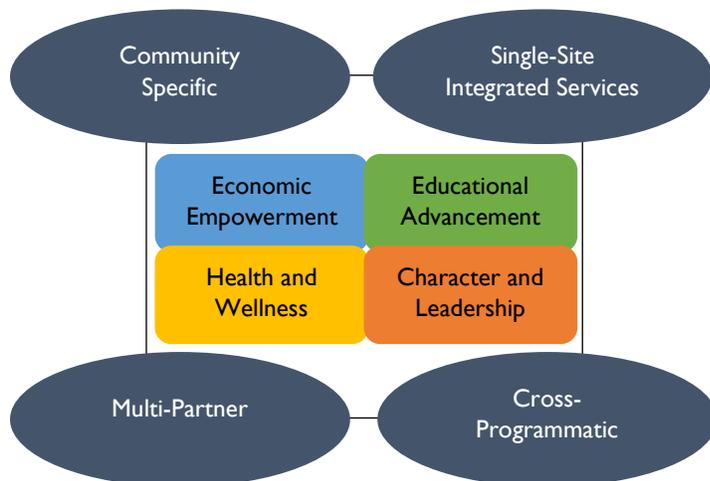


Evans Gant, Stacy Sias and Nicole Winston

HUD delivered the training to an over-subscribed audience on August 6, 2019. Andrea Ekiyor of HUD Field Policy and Management and Philip Shelton of HUD Fair Housing and Equal Opportunity led delivery of the training curriculum that covered historical context, Section 3 Opportunity Portal, Section 3 Business Registry, and best practices in preparation, outreach, and procurement. In addition to driving improved compliance with reporting requirements, the Indiana Section 3 business registry added 21 new businesses in fiscal year 2019, growing Indiana’s registry by 33 percent. Section 3 Efforts in the Minneapolis Office

FPM Minneapolis held a Section 3 workshop at the 20th Annual Minnesota Federal Executive Board Small and Disadvantaged Opportunity Council Government Procurement Fair in Brooklyn Park, Minnesota, in April 2019. Over 50 business owners attended the workshop that focused on gaining access to HUD contracting and subcontracting opportunities. After the workshop, FPM Minneapolis staffed a table in the exhibition hall and met with more than 200 small business owners who were introduced to the Section 3 Business Registry and provided with additional Section 3 information.

EnVision Centers



Secretary Carson’s signature EnVision Center initiative offers HUD-assisted families access to support services in a centralized hub that can help them achieve self-sufficiency. EnVision Centers are hosted by public housing authorities and nonprofits, leveraging partnerships across the public and private sectors to support four pillars: economic empowerment, educational advancement, health and wellness, and character and leadership.

The Office of Field Policy and Management became the lead coordinator of the program this fall. Region V has designated a total of 10 EnVision Centers.

Host Organization	Location
A Safe Haven	Chicago, IL
Inkster Housing Authority	Inskter, MI
Life Remodeled	Detroit, MI
Detroit Housing Commission	Detroit, MI
Youngstown Metropolitan Housing Authority	Youngstown, OH
Gary Housing Authority	Gary, IN
Jeffersonville Housing Authority	Jeffersonville, IN
Resident Initiatives for Success and Empowerment (RISE) Center	Columbus, OH
Findlater Gardens	Cincinnati, OH
Winton Terrace	Cincinnati, OH



Regional Administrator Joseph Galvan at the opening of the Gary Envision Center in October

The Government Accountability Office has found that collocating government services could be a more effective way of helping low-income Americans. EnVision Centers in Region V have brought together diverse federal partners such as the Internal Revenue Service, Social Security Administration, AmeriCorps, Small Business Administration, Job Corps, U.S. Department of Agriculture, and the Census Bureau.

EnVision Centers in Region V organized a diverse array of programming in 2019, including engaging community members with job and resource fairs and daily programming related to the four pillars. The EnVision Center demonstration program will continue to expand in 2020 with new partnerships to efficiently deliver services to low-income communities in Region V.

Opportunity Zones

In fiscal year 2019, HUD Region V formed its own Midwest Opportunity Zones team to help address shared Opportunity Zone needs and issues. Under the direction of Regional Administrator Galvan, the team was the first to produce regional Opportunity Zones education and outreach guidance documents, which were then modified for a broader audience and distributed to Field Offices across the country.

In addition to regional efforts, the team has been involved in helping contribute to numerous national efforts in support of HUD Headquarters and the White House Opportunity & Revitalization Council's Opportunity Zones efforts. Activities and accomplishments included:

- Creating the justification and prototype for an Opportunity Zones Online Practitioner Resource and Document Library; work on this project is continuing into FY2020.

- Working with the Health and Human Services Grants.gov team to add Opportunity Zones grant preference search functionality for potential applicants in and/or serving Opportunity Zones across the country. The additions to the platform will be released in March 2020.
- Collaborating with the Census Bureau and sending HUD Midwest staff to help kickoff The Opportunity Project (TOP) sprint and challenge, hosted by Microsoft Chicago, in July. As part of cross-functional teams, which included the Federal Reserve, nonprofits, and industry partners, HUD staff helped give sprint challenge teams ideas for Opportunity Zones apps and data that might benefit various stakeholders. The TOP sprint and challenge ended in December 2020 with Citi Ventures taking top prize for their City Builder app.



TOP Teams Get to Work: Chelsea Cruz (front), Associate Director for Community Development Finance Outreach & Education, Federal Reserve Bank of New York, works with one of her team members, Jake Akervik, HUD Midwest Region Opportunity Zones lead, on storyboarding app and data ideas during Census's The Opportunity Project (TOP) 2019 sprint and challenge kickoff in Chicago, July 2019.

Promise Zones

Success Story: Evansville Promise Zone to Exceed Housing Goal Six Years Ahead of Timeframe

Designated Promise Zones are high poverty communities where federal government partners work with local leaders to increase economic activity, improve educational opportunities, leverage private investment, reduce violent crime, enhance public health and address other priorities identified by the community. In the application for Promise Zone designation, Evansville community leaders in Indiana set forth an ambitious goal of developing 250 new affordable housing units. Drawing on state qualified allocation plans (QAP) preference, the Promise Zone will blow past its goal in fiscal year 2020, by identifying creative reuse options, financing mechanisms, and a special preference. Following on a strong fiscal year 2019 – Garfield Commons (44 units), Carpenter Courts Apartments (45 units), and Garvin Lofts (27 units) – the Promise Zone will cut the ribbon on the 144-unit Post House in 2020.

Success Story: Indianapolis Promise Zone Blazes into New Markets Tax Credits Program



Prior to the 2015 Promise Zone designation, Indianapolis had been starved for New Markets Tax Credits (NTMC) allocation. This program was established in 2000 to nationally incentivize private investment in low-income communities by providing federal income tax credits to investors. This decade-long void created a pipeline vacuum. Drawing on Environmental Protection Agency and Economic Development Administration assistance, the Promise Zone contributed to the development of a broad project pipeline for Promise Zone business and real estate development opportunities, enabling

a local partnership to secure \$110 million in New Markets Tax Credits. These have spurred the redevelopment of notorious brownfields for business expansion and educational innovation.

Disaster Relief

Success Story: HUD Leveraging Technology and Data Tools to Protect Residents

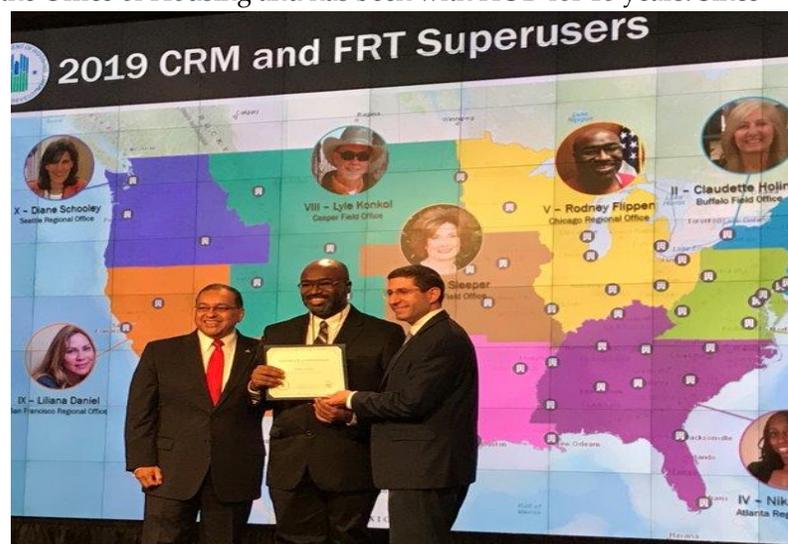
The Columbus Field Office continued to take on critical leadership roles beyond Ohio. Two days before Hurricane Dorian came ashore, the Field Office developed and published a national online Pre-landfall Storm Surge Risk app to identify at-risk HUD, U.S. Department of Agriculture Rural Development and Low-Income Housing Tax Credit developments. This early warning tool enabled multiple agencies to take action to protect tens of thousands of low-income, vulnerable residents.

In June, the innovative on-line “Temp App” tool was presented at the multi-state, multiagency Region V “IT Tech Day” in Chicago. The Temp App innovation enables anyone with an internet connected device to create or access time-critical information including crowd-sourcing and basic artificial intelligence. In addition, the Columbus staff developed a risk management strategy for local community leaders using HUD databases on fair housing complaints, troubled housing developments, concentrations of poverty, pre-foreclosure properties and other factors to enable community leaders to better understand risks in their communities.

Customer Service

At the heart of our work, HUD serves the American people, and the Office of Field Policy and Management’s (FPM) Regional Administrator Summit in Washington, D.C., highlighted how staff at all levels are making a difference. Since FPM began using data metrics in spring 2019, both the volume of contact with the general public and the relationships that are developed can be measured. Customer Service Representative Rodney Flippen in Region V was recognized at the event for his outstanding customer service and as the highest performer of the Customer Relationship Management (CRM) tool. He closed out 5,000 out of a total of more than 43,000 requests across 10 regions.

Rodney joined FPM in May 2018 from the Office of Housing and has been with HUD for 18 years. Since coming to FPM, Rodney has been making a big impact and has embraced his role as the primary point of contact for HUD customers and clients throughout Region V. The Chicago Regional Office has a high number of customer service calls and walk-in clients, many of whom are in distress over their housing situation. Rodney has the unique ability to calmly listen, assess their situation and get them a proper referral. He is often complemented by customers for his patience and listening skills.



Repositioning

Spotlight – Detroit

The Detroit Field Office of Public Housing, Office of Field and Policy Management, and the Michigan State Housing Development Authority presented four regional forums on the repositioning options for low-rent public housing developments. Dubbed “the Michigan roadshow,” these convenings provided an in-depth discussion of the different methods available to a community to convert their public housing stock along with the impact of that conversion on the local community’s affordable housing. Some of the topics covered throughout the day included: Low-Income Housing Tax Credits, Tenant Protection Vouchers, impact of Opportunity Zones on conversion, and the Rental Assistance Demonstration. The events were targeted towards local elected officials, public housing executive directors, and board members.



Regional Administrator Joseph Galvan addresses public housing commission attendees at the Ishpeming repositioning session.

The four regional events were held in Grand Rapids (July 11), Detroit (July 25), Charlevoix (August 6), and Ishpeming (August 8) and were attended by a total of 123 attendees from 61 different housing authorities and/or communities. These important events were instrumental in starting the repositioning conversation in many communities. They also presented an opportunity for FPM staff to talk with local leaders about other HUD initiatives, such as EnVision Centers and Opportunity Zones. This cross-collaboration directly resulted in Grand Rapids submitting its EnVision Center application, which was ultimately approved.

Not stopping at just outreach and to further HUD’s strategic goal of repositioning public housing units, HUD Detroit scheduled follow-up calls with public housing authorities interested in pursuing repositioning. The Office of Field Policy and Management created [this resource app](#) for Michigan public housing commissions to work with their boards and elected officials to continue the discussion.

Region V State Spotlights

Michigan

The HUD Michigan office is in Detroit and houses 124 employees. The Field Policy & Management staff team is headed by Michael Polsinelli, Field Office Director. Michigan has 252,916 households receiving HUD assistance, of which are 141,600 households receiving federal rental assistance.

Quick Facts

Total HUD dollars invested into state	\$576,858,331
Total Production Insured Loan Amount	\$153,969,510
Total Grant Disbursed	\$422,888,821
Total Section 3 Contract Investment	-
Number of Public Housing Agencies	124
Persons experiencing unsheltered homelessness (2018 Point-in-Time Count)	8,351

Spotlight: EnVision Centers



Michigan has been actively engaging partners for EnVision Centers in Region V. Currently there are three active EnVision Centers located in Inkster and Detroit, with Detroit having two separate EnVision Center sites. In addition, there will be two more EnVision Centers in Michigan located in Grand Rapids and Saginaw.

The Detroit Housing Commission's (DHC) EnVision Center is located at 1047 E. Canfield Street and officially opened on July 8, 2019. The DHC EnVision Center is located in between an elderly public housing development (Forest Park Place) and a family development (Diggs Homes). The DHC EnVision Center offers programming focused on the EnVision Center's four pillars: economic empowerment; educational advancement; health and wellness; and character and leadership. The DHC has partnered with Michigan State University, Wayne State University, Gleaners Food Bank, the Greening of Detroit, Michigan Rehabilitation Services and many more to provide programming onsite. The Detroit Housing Commission has indicated that interest in the EnVision Center is growing and client registrations have increased significantly over the past 30 days.

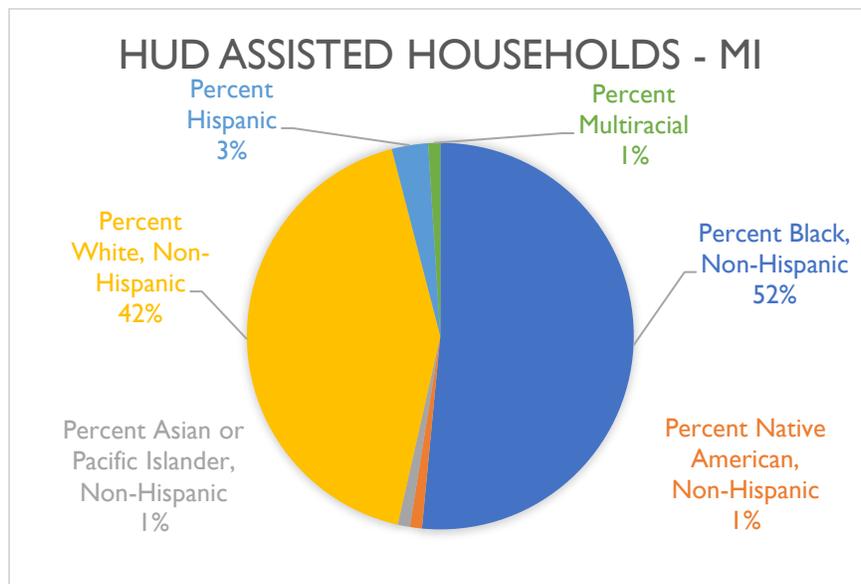
The nonprofit organization Life Remodeled hosts another EnVision Center site located in Detroit at its Durfee Innovation Society (DIS). HUD has recently moved into the federally designated space at DIS where it and other federal partners will provide programming and information. DIS also hosts a myriad of other partners who provide services, including Jewish Vocation Services, the Metro Detroit Youth Club, the Methodists Children's Home Society and Beyond Basics.

The Inkster EnVision Center site sits in the middle of a family development owned by the Inkster Housing Commission. The Inkster EnVision Center works to provide programming for the residents of Inkster Public Housing and to-date has hosted programs such as a community baby shower in partnership with the Wayne Metropolitan Community Action Agency. This event provided baby and household goods to people in-need. The center also worked with the 10 Core Law Society to provide a program on basic real estate fundamentals for youth. The center recently hired a service coordinator to support the many successful events and programs.



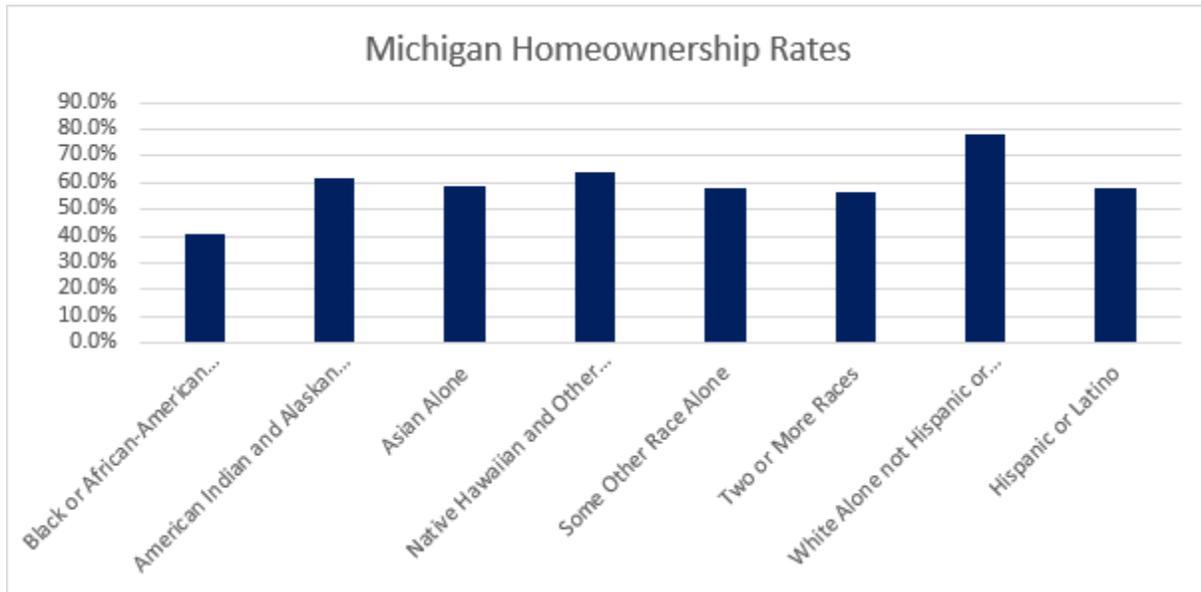
Detroit Field Office Field Policy and Management Staff

Michigan Facts and Figures



Population	9,995,915
Median household income	\$60,449
Persons in poverty (%)	11.0%
Households receiving federal rental assistance	141,600
Number of HUD-assisted households	252,916
Homeownership rate	73.3%
Percent of owners who are cost burdened	19.7%
Percent of renters who are cost burdened	46.6%
Unemployment rate	4.1%
Dollars awarded in Capital Fund allocations	\$47,346,087

Dollars awarded in FSS and ROSS grants	\$3,157,871
Dollars awarded in Operating Fund	\$71,318,677
Number of units repositioned during year	499
Authorized HCVs	62,051
Utilized HCVs	54,741



Illinois

The HUD Illinois office acts as the regional office for Region V. The Field Policy & Management staff team is headed by Joseph P. Galvan, Regional Administrator, and Jim Cunningham, Deputy Regional Administrator. Illinois has 412,356 households receiving HUD assistance, 215,100 of which are households receiving federal rental assistance.

Quick Facts

Total HUD dollars invested into state	\$960,132,356
Total Production Insured Loan Amount	\$257,462,223
Total Grant Disbursed	\$702,670,133
Total Section 3 Contract Investment	-
Number of Public Housing Agencies	108
Persons experiencing unsheltered homelessness (2018 Point-in-Time Count)	10,643

Spotlight: Affordable Housing Preservation Forum

In June, the Chicago Regional Office hosted its first Affordable Housing Preservation Forum, bringing together diverse stakeholders to address the preservation of and barriers to affordable housing in the Region. Alongside the Forum was a Region V Affordable Housing Task Force, led by Brian Bernardoni, made up of private developers, nonprofit organizations, and state and local government leaders. Chicago Alderman, Byron Sigcho-Lopez (25th Ward) and member of the Housing Committee gave opening remarks before participants attended sessions on preservation success stories, financing housing preservation, and HUD’s preservation tools such as RAD.

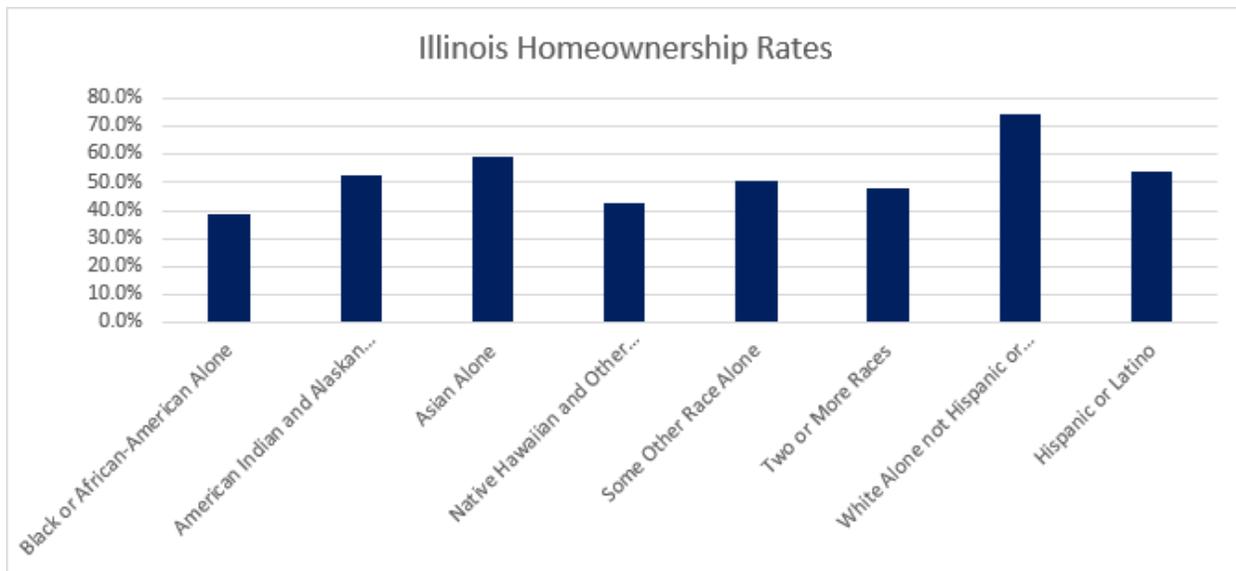
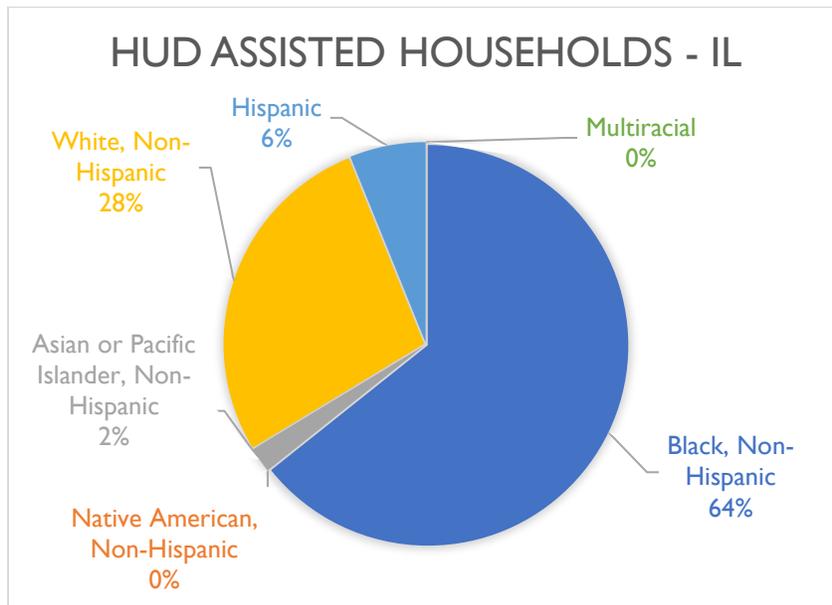


Chicago Regional Office Field Policy and Management Staff

Illinois Facts and Figures

Population	12,741,080
Median household income	\$70,145
Persons in poverty (%)	10.9%
Households receiving federal rental assistance	215,100
Number of HUD-assisted households	412,356

Homeownership rate	64.4%
Percent of owners who are cost burdened	23.4%
Percent of renters who are cost burdened	47.0%
Unemployment rate	3.9%
Dollars awarded in Capital Fund allocations	\$132,984,849
Dollars awarded in FSS and ROSS grants	\$3,449,473
Dollars awarded in Operating Fund	\$251,836,913
Number of units repositioned during year	2,075
Authorized HCVs	102,312
Utilized HCVs	-



Indiana

The HUD Indiana office is in Indianapolis and houses 42 employees. The Field Policy & Management staff team is headed by Kimberly Wize, Field Office Director. Indiana has 157,611 households receiving HUD assistance, of which are 88,300 households receiving federal rental assistance.

Quick Facts

Total HUD dollars invested into state	\$846,712,395
Total Production Insured Loan Amount	\$210,811,400
Total Grant Disbursed	\$635,900,995
Total Section 3 Contract Investment	-
Number of Public Housing Agencies	59
Persons experiencing unsheltered homelessness (2018 Point-in-Time Count)	5,258

Spotlight: Opportunity and Promise Zones

In 2015, employment on the near eastside of Indianapolis was 29 percent service sector and 22 percent of households grossed less than \$10,000 in annual income. Poverty and unemployment eclipsed 47 percent and 24 percent respectively. In cooperation with partners in Evansville, the community received special consideration from Indiana Governor Eric Holcomb for census tracts in their neighborhood, securing designation of 10 tracts as federal Opportunity Zones.



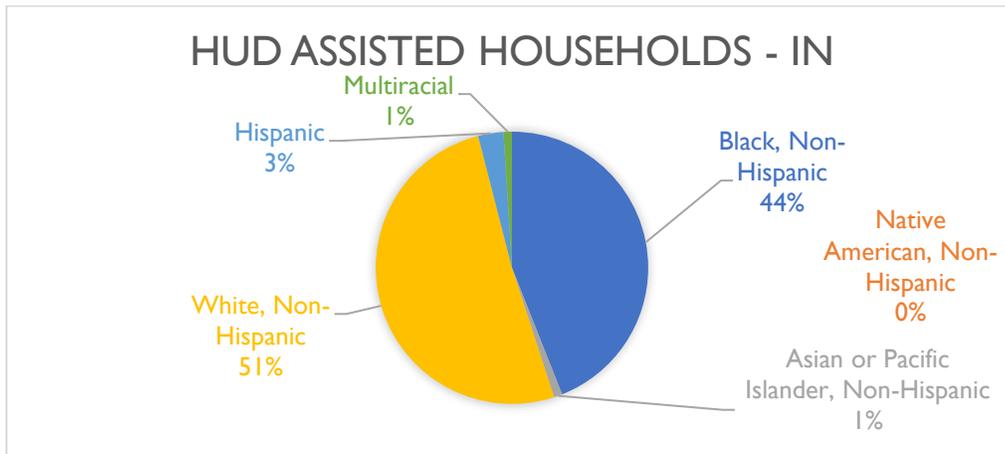
Leveraging participation in a statewide organizing group, the Indiana Opportunity Investment Consortium, and a partnership with the Indianapolis Chamber of Commerce, the community produced its own investment prospectus, detailing development and business opportunities for potential institutional and social impact investors with a primary focus on attracting, developing, connecting and retaining local talent.

Equipped with a broad pipeline of development and business opportunity, in addition to 180 acres of former brownfield readied for development as part of HUD’s Promise Zones initiative, the near eastside of Indianapolis will boast an employment and income profile in 2025 that barely reflects its position in 2015 and thousands of lives will be changed by the opportunity for economic mobility.

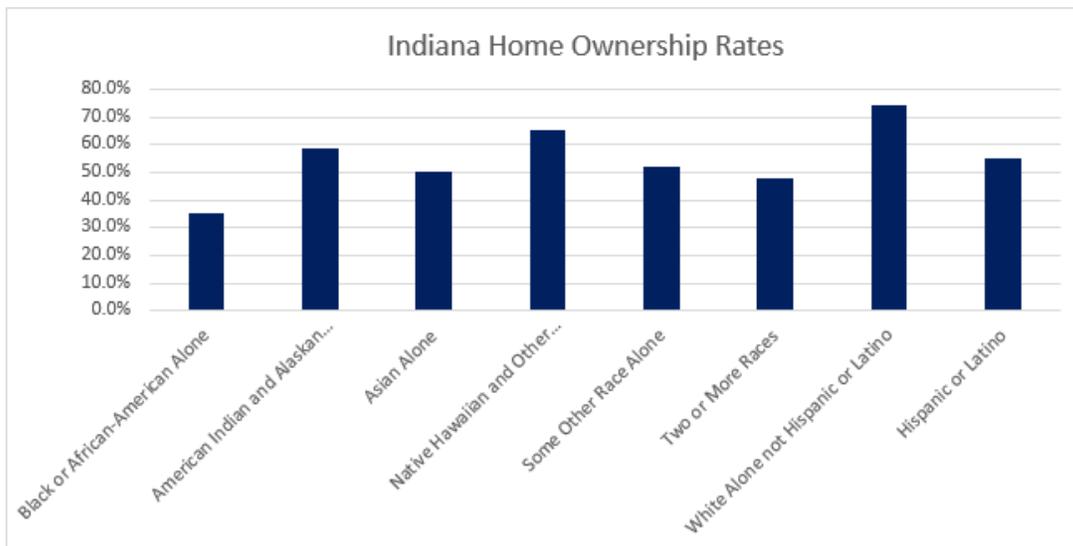


Secretary Carson meets with HUD Indianapolis Field Office Staff

Indiana Facts and Figures



Population	6,691,878
Median household income	\$59,892
Persons in poverty (%)	11.6%
Households receiving federal rental assistance	88,300
Number of HUD-assisted households	157,611
Homeownership rate	71.5%
Percent of owners who are cost burdened	16.1%
Percent of renters who are cost burdened	44.3%
Unemployment rate	3.2%
Dollars awarded in Capital Fund allocations	\$31,701,600
Dollars awarded in FSS and ROSS grants	\$1,283,359
Dollars awarded in Operating Fund	\$427,498,960
Number of units repositioned during year	1,172
Authorized HCVs	47,121
Utilized HCVs	42,244



Wisconsin

The HUD Wisconsin office is in Milwaukee and houses six employees. The Field Policy & Management staff team is headed by Dale Darrow, Field Office Director. Wisconsin has 119,284 households receiving HUD assistance, 76,600 of which are households receiving federal rental assistance.

Quick Facts

Total HUD dollars invested into state	\$277,631,188
Total Production Insured Loan Amount	\$145,961,800
Total Grant Disbursed	\$131,669,388
Total Section 3 Contract Investment	-
Number of Public Housing Agencies	116
Persons experiencing unsheltered homelessness (2018 Point-in-Time Count)	4,907

Spotlight: Cross-Program Collaboration

The Garden Terrace Apartments on the north side of La Crosse are a great example of HUD’s vision of cross-collaboration with various internal program offices, city officials and developers. It also has a significant role in the creation of affordable housing for veterans.

The Garden Terrace Apartments boast 50 units (either one, two or three bedrooms) and 15 of those have been dedicated to homeless veterans. There is also a greenhouse, a community room, and every unit has washers, dryers and energy-efficient appliances.

“This is a model that should be replicated not only in the Midwest, but throughout the nation,” HUD Regional Administrator Joseph Galvan said at the opening of the apartment complex in August 2019.



The \$10.6 million project was a combined effort from the Community Development Block Grant (CDBG) program to the City of La Crosse, the use of HUD-Veterans Affairs Supportive Housing vouchers, and the developer, Impact Seven.

U.S. Representative Ron Kind said that the CDBG grant is “an example of Americans coming together and pooling their resources.”

Spotlight: The Old Home for Civil War Veterans Gets Redeveloped for the Veterans of Today



The groundbreaking of the Soldiers Home in Milwaukee (September 2019)

The Milwaukee Veterans Affairs Soldiers Home Historic District houses the Soldiers Home, is a National Historic Landmark District, and is one of Milwaukee's most important historic assets.

With the assistance of HUD, the U.S. Department of Veterans Affairs, The Alexander Company and the Housing Authority of the City of Milwaukee, six of the district's buildings will be rehabilitated. The renovation will include a total of 101 supportive housing units for veterans and their families who are homeless or at risk of becoming homeless. Three of the buildings will be turned into duplexes to be rented out to veterans.

As part of the redevelopment partnership, the Housing Authority of the City of Milwaukee

will operate the buildings. Many federal, state, and local officials celebrated at a groundbreaking in September. The rehab project is expected to be finished by 2021.

Spotlight: HUD Initiatives

Reducing Lead in Homes

HUD awarded the City of Milwaukee a \$5.6 million grant for lead abatement this fall to address lead hazards in 320 housing units for low-income families with children through April 2023. The grant will also allow the city to conduct healthy home assessments and make repairs in 114 units.

Economic Development in the Near West Side

HUD made a major investment in Milwaukee's Near West Side Neighborhood in September 2018 with a \$1.3 million Choice Neighborhood Planning Grant to assist Marquette University and the Near West Side Partners collaborative develop a Transformation Plan targeting the HUD assisted College Court development and Near West Side community.



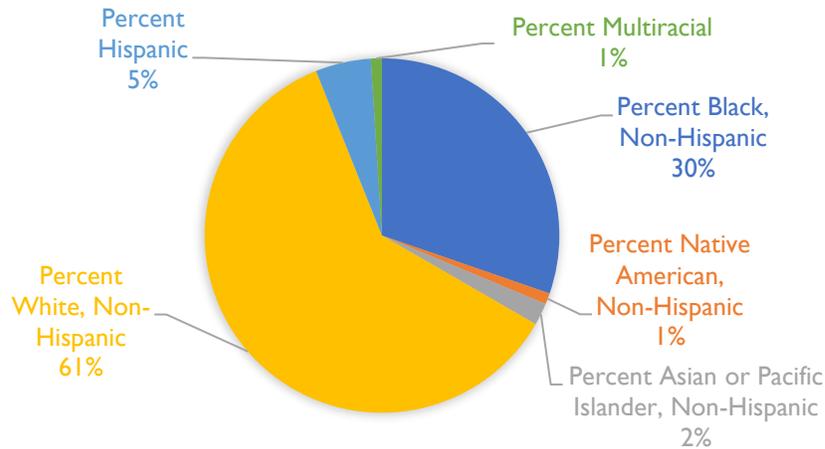
Milwaukee Field Office Staff

Foster Youth to Independence (FYI)

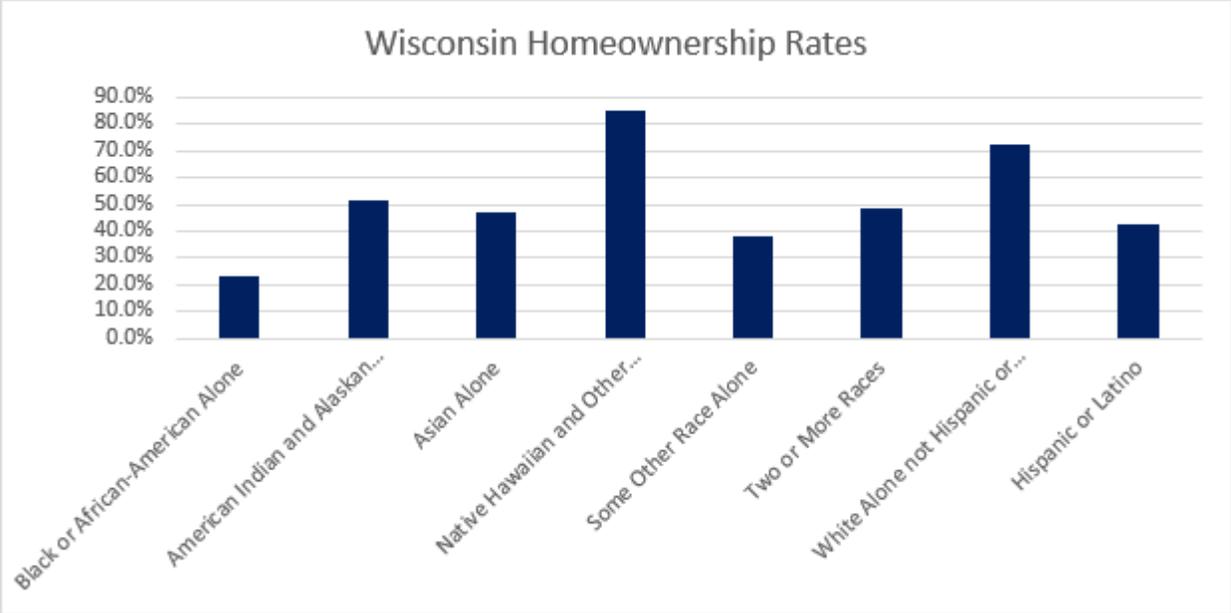
In July 2019, Secretary Ben Carson visited the Journey House in Milwaukee to announce the national Foster Youth to Independence (FYI) initiative that assists young adults transitioning out of foster care and who are at risk of homelessness. FYI provides housing assistance and supportive services ensuring that every young person who has had experience with the child welfare system has access to safe, affordable housing where they are supported to reach self-sufficiency goals.

Wisconsin Facts and Figures

HUD ASSISTED HOUSEHOLDS - WI



Population	5,813,568
Median household income	\$62,629
Persons in poverty (%)	8.9%
Number of Public Housing Agencies	116
Households receiving federal rental assistance	76,600
Number of HUD-assisted households	119,284
Homeownership rate	65.1%
Percent of owners who are cost burdened	18.9%
Percent of renters who are cost burdened	42.0%
Unemployment rate	3.3%
Dollars awarded in Capital Fund allocations	\$24,198,885
Dollars awarded in FSS and ROSS grants	\$1,329,036
Dollars awarded in Operating Fund	\$17,873,150
Number of units repositioned during year	233
Authorized HCVs	32,074
Utilized HCVs	26,770



Minnesota

The HUD Minnesota office is in Minneapolis and houses 81 employees. The Field Policy & Management staff team is headed by Michele Smith, Field Office Director. Minnesota has 173,643 households receiving HUD assistance, of which are 91,400 households receiving federal rental assistance.



Minneapolis Field Office Staff

Quick Facts

Total HUD dollars invested into state	\$282,413,178
Total Production Insured Loan Amount	\$121,242,500
Total Grant Disbursed	\$161,170,678
Total Section 3 Contract Investment	-
Number of Public Housing Agencies	135
Persons experiencing unsheltered homelessness (2018 Point-in-Time Count)	7,243

Spotlight: Move Up Minnesota

During this past year, Minneapolis Field Office Director Michele Smith has been working with Continuum of Care Coordinators and Public Housing Authorities across the state to set-up the Move Up Minnesota Pilot Project.

Under the initiative, formerly homeless people living in permanent supportive housing who no longer need supportive services but still need rental assistance are provided a housing choice voucher. When the person leaves their permanent supportive housing unit, they create a housing opportunity for a homeless person with a disability in need of the supportive services. So far there are six PHAs that have signed on to the initiative, including Minneapolis and St. Paul.



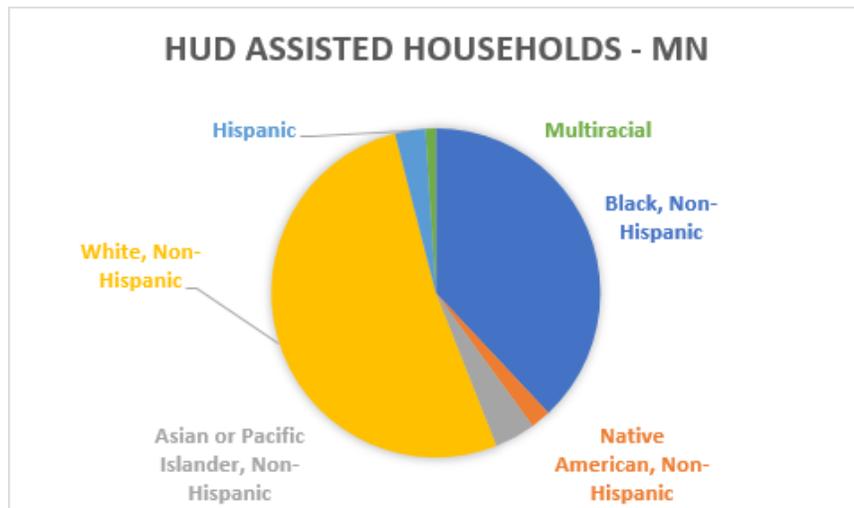
Spotlight: Summer Food Service Program



FPM Minneapolis coordinated outreach with the U.S. Department of Agriculture Rural Development and Minnesota Department of Education that resulted in more than 25,000 meals served at federally subsidized housing properties in the state through the Summer Food Service Program (SFSP).

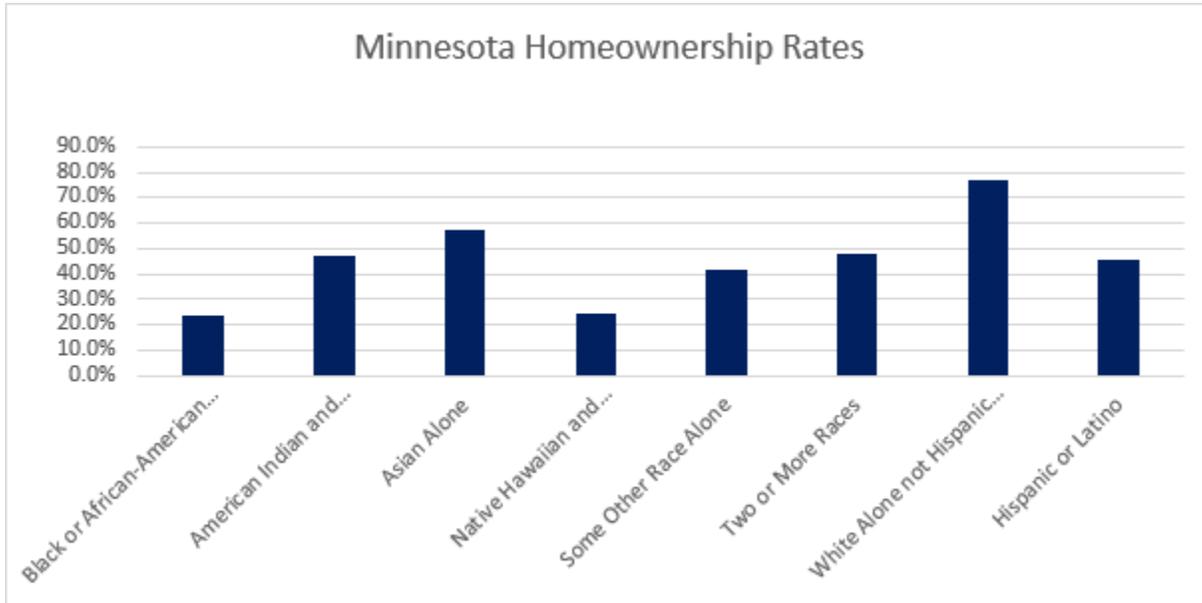
The U.S. Department of Agriculture Food and Nutrition Service manages the Summer Meals Program, which was established to ensure that children continue to receive nutritious meals when school is not in session. When school is out, the program provides free meals to kids and teens in low-income areas.

Minnesota Facts and Figures



Population	5,611,179
Median household income	\$71,817
Persons in poverty (%)	8.2%
Households receiving federal rental assistance	91,400
Number of HUD-assisted households	173,643
Homeownership rate	73.4%
Percent of owners who are cost burdened	17.9%
Percent of renters who are cost burdened	43.5%
Unemployment rate	3.2%
Dollars awarded in Capital Fund allocations	\$45,384,928
Dollars awarded in FSS and ROSS grants	\$826,337

Dollars awarded in Operating Fund	\$52,536,956
Number of units repositioned during year	946
Authorized HCVs	33,754
Utilized HCVs	30295



Ohio

HUD Ohio has two offices—Cleveland and Columbus—where the Field Policy & Management staff is headed respectively by Field Office Directors Pam Ashby and Tom Leach. Collectively these offices house 81 employees. Ohio has 422,063 households receiving HUD assistance, of which are 221,300 households receiving federal rental assistance.

Quick Facts

Total HUD dollars invested into state	\$743,410,616
Total Production Insured Loan Amount	\$92,141,900
Total Grant Disbursed	\$651,268,716
Total Section 3 Contract Investment	-
Number of Public Housing Agencies	75
Persons experiencing unsheltered homelessness (2018 Point-in-Time Count)	10,249

Spotlight: VASH Home for the Holidays

In conjunction with the Office of Public and Indian Housing, the Office of Field Policy and Management has partnered with housing authorities throughout the state of Ohio and the Veterans Administration to hold Home for the Holiday events. Starting the week of Veterans Day and going through the Christmas



holidays, housing authorities make the extra push to house homeless veterans through the Veterans Affairs Supportive Housing program.

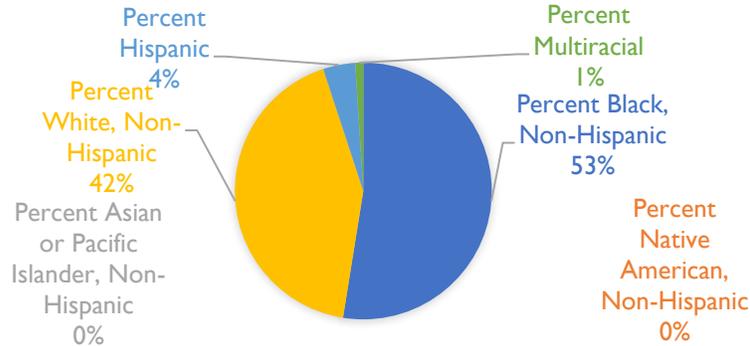
This year, the Cuyahoga Metropolitan Housing Authority hosted a one-day event where about 25 veterans met with prospective landlords and obtained information on rental housing opportunities. This initiative greatly streamlined the Veterans Affairs Supportive Housing process. One veteran was able to complete the application process and sign a lease within four hours of meeting a landlord at a Home for the Holidays event in Mansfield.

Spotlight: Lead Safe Housing

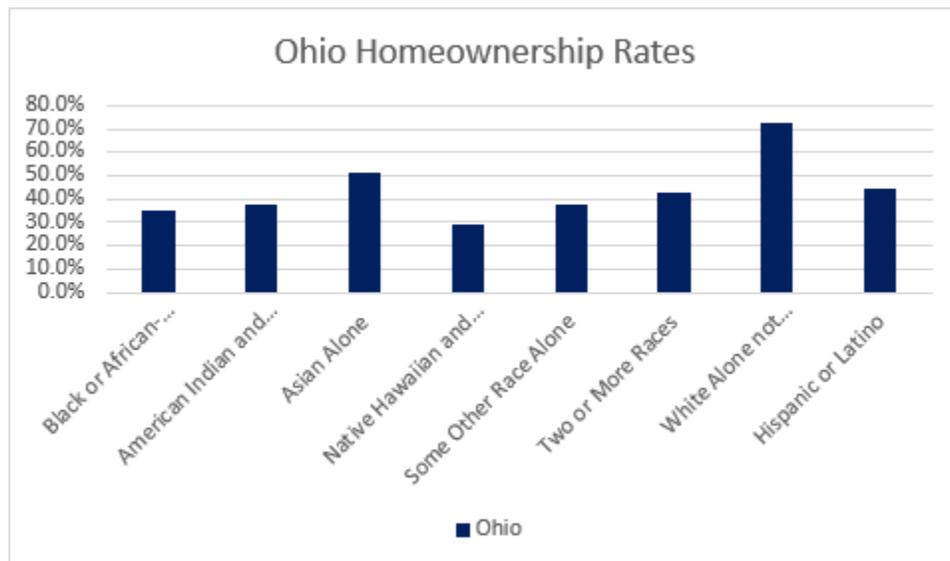
Ohio was awarded \$44.8 million across the state, including \$9.7 million to the City of Cleveland, the largest grant amount awarded to the top five grantees among a total of 83 jurisdictions, from the Lead Based Paint Hazard Reduction grant program and \$600,000 in Healthy Homes Supplemental funding. The award came months after Cleveland's Lead Safe Summit where HUD staff shared a panel with City of Cleveland Community Development representatives. Because of the work and focus from the City's Lead Safe Cleveland Coalition, greater emphasis is on maximizing efforts in eradicating lead hazards in the city's pre-1978 housing. The city has also initiated a Lead Safe Housing Fund to assist homeowners and landlords with the cost of mitigating lead-based paint hazards in the home.

Ohio Facts and Figures

HUD ASSISTED HOUSEHOLDS - OH



Population	11,689,442
Median household income	\$61,633
Persons in poverty (%)	12.4%
Households receiving federal rental assistance	221,300
Number of HUD-assisted households	422,063
Homeownership rate	67.9%
Percent of owners who are cost burdened	17.4%
Percent of renters who are cost burdened	42.1%
Unemployment rate	4.2%
Dollars awarded in Capital Fund allocations	\$103,198,153
Dollars awarded in FSS and ROSS grants	\$3,244,859
Dollars awarded in Operating Fund	\$202,017,131
Number of units repositioned during year	105
Authorized HCVs	99,395
Utilized HCVs	-



Region V Program Offices

Office of Community Planning and Development

The Office of Community Planning and Development (CPD) seeks to develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons. The primary means towards this end is the development of partnerships among all levels of government and the private sector, including for-profit and non-profit organizations.

CPD seeks to encourage empowerment of residents by helping to give them a voice in the future of their neighborhoods and stimulate the creation of community-based organizations so they can achieve greater production capacity. Housing and community development are not viewed as separate programs, but rather as among the myriad elements that make up a comprehensive vision. These groups are at the heart of a bottom-up housing a community development strategy.

Highlights

Under the Housing Opportunities for Persons with AIDS (HOPWA) program, HUD makes grants to local communities, states, and nonprofit organizations for projects that benefit low-income persons living with HIV/AIDS and their families. HOPWA is the only Federal program dedicated to the housing needs of people living with HIV/AIDS.

The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

The Continuum of Care program is designed to promote communitywide commitment to the goal of ending homelessness.

The Community Development Block Grant (CDBG) Program provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

Emergency Solutions Grants assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

The Section 108 Loan Guarantee Program (Section 108) provides Community Development Block Grant (CDBG) recipients with the ability to leverage their annual grant allocation to access low-cost, flexible financing for economic development, housing, public facility, and infrastructure projects. Communities

can use Section 108 guaranteed loans to either finance specific projects or to launch loan funds to finance multiple projects over several years.

Office of Community Planning and Development Programs						
	CDBG	Section 108		ESG	CoC (2018)	HOPWA
		Active Commitments	Funds Available			
Illinois	\$163,280,628	\$120,037,000	\$52,608,000	\$13,932,691	\$116,091,026	\$11,773,291
Indiana	\$66,466,509	\$120,117,429	\$78,695,429	\$5,614,831	\$22,701,327	\$2,829,351
Michigan	\$122,034,574	\$173,295,000	\$13,010,000	\$10,361,343	\$73,654,969	\$5,189,991
Minnesota	\$51,935,965	\$4,000,000	\$0	\$4,435,112	\$34,078,630	\$1,762,725
Ohio	\$150,544,026	\$169,590,000	\$23,609,000	\$12,749,335	\$104,524,400	\$5,552,226
Wisconsin	\$61,566,585	\$32,913,000	\$18,750,000	\$5,222,720	\$25,556,871	\$1,562,348

Office of Housing

The Office of Housing is the largest office within HUD that includes the Federal Housing Administration, which provides more than \$1.3 trillion in mortgage insurance on mortgages for single family homes, multifamily properties, and healthcare facilities. The Office of Housing includes the following program offices in Region V: Single Family, Multifamily (which includes the Office of Recapitalization), Healthcare, and Housing Counseling.

Office of Single Family Housing

The Office of Single Family Housing administers the Federal Housing Administration’s (FHA) mortgage insurance programs for mortgages secured by new or existing single-family homes, condominium units, manufactured homes, and homes needing rehabilitation. It also administers FHA’s reverse mortgage program, the Home Equity Conversion Mortgage, for seniors.

National Servicing Center Transition to the FHA Resource Center

The Office of Single Family Housing strives to continually deliver world-class customer service to its external partners through the Federal Housing Administration’s Resource Center. The FHA Resource Center has been identified as the most mature customer service platform at HUD. Since its inception in 2009, the team has responded to over 8 million customer service inquiries. Currently, the Resource Center is managed by the Philadelphia Homeownership Center.

In the beginning of fiscal year 2019, Single Family’s National Servicing Center Division collaborated with the Philadelphia Homeownership Center and the FHA Resource Center team to improve its Home Equity Conversion Mortgage (HECM) customer service responses. The National Servicing Center turned to the FHA Resource Center to re-direct incoming HECM customer inquiries and provide higher-quality services to clients. The team spent several months preparing for the transition that included setting up data-sharing capabilities, meeting on a regular basis, and providing onsite training. The customer service representatives were trained on how to respond to HECM inquiries, which are different from the typical inquiries they handle due to the complexity of the loan product.

On April 1, 2019, the team successfully transferred the National Servicing Center's HECM customer service inquiries to the FHA Resource Center. In the first month after the transition, the FHA Resource Center received an increase on average of 827 inquiries per day, which was a 30% overall increase in volume. Between April and July, the Resource Center received 67,991 National Servicing Center-related inquiries overall. Even with the increase in volume and the complexity of the new HECM inquiries, the FHA Resource Center team addressed inquiries on average within 8 minutes, which was just a minute higher than the previous time.

In addition, on August 5, 2019, the team transitioned the National Servicing Center's forward servicing and loss mitigation inquiries to the FHA Resource Center. The FHA Resource Center handled an additional 1,122 inquiries per day on average in August and September compared to the volume they processed in March 2019. Even with the 125,902 additional inquiries, the FHA Resource Center increased the overall customer satisfaction survey score from 4.73 to 5.37 on a 0 to 6 scale, a significant accomplishment given the complexity of the new transactions.

The work of the Philadelphia Homeownership Center, FHA Resource Center and National Servicing Center demonstrates FHA's strong commitment to collaboration and continuous improvement. The transition of the National Servicing Center's customer service inquiries to the FHA Resource Center allows FHA to ultimately have a one-stop-shop for all Office of Single Family Housing customer service inquiries.

Event Highlights

Philadelphia Homeownership Center staff performed 27 education and outreach activities within its jurisdiction throughout the year. Additionally, staff participated in 13 various housing fairs, annual conferences, Congressional outreach events, first-time homebuyer expos, and headquarter events with an estimated total outreach of 36,000 people.



The Philadelphia Homeownership Center also participated in 5 annual mortgage industry conferences, expos, and trade shows with attendance ranging from 1,200 to 20,000 people. The center's leadership ensured FHA's presence at these events by staffing the HUD exhibitor display booth and providing updated FHA program information.

June 5, 2019 - Central Indiana Realtist Association (CIRA)

The Office of Single Family Housing's Atlanta Homeownership Center participated in several 2019 Homeownership Month events, including the Central Indiana Realtist Association where a staff person

served as a speaker on FHA programs. The event was coordinated to help make the dream of homeownership a reality for more minorities. CIRA is a charter member of the National Association of Real Estate Brokers, the oldest and largest minority trade real estate organization.

July 19-21, 2019 - Indiana Black Expo Summer Celebration

The Office of Single Family Housing staff along and Indianapolis HUD staff participated in this outreach event disseminating information and answering questions on FHA and various HUD programs at the Indianapolis Convention Center for approximately 2,000 consumers. This exhibition was part of the 2019 Indiana Black Expo Summer Celebration that consisted of activities and a wide variety of events.



Photos: HUD's booth at the 2019 Indiana Black Expo Summer Celebration; Andrew Klee, Housing Program Specialist, HUD's Atlanta Homeownership Center's Program Support Division, discusses FHA programs with an attendee.

March 30, 2019 - Hope Now Save Your Illinois Home

The Office of Single Family Housing staff participated in the Hope Now Save Your Illinois Home foreclosure prevention event sponsored by the Hope Now Alliance and held in partnership with the Illinois Hardest Hit Fund and other organizations. Consumers who were experiencing mortgage delinquency were afforded an opportunity to meet one-on-one with their servicing lender and HUD-approved housing counseling agencies to receive free mortgage assistance. The Atlanta Homeownership Center's Program Support Division staffed a resource booth and met with consumers to answer their specific questions regarding FHA's loss mitigation program. Other local partners included participation by the Illinois Housing Development Authority, Neighborhood Housing Services, South Suburban Housing Center, I-REFI, and the Spanish Coalition for Housing. Approximately 50 consumers were provided with assistance.

September 16-18, 2019 – Industry Training

The Atlanta Homeownership Center's Processing and Underwriting Division conducted industry training for real estate appraisers and credit underwriters at the HUD Regional Office in Chicago. A new and popular training was offered in the form of a workshop, and attendees commented how they thoroughly enjoyed the session that engaged the class.

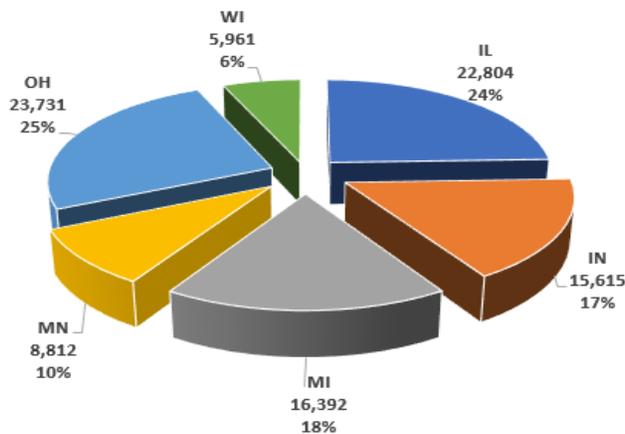
Office of Single Family Housing FY 2019 Data

Insurance in Force		
	Number of Properties	Sum Value of Mortgages
Illinois	306,198	\$48,429,572,352
Indiana	233,833	\$28,074,818,473
Michigan	243,502	\$29,080,787,731
Minnesota	134,123	\$22,842,551,664
Ohio	353,566	\$42,544,391,325
Wisconsin	89,305	\$12,729,611,871

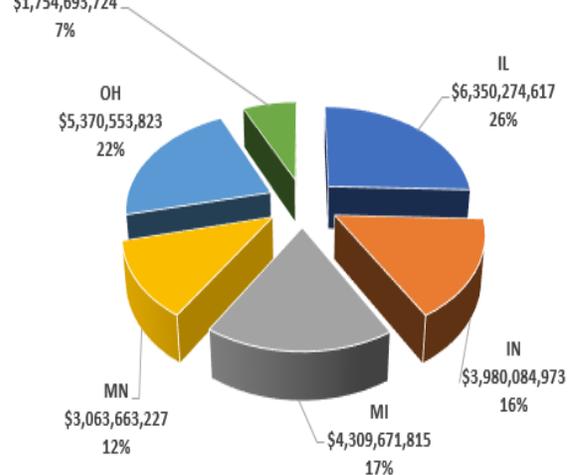
HUD real estate owned (REO) home is a 1-to-4 unit residential property acquired by HUD as a result of a foreclosure action on an FHA-insured mortgage. HUD becomes the property owner and offers it for sale to recover the loss on the foreclosure claim.

REO Homes Closed		First Time Homebuyers 2019	REO Inventory
	Homes Closed	Amount Endorsed	Amount Endorsed
Illinois	1,041	22,804	431
Indiana	439	15,615	181
Michigan	588	16,392	255
Minnesota	193	8,812	69
Ohio	1,044	23,731	322
Wisconsin	184	5,961	61

First Time Home Buyers in 2019



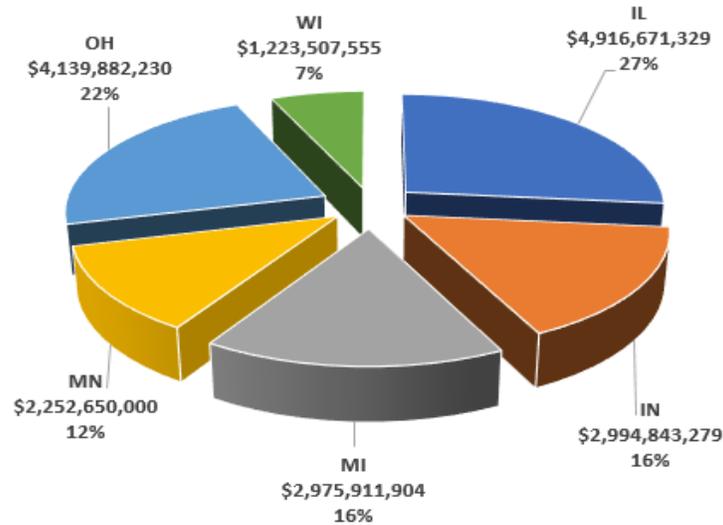
2019 Total Endorsements



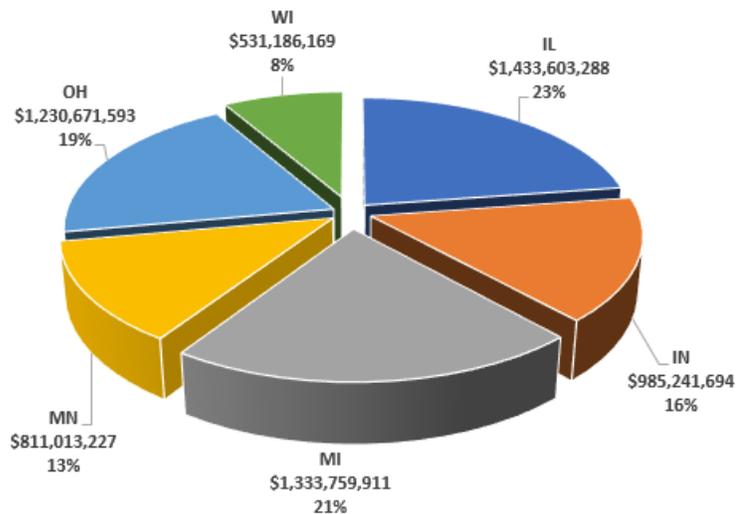
Endorsements 2019 – Purchases/Refinances						
	Total Endorsed	Sum of Mortgages	Purchases	Sum of Mortgages	Refinances	Sum of Mortgages
Illinois	34,901	\$6,350,274,617	27,005	\$4,916,671,329	7,896	\$1,433,603,288
Indiana	27,058	\$3,980,084,973	19,966	\$2,994,843,279	7,092	\$985,241,694
Michigan	29,838	\$4,309,671,815	20,585	\$2,975,911,904	9,253	\$1,333,759,911

Minnesota	15,190	\$3,063,663,227	11,040	\$2,252,650,000	4,150	\$811,013,227
Ohio	38,345	\$5,370,553,823	29,418	\$4,139,882,230	8,927	\$1,230,671,593
Wisconsin	10,740	\$1,754,693,724	7,490	\$1,223,507,555	3,250	\$531,186,169

2019 Purchase Endorsements



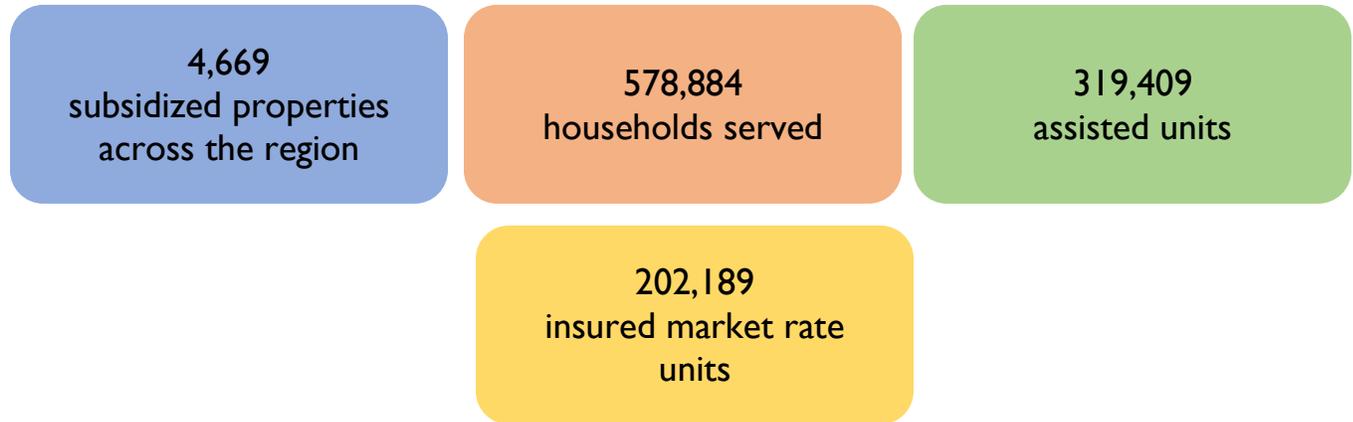
2019 Refinance Endorsements



Office of Multifamily Housing

HUD's Region V Office of Multifamily Housing is responsible for the overall management, development, direction, and administration of HUD's Multifamily Housing Program. Led by Regional Center Director Daniel Burke, with divisions of Asset Management (Debbie Gray, Susie Sapilewski, and Laura Simpson), Production (Steve Ott), and Operations (Tina Gauthier), the Multifamily Midwest Region has 200 staff serving six states, with its operations based in the Chicago Regional Center, the Detroit Satellite Office, and the Minneapolis Satellite Office. Four additional offices have Asset Management staff servicing assets

and report as follows: Indianapolis to Chicago; Cleveland and Columbus to Detroit; and Milwaukee to Minneapolis. Multifamily Housing supports the development, rehabilitation and maintenance of multiple-unit housing through FHA mortgage insurance programs and preservation of affordable housing through Project-Based Rental Assistance and other programs.



Highlights

Amorce I, 221(d)(4) LIHTC Pilot Program Expedited Track

Amorce I is a 100% LIHTC (Low Income Housing Tax Credits/4% Tax Exempt Bonds), 98% Section 8, 221(d)(4) Substantial Rehabilitation (\$59,870 per unit), affordable housing preservation project consisting of 170 total units in two locations. The project is comprised of one elderly high-rise (Brooks Landing, 110 units) and one family townhome project (Brook Gardens, 60 units). The project is in Brooklyn Park, Minnesota, an inner-ring suburb, approximately nine miles northwest of downtown Minneapolis. The HUD insured loan amount was \$14,828,100 with a total development cost of \$29,780,199.



Brooks Landing (Elderly High-Rise – 110 units)



Brooks Garden (General Occupancy – 60 units)

This is the first major renovation since the properties were newly constructed in 1978 and 1979 and will correct deficiencies identified during the most recent HUD physical inspection. This needed renovation, along with the long-term Section 8 contract and 30-year LIHTC affordability period, will result in the long-term preservation of this important affordable housing project.

Amorce I was the first project processed under HUD’s new 221(d)(4) LIHTC Pilot Program via the expedited track, which has a 30-day goal for processing and a 90-day goal to reach closing. The program goals were met. The application was processed within 24 days and the closing occurred within 87 days.

Arboretum West



Arboretum West is a 14-unit project that was formerly a group home for people with disabilities that has been completely renovated to serve persons with disabilities living independently. It is in Lombard, Illinois, a western suburb of Chicago that is a community of housing opportunity. It has a project-based Section 8 contract. The group home had become functionally obsolete, and the mortgage was in default. The Chicago office worked in conjunction with Over the Rainbow Association to advance a \$3 million financing package for renovations that involved funding from multiple sources including a restructured HUD first mortgage and a subordinate loan from the Illinois Housing Development Authority (IHDA). After extensive interior renovations, the project provides individual apartments with a kitchen and bath, as well as a community room, office space and a laundry room. Each apartment is fully accessible, offers privacy for residents, and is designed to universal design standards. There were also exterior improvements that included a parking lot resurfacing, landscaping, a walking path and a picnic shelter. The newly preserved project now offers affordable housing for persons with disabilities.

Alms Hill

Alms Hill Apartments is a 200-unit, 100% Section 8 subsidized, family property located in Cincinnati, Ohio in the East Walnut Hills community. The property was severely troubled and in very poor physical condition resulting in a transfer to the Asset Resolution Specialist Team. Related Affordable, LLC purchased the property out of a City of Cincinnati receivership and assumed ownership on October 30, 2018. Their rehabilitation plan required an investment of approximately \$75,000 per unit in order to complete the necessary work to preserve this vintage 1920's era property as affordable housing stock. The plan included numerous repairs to the building exterior, renovation of the interior units, full replacement of windows, installation of a new roof, repairs to and painting of the exterior masonry, HVAC system upgrades, replacement of galvanized plumbing with copper, upgrades to the common area and community room finishes and creation of new amenity spaces, including a computer room and a fitness center. Further, some of the studio units were reconfigured to create one-bedroom units by reallocating space from adjacent large two-bedroom units in order to improve functionality and marketability of these units.



Rehabilitation work commenced almost immediately after Related took ownership. The initial construction timeline was 24 months; however, the work is being completed far ahead of schedule. The

interior work to the units and common areas will be completed by the end of December 2019 and the remaining work to the mechanical systems will be completed by the end of April 2020. The results are not only beautiful but make great strides in improving the lives of the residents at Alms Hill and preserving affordable housing for the City of Cincinnati.



Before and...



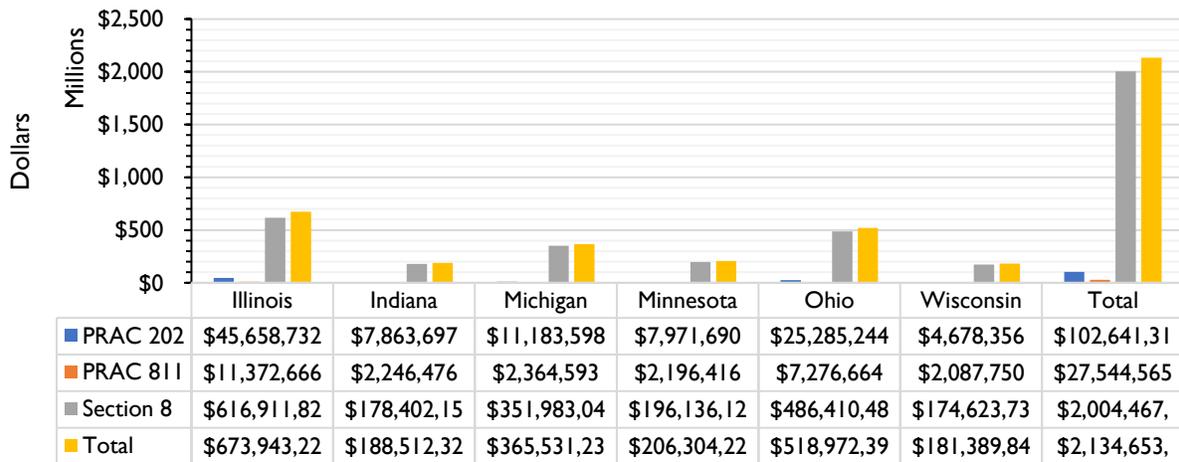
After (Hallway)



After (Community Space)

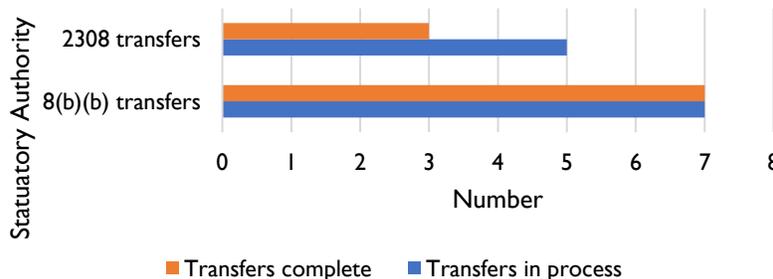
Data

Region V HAP Payments



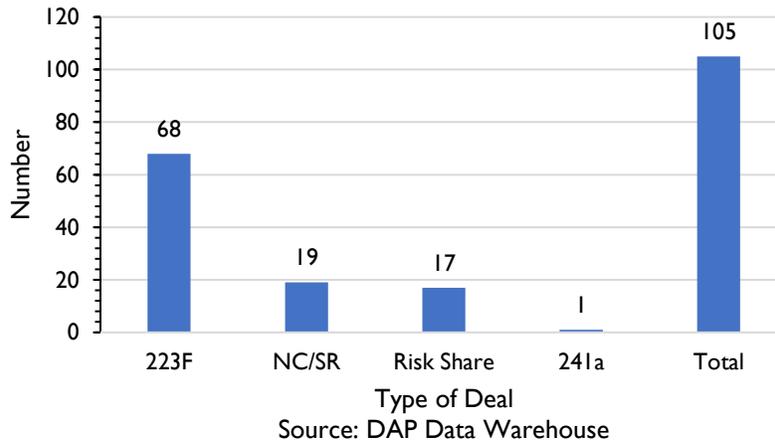
State
Source: MF Datamart & HEREMS

Section 8 HAP Contract Transfers Region V

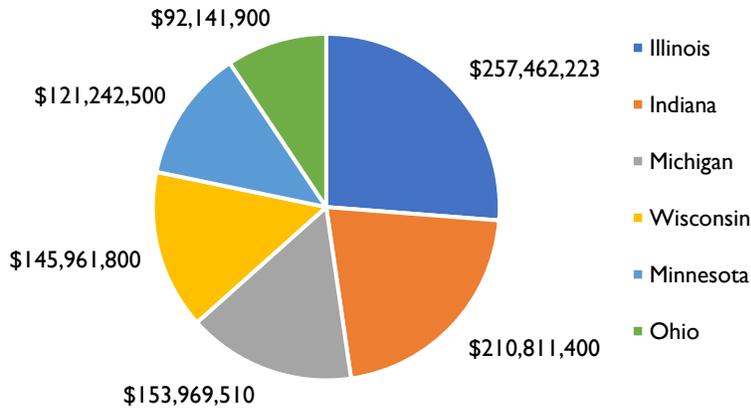


764 affordable units preserved through HAP transfers

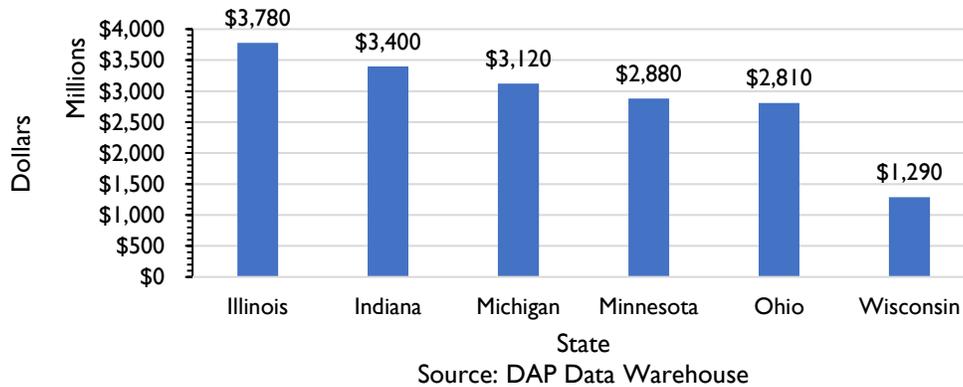
2019 Production Deals Closed



2019 Production Insured Loan Amount (Mortgage Amount at Closing)



FHA Multifamily Insurance Unpaid Principal Balance



Office of Recapitalization

The Office of Recapitalization is responsible for the preservation and recapitalization of federally assisted affordable housing and oversees and processes financial transactions to ensure the long-term physical and financial viability of affordable rental housing. In conducting the business of preservation of affordable housing, Recap is also responsible for ensuring compliance with relevant laws and statutes. Recap implements several programs, including the Rental Assistance Demonstration.

In 2012, HUD embarked upon a new program to address the critical capital needs of public housing properties called the Rental Assistance Demonstration (RAD). As a result of RAD, HUD has enabled billions of dollars in capital investment, improved living conditions for low-income residents, and enhanced the financial health of these critical affordable housing resources.

The Office of Recapitalization is led by Director Thomas Davis in headquarters. Director Davis and his team have preserved over 126 thousand units of public housing, including more than 20,000 in Region V alone. This has led to over \$8 billion dollars being invested in these units and over \$1.1 billion in Region V. Region V is home to Branch 3 (RAD Public Housing) and is led by Branch Chief Seema Radhakrishnan.

In the past year, RAD has had numerous accomplishments:

HUD released a new version of the RAD Notice. This fourth revision of the RAD Notice further strengthens resident rights, expands flexibilities for public housing authorities when converting public housing units, and implements the conversion of affordable housing for the elderly supported by Section 202 Project Rental Assistance Contracts (PRACs).

Econometrica released the final version of its evaluation on the performance of the RAD program. This evaluation found highly encouraging evidence that RAD is accomplishing its main goal of giving public housing authorities an effective tool to assemble financing to address the capital needs of participating properties, protecting residents' housing assistance, and placing properties on a stable funding platform moving forward.



Successfully wound down the Rent Supplement legacy program, preserving more than 13,000 affordable housing homes. RAD not only protected tens of thousands of residents from displacement, but also allowed owners of Rent Supplement properties to successfully preserve 13,670 affordable homes.

Success Story: RAD in Chicago

The Chicago Housing Authority (CHA) has been using RAD to transition about half of its public housing portfolio to Project Based Vouchers (PBVs). Through RAD, CHA has been able to rehabilitate existing buildings, build new housing on under-utilized land, and bring affordable housing to low-poverty neighborhoods in mixed-use settings, providing affordable housing opportunities for Chicago's lowest

income seniors, families, and people with disabilities. Further, CHA has used its flexibilities provided as a participant in HUD’s Moving to Work (MTW) demonstration to streamline its program administration and maintain self-sufficiency programs for residents as they transition from public housing to the PBV program.



CHA has been able to leverage these two demonstrations to benefit communities across the City of Chicago. This [RAD photo essay](#) highlights the innovative approach CHA and City of Chicago are using to transform the lives of residents in two senior properties: Fannie Emanuel in Chicago’s West Side community of East Garfield Park, and Caroline Hedger/Concord at Sheridan in the North Side community of Rogers Park, just blocks from Lake Michigan. The picture above demonstrates the positive reception that the community and CHA residents had to these changes.

“I had a lot of reservations. But we came into the building, and all of that went out the window. I was impressed with everything: the building, the people, everyone I met was pleasant.”

Since RAD was authorized, there has been the following activity in Region V:

State	RAD Units	Total Hard Costs	RAD Transactions
IL	8,353	\$ 721,649,747	58
IN	2,479	\$ 41,860,658	20
MI	1,906	\$ 136,978,597	23
MN	4,035	\$ 9,798,515	12
OH	3,275	\$ 202,803,208	28
WI	1,181	\$ 69,988,413	18
Grand Total	21,229	\$ 1,183,079,138	159

Additionally, in the last year, the following transactions have closed across the region:

State	RAD Units	Total Hard Costs	RAD Transactions
IL	995	\$ 57,635,566	7
MI	302	\$ 35,358,150	4
MN	3,836	\$ 2,009,346	8
OH	477	\$ 50,687,797	7
WI	204	\$ 34,181,226	2
Grand Total	5,814	\$ 179,872,085	28

Office of Healthcare Programs

The Office of Healthcare Programs (OHP) is located within the Office of Housing and administers FHA's healthcare programs, the Section 232 Mortgage Insurance for Residential Care Facilities program and the Section 242 Mortgage Insurance for Hospitals program. Both programs enable the affordable financing and refinancing of healthcare facility projects nationwide.

FHA's healthcare programs are integral to HUD's community development mission. By reducing the cost of capital needed by hospitals and residential care facilities to finance the construction, renovation, acquisition, or refinancing of facilities, these programs improve access to quality healthcare and work to decrease overall healthcare costs.

U.S. Department of Housing and Urban Development			
Office of Healthcare Programs			
Office of Residential Care Facilities			
Project Number and UPB for Region V			
Data as of: 12/02/2019			
Nationwide (ORCF)	3,721	482,795	\$ 31,756,410,984
Region 5			
State	Projects	Beds	UPB
ILLINOIS	287	44,998	\$ 2,701,303,019
INDIANA	135	17,473	\$ 1,048,126,164
MICHIGAN	115	14,115	\$ 813,004,131
MINNESOTA	83	10,493	\$ 777,681,538
OHIO	272	32,552	\$ 1,987,091,229
WISCONSIN	77	6,135	\$ 395,647,038
Total:	969	125,766	\$ 7,722,853,119
Percent:	26%	26%	24%

Source: iREMS

The Office of Healthcare Programs is headed by Roger Lukoff, the Deputy Assistant Secretary for Healthcare Programs, and Roger A. Lewis, Associate Deputy Assistant Secretary, and includes the following offices:

- The Office of Residential Care Facilities (ORCF) administers the Section 232 program, which provides FHA mortgage insurance for residential care facilities such as nursing homes, assisted living, and board & care facilities. Most OHP staff in field offices are employees of ORCF.
- The Office of Hospital Facilities (OHF) administers the Section 242 Program, which is responsible for providing FHA mortgage insurance for acute care hospital facilities ranging from large teaching institutions to small rural critical access hospitals.
- Office of Architecture and Engineering (OAE) provides architectural and engineering expertise to both the Section 242 and Section 232 programs.
- The Office of Residential Care Facilities (ORCF) has staff not only in headquarters but also in numerous field offices around the country. Those staff members in field offices are, however, out-stationed headquarters employees.

ORCF is led by an office Director and three Division Directors covering Production, Asset Management, and Policy, Risk Analysis and Lender Relations. The organizational structure is comprised of the following individuals:

- Acting Director of ORCF – Roger A. Lewis
- Director, Production – Tim P. Gruenes
- Deputy Director, Production – Susan Gosselin
- Director, Asset Management – Philip Head
- Deputy Director, Asset Management – Rita J. Dockery
- Director, Policy, Risk Analysis and Lender Relations – John M. Hartung

Additionally, there are two other key staff members who help support the mission of the ORCF Program. The Credit Risk Officer analyzes high-risk proposals, including large individual loans (refinances), new construction projects, and portfolios of multiple loans with the same owner/operator totaling more than \$90 million (concentrated risk). The Operations Manager leads a team that ensures the procurement, financial and records reporting, as well as ORCF’s systems technology, leverages and supports the needs of ORCF and the program staff. Those individuals are:

- Credit Risk Officer – Jennifer S. Buhlman
- Operations Manager – Nicole M. Johnson

The Office of Hospital Facilities (OHF) has staff not only in headquarters but also in numerous field offices around the country. Those staff members in field offices are, however, out-stationed headquarters employees.

OHF is led by an office Director and two Division Directors covering Production and Asset Management. The organizational structure is comprised of the following individuals:

- Director of OHF – Geoffrey Papsco
- Director, Production – Paul Giaudrone
- Director, Asset Management – Kathryn Killeen

Additionally, there are two other key staff members who help support the mission of the OHF Program. The lead of the Hospital Turnaround Team develops strategies to monitor challenged borrowers within the framework of the regulatory agreement to avoid loan assignments and claims. The Credit Risk Officer analyzes and reports on trends and the quality of the portfolio and assists in monitoring high risk accounts and underwritings. Those individuals are:

- Lead of Hospital Turnaround Team – Joan Schmiedicke
- Credit Risk Officer – Nick Bacque

The Office of Architecture and Engineering (OAE) has staff in numerous field offices around the country that are out-stationed headquarters employees.

OAE is led by an Office Director and Supervisory Mechanical Engineer. Those individuals are:

- Director, OAE – Robin Senator, R.A.
- Supervisory Mechanical Engineer- Nicholas D’Antona, P.E. (retired January 2020)

Additionally our professional staff includes registered architects, professional engineers, environmental specialists, seismic specialists, and LEED accredited staff typically with decades of experience in managing large healthcare projects who work to support other OHP staff as architectural-engineering

technical experts to manage the portfolio from pre-application through final endorsement and asset management.

The Office of Healthcare Programs (OHP) has a total staff of 170 individuals comprised as follows:

OHP Staff	
Deputy Assistant Secretary	6
Office of Residential Care Facilities	126
Office of Hospital Facilities	27
Office of Architecture and Engineering	11
Total	170

OHP Highlights for Region V

Office of Residential Care Facilities Helps Develop Affordable Assisted Living for Seniors



Heritage Woods of Newburgh, Newburgh IN
Construction of an affordable 120 unit / bed assisted living facility

The Office of Residential Care Facilities provides mortgage insurance to develop affordable assisted living housing for Region V seniors. In fiscal year 2019, the Section 232 mortgage insurance program provided financing for a 120 unit assisted living facility in Newburgh, Indiana. Heritage Woods of Newburgh used Section 232 mortgage insurance in conjunction with the Low-Income Housing

Tax Credit program to fund the new construction of the property. In addition, the property will use the state of Indiana’s Age and Disability Medicaid Waiver program to operate at reduced rent levels for residents. Construction began in June of 2019 and expects to welcome residents by summer 2020.



Heritage Woods of Noblesville, Noblesville IN
Construction of an affordable 124 unit / bed assisted living facility
Completed April 2019

Office of Healthcare Programs Region V Impact	
Number of hospitals with FHA Loans	10
Unpaid Principal Balance (UPB)	\$563,000,000
Total Beds	1,605

Additional projects include:



St. Elizabeth's Healthcare, Delphi, IN
 Addition of 26 units / 32 bed assisted living facility to an existing 39 unit / 64 bed skilled nursing facility
 Completed November 2018
 Crop parking lot



Randall Residence of Tipp City, Tipp City, OH
 Addition of 10 unit / bed assisted living and 12 unit / bed memory care facility to an existing 57 unit / bed assisted living and 24 unit / bed memory care facility
 Completed December 2018

Office of Housing Counseling

Through the Office of Housing Counseling (OHC), HUD supports a national network of nonprofit and government housing counseling agencies. These agencies provide tools to current and prospective borrowers and renters so that they can make responsible choices to address their housing needs.

OHC is composed of four offices that work collaboratively to manage the national housing counseling program and its network of HUD-approved housing counseling agencies. These include:

- Office of the Deputy Assistant Secretary
- Office of Outreach and Capacity Building
- Office of Policy and Grant Administration
- Office of Oversight and Accountability



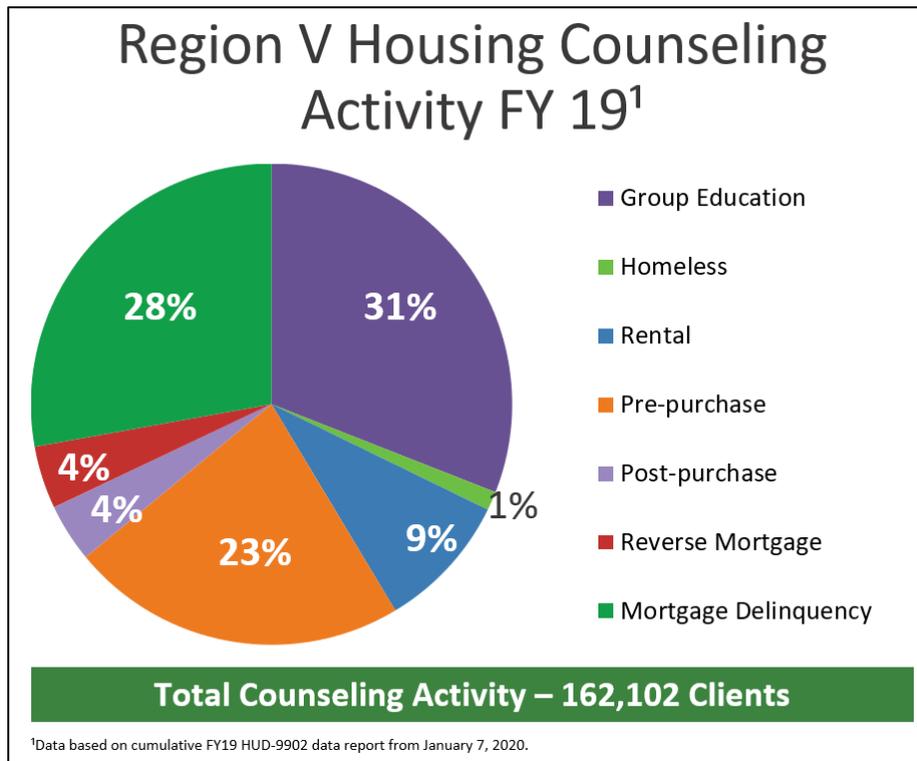
Newly certified housing counselors at LUCHA with Cheryl Lombré, HUD Housing Program Specialist third from the left.

OHC currently employs 77 people. As of January 2020, there are six Office of Housing Counseling employees located in Region V:

Jonathan Freyer	Housing Program Specialist, Office of Outreach and Capacity Building	Milwaukee Field Office
Tom Hardy	Housing Program Specialist, Office of Outreach and Capacity Building	Detroit Field Office
Cheryl Lombré	Housing Program Specialist, Office of Oversight and Accountability	Chicago Regional Office
Melissa Noe	Housing Program Specialist, Office of Policy and Grants Management	Chicago Regional Office
Judy Nunley	Program Assistant, Office of Outreach and Capacity Building	Detroit Field Office
Sheryl Welton	Housing Program Specialist, Office of Oversight and Accountability	Detroit Field Office

HUD Awards Nearly \$43 Million in Housing Counseling Grants

In fiscal year 2019, HUD awarded \$42.8 million in housing counseling grants to help approximately one million Americans make more informed housing choices, keep their current homes, or receive assistance to help them avoid foreclosure. These grants will directly support the housing counseling services provided by 207 HUD-approved local housing counseling agencies, national and regional organizations, and state housing finance agencies. Region V received \$5.4 million of the grant award for housing counseling agencies in Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.



Region V Housing Counseling Activity - Fiscal Year 2019	
<i>(Data from Q4 HUD-9902 report cumulative for Region V states)</i>	
Households Receiving Group Education by Purpose	
Completed financial literacy workshop, including home affordability, budgeting and understanding use of credit	18,604
Completed predatory lending, loan scam or other fraud prevention workshop	63
Completed fair housing workshop	529
Completed homelessness prevention workshop	9
Completed rental workshop	2,178
Completed pre-purchase homebuyer education workshop	25,431
Completed non-delinquency post-purchase workshop, including home maintenance and/or financial management for homeowners	840
Completed resolving or preventing mortgage delinquency workshop	2,105
Completed other workshops	425
Total Group Education	50,184

Households Receiving One-on-One Counseling by Purpose	
Homeless Assistance	2,055
Rental Topics	14,853
Pre-purchase/Homebuying	36,722
Non-Delinquency Post-Purchase	6,354
Reverse Mortgage	6,818
Resolving or Preventing Mortgage Delinquency or Default	45,116
Total One-on-One Counseling	111,918

New Housing Counseling Agencies in Region V

Five new agencies became HUD approved in fiscal year 2019. They are: Community Partners for Affordable Housing in Libertyville, IL; City of Grand Haven Housing Services in Grand Haven, MI; Habitat for Humanity of Huron Valley in Ann Arbor, MI; Housing Opportunities Made Equal of Mackinac County in St. Ignace, MI; and La Casa de Esperanza, Inc. in Waukesha, WI. Two of these organizations, Community Partners for Affordable Housing and Housing Opportunities Made Equal of Mackinac County, received housing counseling grant sub-awards for the first time through housing counseling intermediaries.

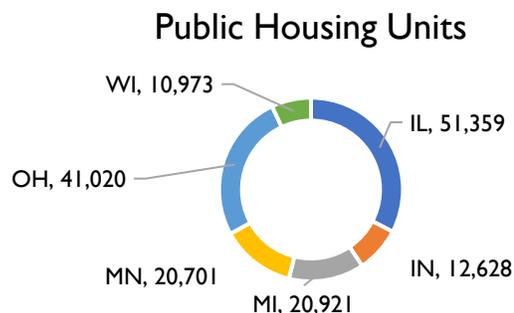


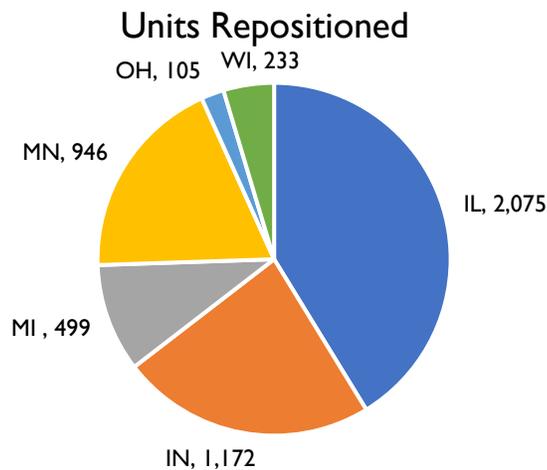
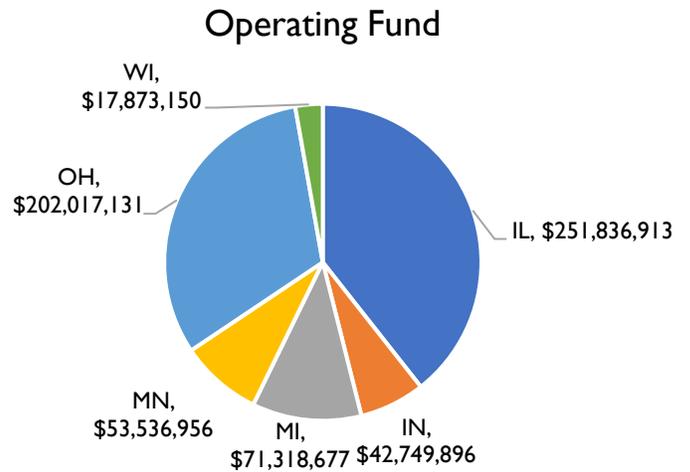
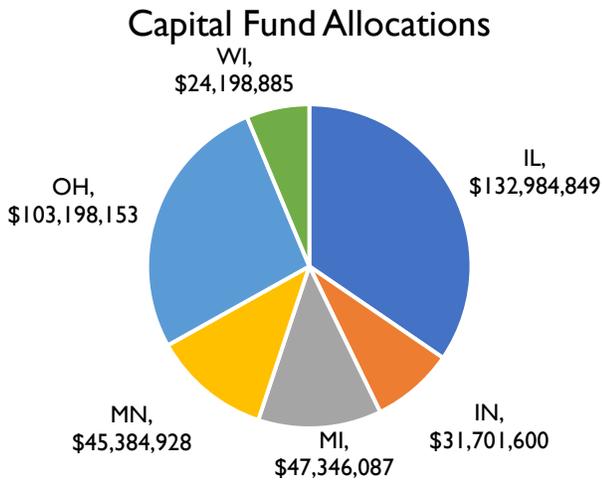
Office of Public and Indian Housing

The role of the Office of Public and Indian Housing is to ensure safe, decent, and affordable housing; create opportunities for resident's self-sufficiency and economic independence; and assure fiscal integrity by all program participants.

Public Housing Program

Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single-family houses to high rise apartments for elderly families. There are approximately 157,602 public housing units in Region V, managed by some 617 public housing agencies (PHAs).





Housing Choice Voucher Program

The housing choice voucher (HCV) program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants can find their own housing, including single-family homes, townhouses and apartments.

The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

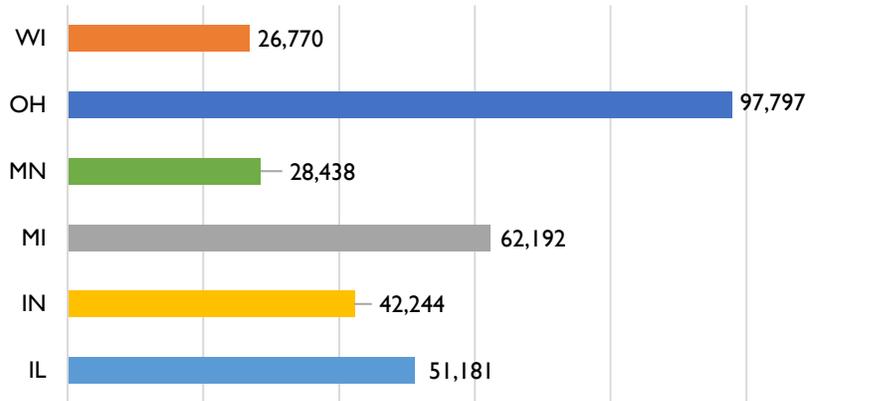
Housing choice vouchers are administered locally by PHAs. The PHAs receive federal funds from the U.S. Department of Housing and Urban Development to administer the voucher program.

A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. This unit may include the family's present residence. Rental units must meet minimum standards of health and safety, as determined by the PHA.

A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount

subsidized by the program. Under certain circumstances, if authorized by the PHA, a family may use its voucher to purchase a modest home.

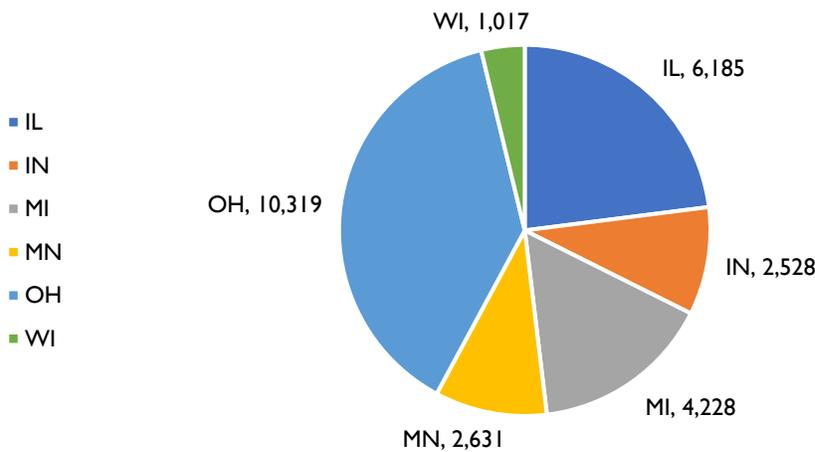
HCV Units Authorized



Source: PIH HCV Power BI Dashboard. Data obtained on 2/24

Special Purpose Vouchers

Special Purpose Vouchers Authorized



SPVs Include: FUP, Mainstream, VASH, and NED vouchers. Data obtained on 2/24 from the PIH HCV Dashboard

HUD-VASH

The HUD-Veterans Affairs Supportive Housing (HUD-VASH) program combines Housing Choice Voucher (HCV) rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). VA provides these services for participating Veterans at VA medical centers (VAMCs) and community-based outreach clinics.

Family Unification Vouchers

Enables families to rent affordable housing for whom the lack of affordable housing is a primary factor in, (1) the separation of children from their families or (2) in the prevention of reunifying the children with their families. Enables eligible youths (for a period not to exceed 36 months) who have attained at least 18 years and not more than 24 years of age and who have left foster care, or will leave foster care within

90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and is homeless or is at risk of becoming homeless at age 16 or older.

Mainstream Vouchers

The Mainstream Housing Choice Voucher Program which provides funding to housing agencies to assist non-elderly persons with disabilities, particularly those who are transitioning out of institutional or other separated settings; at serious risk of institutionalization; currently experiencing homelessness; previously experienced homelessness and currently a client in a permanent supportive housing or rapid rehousing project; or at risk of becoming homeless.

Non-Elderly Disabled Vouchers

NED HCVs enable non-elderly disabled families to lease affordable private housing of their choice. NED vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

Office of Native American Programs

HUD's Office of Native American Programs (ONAP) administers housing and community development programs that benefit American Indian and Alaska Native tribal governments, tribal members, the Department of Hawaiian Home Lands, Native Hawaiians, and other Native American organizations.

As sovereign nations, tribes are the direct recipients of federal funding from HUD. Each tribe designates an entity to administer these dollars, officially referred to as a Tribally Designated Entity. The Eastern Woodlands Office (EWONAP), headquartered in Chicago, served 66 tribes within 16 states and 6 HUD regions. EWONAP administers over \$90 million in Indian Housing Block Grant funds, over \$60 million in Section 184 Native American Home Mortgages, and approximately \$5 million in Indian Community Development Block Grant funds in its region annually.

Eastern Woodlands Region



Highlights

In Region V, more than \$19.4 million was awarded to six EWONAP grantees through the competitive Indian Housing Block Grant (IHBG) Program. IHBG is awarded to Native American Tribes and Tribally Designated Housing Entities for new housing construction, housing rehabilitation, and critical infrastructure projects. The Lower Sioux Indian Housing Authority in Minnesota will leverage its IHBG funds for 10 new houses addressing the affordable housing needs of its community. The Bay Mills Tribe of Chippewa Indians in the Upper Peninsula of Michigan will use its \$1.8 million IHBG award to build 8 units of new housing for elders and near elders.

The Saginaw Chippewa Indian Tribe of Michigan will construct 16 affordable permanent supportive housing units in a complex for those in substance abuse recovery, both short and long-term. There will be two 3-bedroom units, eight 2-bedroom units, and six 1-bedroom units.

FY 2018-19 Competitive Indian Housing Block Grant (IHBG) Awards

State	Grant Recipient	Area Office	Amount
Michigan	Bay Mills Indian Community	EWONAP	\$1,823,713
Minnesota	Lower Sioux Indian Housing Authority	EWONAP	\$1,597,125
Wisconsin	Red Cliff Chippewa Housing Authority	EWONAP	\$4,845,656
Minnesota	Red Lake Reservation Housing Authority +	EWONAP	\$2,250,000
Michigan	Saginaw Chippewa Indian Tribe of Michigan	EWONAP	\$3,967,260
Michigan	Sault Tribe Housing Authority	EWONAP	\$5,000,000
EWONAP Total			\$19,483,754.00

Sault Tribe Housing Authority Receives \$5 Million Grant

Sault Tribe Housing Authority recently received notification that they were awarded a \$5 million grant for affordable housing through HUD’s competitive Indian Housing Block Grant program. Competition was fierce with 200 applications from Tribally Designated Housing Entities and Native American Tribes. Sault Tribe Housing Authority was one of 52 agencies receiving funding. The housing authority topped out at the maximum amount of \$5 million to be spent in four years on an estimated 40 new units.

HUD awarded a total of nearly \$200 million nationally in this competitive round and they expect an increase of around 1,200 housing units nationally. Collectively, the award winners are leveraging \$90 million of additional resources toward their individual projects. Sault Tribe Housing Authority leveraged over \$1.6 million from Housing Authority funds and other Indian Housing Block Grants for a total project cost of \$6.6 million.

This welcome funding is ear-marked for expansion at the Odenaang housing site south of the Sault city limits that was purchased in 1996. These will be a combination of two- and three-bedroom properties. There will be a mixture of modular and stick built homes. Eight units are for elders and three units will be for people with disabilities. All units will be for low-income tribal members. Two units are designated as transitional recovery housing units.

The homes will feature LED lighting, high-efficiency water conservation, and Energy Star appliances. All the stick-built homes will be constructed by Sault Tribe members.

Special Applications Center (SAC)

HUD has various repositioning strategies available to public housing agencies (PHAs) to provide thousands of families across the country with better-maintained units while creating opportunities to leverage public and private resources, easing administration, and preserving affordable housing. Repositioning from a public housing platform to other forms of HUD rental assistance can help PHAs

address rehabilitation and physical needs, as well as place properties on a more stable financial foundation. The Department's repositioning efforts provides communities with additional flexibilities to better meet local needs and funding options to achieve long-term viability for their affordable housing.

Mission

The Special Applications Center (SAC) enables the Office of Public and Indian Housing to support the nation's public housing authorities in their desire to provide a better housing stock for their residents by means of technical assistance and obtaining approval of their plans.

Roles and Responsibilities

The Special Applications Center reviews, processes, and approves non-funded, non-competitive applications related to demolition/disposition, eminent domain, homeownership, and conversion.

The Special Applications Center also provides technical assistance and training to public housing hub offices and program centers, as well as to public housing authorities (PHAs), residents, and industry groups, with regard to the completion of these non-funded, non-competitive applications and the monitoring of activities related to these applications.

History

The Special Applications Center was established to centralize and standardize the review and approval of non-funded, non-competitive applications. The SAC helps to eliminate duplication of effort across offices and allows a specialized, dedicated staff to concentrate on the review and approval of these applications using consistent and predictable procedures and requirements. Technical assistance provided by the Center facilitates the preparation of complete and approvable applications by PHAs, further expediting the process.

Who We Are

The SAC has a total of 18 staff members led by Jane Hornstein, Director; James Isaacs, Division Director; and Katherine Stuckemeyer, Division Director. There are three Program Analysts who assist with data, FOIAs and policy. Most of the staff reviews applications and works with PHAs on specific applications.

Highlights

In fiscal year 2019, the SAC approved the repositioning of over 8,600 units through either demolition, disposition or conversions. Additionally, the SAC changed the way it works with field offices and PHAs. During the year, SAC worked with the Office of Field Operations to retrain field office personnel on what to look for when identifying repositioning opportunities. The SAC also trained in over 90 expeditors around the county to assist PHAs with applications in the Inventory Management System/Public and Indian Housing Information Center (IMS/PIC).

Toward the goal of repositioning public housing units, the SAC participated in over 250 panel calls nationwide, presented at over 25 statewide or regional conferences, held 5 repositioning seminars, including one in Chicago, and worked with field offices daily to help PHAs identify their repositioning goals.

In Region V, SAC approved 2,124 units for repositioning. Additionally, 1,973 units were removed from inventory either through demolition, disposition or conversion in fiscal year 2019. Most of the units removed from inventory were removed in prior years, as the development process is lengthy.

Office of Fair Housing and Equal Opportunity

About

Region V Senior Leadership:

- Lon Meltesen, Director FHEO, Region V (Maurice McGough retired in December 2019)
- Kimberly Nevels, Chicago FHEO Center Director
- Gordon Patterson, Detroit FHEO Center Director
- There are 48 staff members in Region V FHEO



Highlights - Significant Fair Housing Cases

Royals, Richelle v. Sheets, David

On September 17, 2018, Complainant filed a discrimination complaint against Respondent, alleging that Respondent had sexually harassed her in her rental housing. To avoid litigation, the parties entered into a conciliation agreement. Respondent agreed to contract with a licensed independent, third-party real estate management company to manage all residential rental properties he owns for as long as he has an ownership in the properties. Respondent will not have any direct communication with tenants, applicants, or anyone inquiring into one of his rental properties for five years. Respondent paid Complainant \$30,000 and her attorney representative \$7,000.

Oakland County, Michigan Civil Rights Compliance Review

In July 2017, HUD FHEO initiated a civil rights compliance review of Oakland County, Michigan and its administration of its Community Development Block Grant and HOME programs. In July 2019, the parties entered into a voluntary compliance agreement. The county agreed to open its Home Improvement Program to include rentals. The county agreed to allocate 20% of its HOME grants to affordable housing and direct financial assistance to renter households through the 2021-2025 program cycle.

Fair Housing Initiatives Program (FHIP)

In fiscal year 2019, HUD awarded \$16.2 million to FHIP grantees. Under the Private Enforcement Initiative (PEI) grant, four Region V grantees were awarded \$1,199,660. Under the Education and Outreach Initiative (EOS) grant, sixteen Region V grantees were awarded \$1,999,969.

Fair Housing Analysis Program (FHAP)

In fiscal year 2019, HUD awarded almost \$4,500,000 to the fourteen FHAP agencies in Region V.

Total Completed HUD – Processed Title VIII Cases

- Nationwide, HUD investigated 1,708 Title VIII cases. Region V completed 222.
- Nationwide, HUD processed 21,705 inquires. Region V processed 2,590.

Office of Lead Hazard Control and Healthy Homes

The Office of Lead Hazard Control and Healthy Homes (OLHCHH) provides funds to state and local governments to develop cost-effective ways to reduce lead-based paint hazards. In addition, the office enforces HUD's lead-based paint regulations, provides public outreach and technical assistance, and conducts technical studies to help protect children and their families from health and safety hazards in the home. Paul Diegelman is the OLHCHH Field Representative for Region V, based out of the Cleveland Field Office.

Highlights

In fiscal year 2019, Region V received 18 new grants to bring the total of existing grantees to 52. Region V received a total of \$85,819,915 from the Lead Based Paint Hazard Reduction Program and Healthy Homes Production Grant Programs, almost a quarter of all grant dollars awarded in 2019, to identify and clean up dangerous lead in low-income housing. There are 13,801 children in Region V with tested blood lead levels exceeding 5 µg/dL (CDC National Childhood Blood Lead Surveillance Data 2017).

In addition to Lead Healthy Homes Grant Programs, HUD awarded almost \$1.7 million to the University of Illinois Chicago and the Illinois Institute of Technology through the Lead and Healthy Homes Technical Studies Program to support the development of new scientific techniques to assess and control a variety of home-related risks including lead, pesticides, secondhand tobacco smoke, cockroach allergens, and indoor air pollutants.

Researchers at the University of Illinois Chicago will study predictors of water lead levels in homes that rely on private wells for drinking water and the efficacy of three interventions to remove lead from well water in 100 Illinois homes. In addition, researchers will evaluate the HELP program in Galesburg, IL, which will help determine the incremental benefits of lead service line replacement.

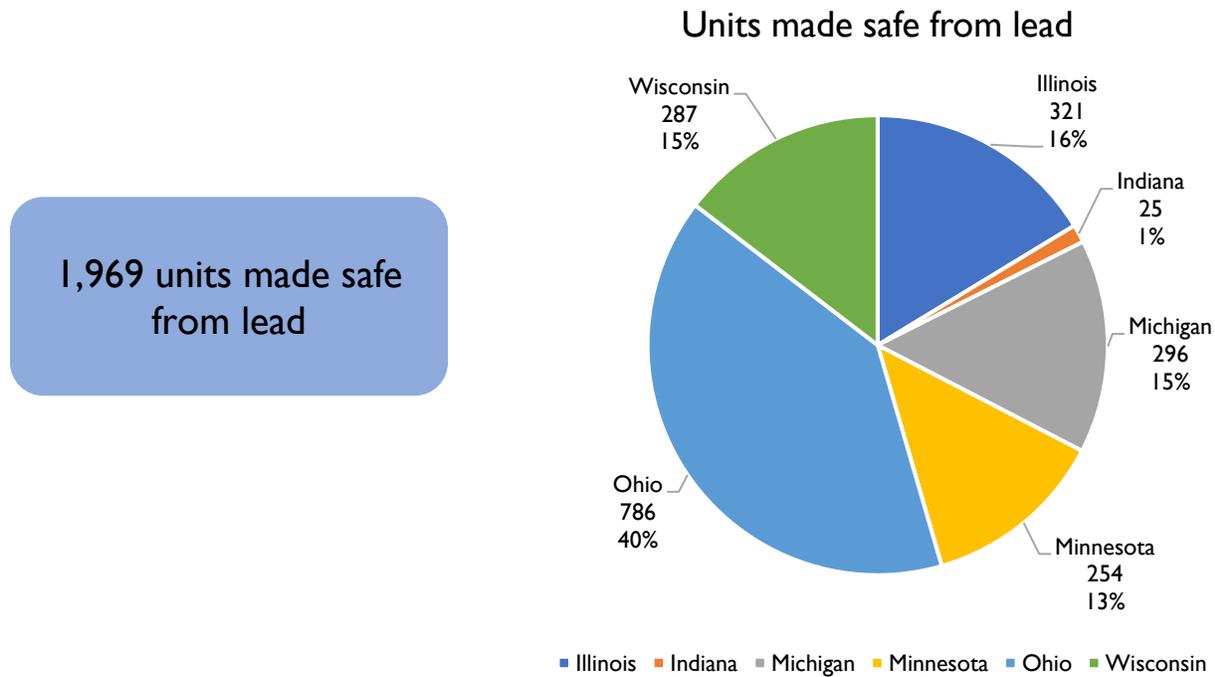
The Illinois Institute of Technology will study the use of portable high efficiency air cleaners to improve indoor air quality and health outcomes in the homes of veterans with Chronic Obstructive Pulmonary Disease (COPD).



Regional Administrator Joseph Galvan presented a \$1.69 million Lead and Healthy Homes Technical Studies Program grant to the University of Illinois Chicago.

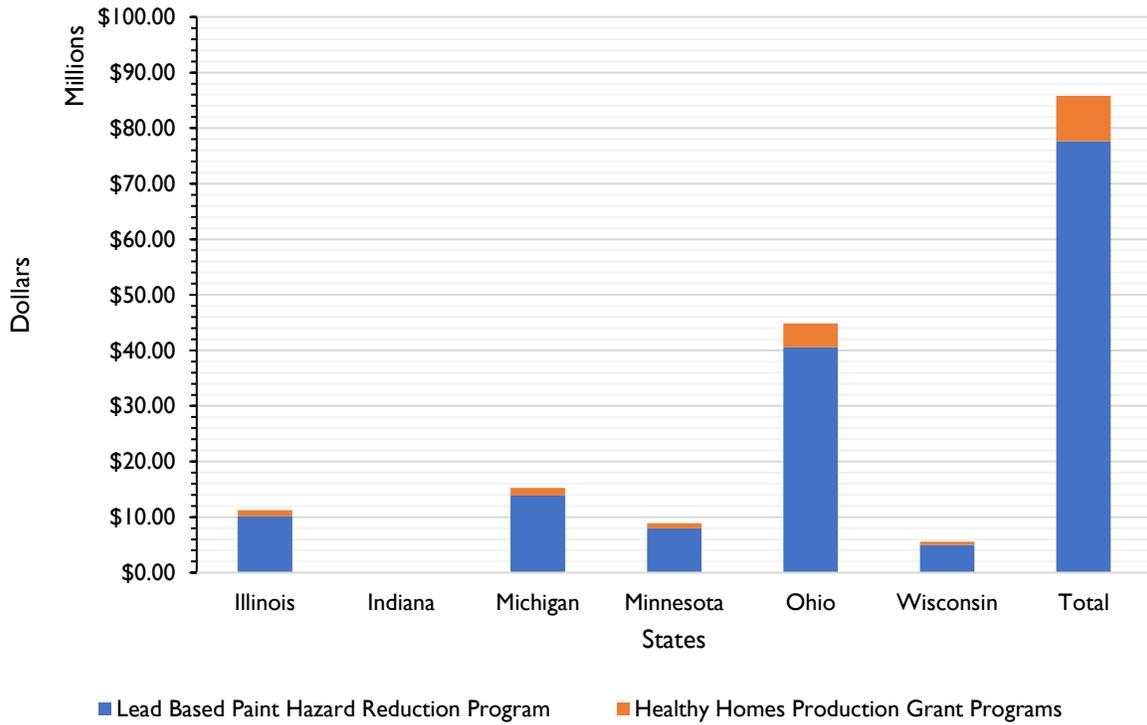
Public housing authorities in Region V received more than \$3.9 million through HUD’s Public Housing Capital Fund to identify and reduce lead-based paint hazards in older public housing units, many of which are occupied by families with young children.

Data



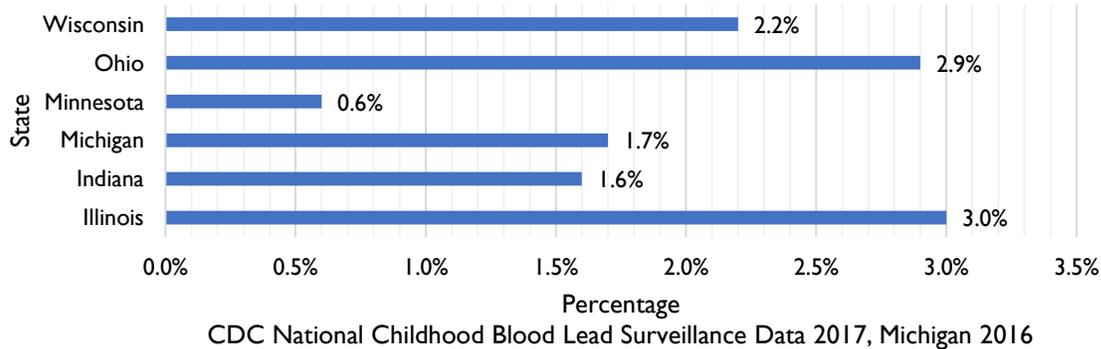
OLHCHH Impact in Region V							
	Illinois	Indiana	Michigan	Minnesota	Ohio	Wisconsin	Total
Units made safe from lead	321	25	296	254	786	287	1969
Dollars awarded – Lead Grants	\$10,216,220		\$13,871,077	\$8,000,000	\$40,578,430	\$5,000,000	\$77,665,727
Dollars awarded – Healthy Homes Grants	\$1,043,588		\$1,360,600	\$900,000	\$4,250,000	\$600,000	\$8,154,188
Total Lead and Healthy Homes Grants	\$11,259,808		\$15,231,677	\$8,900,000	\$44,828,430	\$5,600,000	\$85,819,915
Research Grants - Lead	\$700,000	\$0	\$0	\$0	\$0	\$0	\$700,000
Research Grants – Healthy Homes	\$1,999,999	\$0	\$0	\$0	\$0	\$0	\$1,999,999

Lead and Healthy Homes Grant Programs

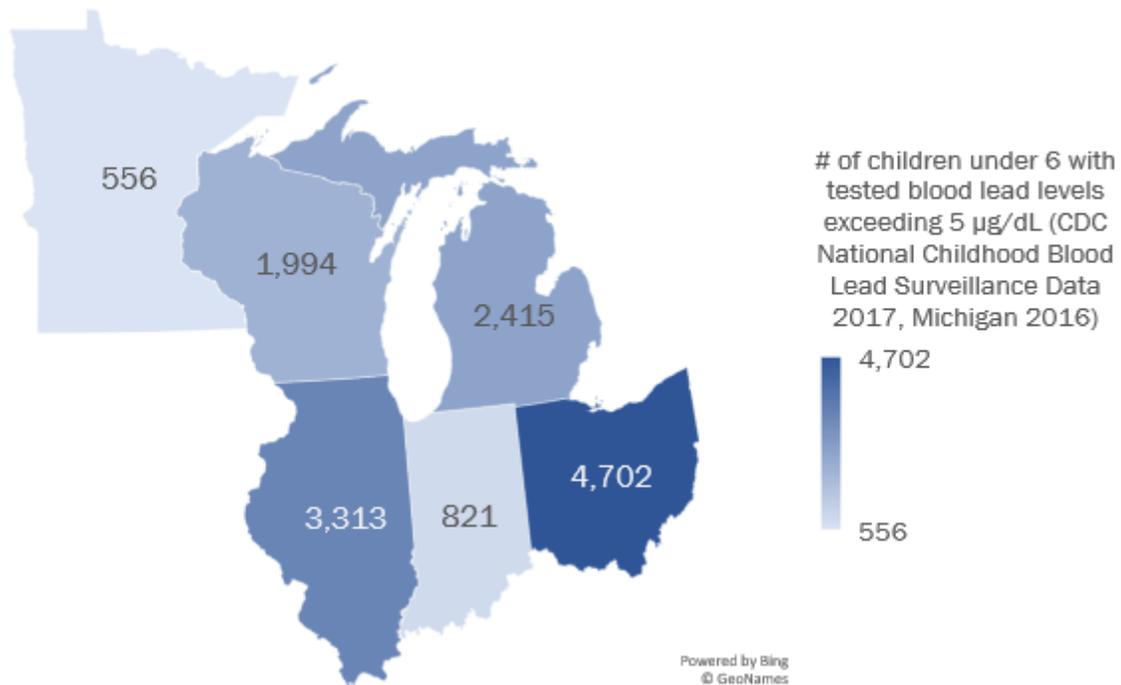


Impact of Lead on Children in Region V						
	Illinois	Indiana	Michigan	Minnesota	Ohio	Wisconsin
# of children under 6 with tested blood lead levels exceeding 5 µg/dL (2017) - CDC National Childhood Blood Lead Surveillance Data	3,313	821	2,415 (2016)	556	4,702	1,994
% of children under 6 with tested blood lead levels exceeding 5 µg/dL (2017) - CDC National Childhood Blood Lead Surveillance Data	3%	1.6%	1.7% (2016)	0.6%	2.9%	2.2%

% of children under 6 with tested blood lead levels exceeding 5 µg/dL (CDC National Childhood Blood Lead Surveillance Data 2017, Michigan 2016)



Children impacted by lead in Region V



Office of Davis-Bacon and Labor Standards

The Office of Davis-Bacon and Labor Standards (DBLS) is responsible for HUD's overall compliance with the Federal prevailing wage requirements applicable to HUD-assisted and insured housing and community development programs covered under the Davis-Bacon and Related Acts. Davis-Bacon and Labor Standards also administers Federal prevailing wage requirements applicable to maintenance employees of public housing agencies and Tribally Designated Housing Entities.

The Region V office is led by Yvonne Matthews, Regional Contractor Industrial Relations Officer. Three Contractor Industrial Relations Specialists (Roxanne Volkmann, Deborah Diez, and Loretta Szweduik) and one Wage Requirement Assistant (Phyllis Bowman) support the office's work across six states in the region.

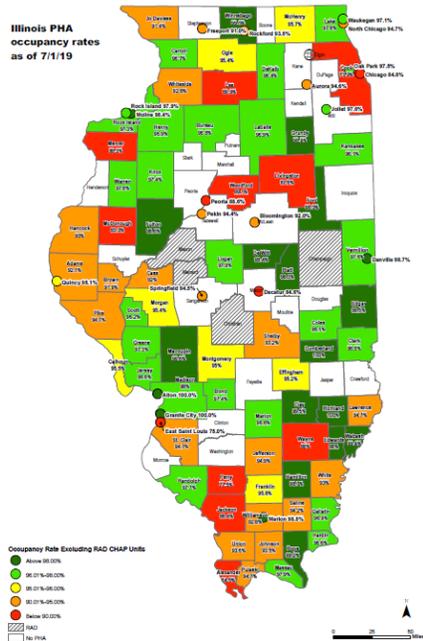
HUD Davis-Bacon and Labor Standards staff ensure that construction laborers and mechanics working on covered projects are paid no less than the Federal prevailing wage rate for the type of work they perform. There are similar requirements for laborers and mechanics performing maintenance work for public and Indian housing agencies. In addition to these responsibilities, DBLS staff work to support employment and apprenticeship initiatives.

The Office of Davis-Bacon and Labor Standards works with contractors, housing and community development industry groups, state, local and tribal agencies, and organized labor groups. Davis-Bacon and Labor Standards staff undertake investigations into suspected violations of Federal labor standards provisions.

In 2019, Region V Davis-Bacon and Labor Standards staff ensured the restitution of \$32,431.34 to workers.

FHA Mortgage Insurance

EMAD assists in the FHA underwriting consideration of applications for new construction and substantial rehabilitation project mortgage insurance. During FY19, Region V economists analyzed market conditions and assessed the demand for additional rental housing in 30 housing market areas in Region V and 27 housing markets outside of Region V, totaling \$1.2 billion.



Data Visualization for HUD Region V Program Offices

Region V economists also aided HUD program areas in local offices. During fiscal year 2019, EMAD worked on an ad hoc basis with the Offices of Public and Indian Housing and Community Planning and Development to provide visualizations of HUD-tracked data. One EMAD economist generated maps highlighting occupancy rates for the Illinois PHAs.

Midwest Lender's Conference

In August 2019, two Region V economists presented at the Detroit and Midwest 16th Annual Lender's Conferences, providing economic reporting for multifamily markets to several hundred lenders and developers.

Part of a National Team

Region V economists also oversaw contracts for the national EMAD team valued at more than \$1.3 million and assisted in training new economists from the Atlanta and Fort Worth offices.

Disaster Relief Deployment

One Region V economist participated in the disaster recovery effort for Hurricane Michael in the Florida panhandle from November 12-December 11, 2018. The economist worked at a shelter in Panama City Beach as part of a team that included Office of Public and Indian Housing employees, providing subsidized housing information to survivors, assisting with the completion of Section 8 and public housing applications for PHAs outside of the hurricane-affected area. All HUD assisted clients in the shelter were re-housed, including Ms. Millhouse (pictured above) and 11 families were approved to participate in the Section 8 Tenant Based Rental Assistance program.



Office of General Counsel

The Region V Office of Counsel is comprised of 26 employees in Chicago and 13 employees located in Region V Field Offices (Cleveland, Detroit, Indianapolis and Minneapolis). The management consists of the Regional Counsel (Courtney Minor), Deputy Regional Counsel (Janet Elson), Associate Regional Counsel for Programs and Enforcement (Gregory G. Gustin) and Associate Regional Counsel for



Region V Office of General Counsel Staff

Litigation (Lisa Danna-Brennan). There are currently Chief Counsel in Cleveland (Ray Keyser), Detroit (Amanda Shaughnessy), Indianapolis (Keith Lerch), and Minneapolis (Judy Tucker). The Regional Counsel is responsible for general direction and oversight, and management of relations with HUD program offices.

The Deputy Regional Counsel reports directly to the Regional Counsel, supervises the Associate Regional Counsels, and oversees a significant amount of Public Housing matters, including the Rental Assistance Demonstration, mixed finance,

conflicts of interest and PHA governance issues, and issues arising out of the Community Planning and Development department.

The Associate Regional Counsel for Litigation has direct supervision of work in the areas of Defensive Litigation, Ethics, Fair Housing, Freedom of Information Act, Employment and Labor Relations, Monitored Public Housing Litigation, Personnel, Procurement Law, Native American Programs and Single Family.

The Associate Regional Counsel for Programs and Enforcement has direct supervision of referrals from the Departmental Enforcement Center, transactional work for the Illinois Insured Housing programs, such as Multifamily and the Office of Residential Care Facilities, complex litigation regarding the Region V Insured Housing portfolio, including bankruptcy, and collection work for the Chief Financial Officer, i.e. wage garnishments and Internal Revenue Offsets for unpaid partial claims, 203K loans, and Title One loans.

Highlights

Multifamily Housing

Region V attorneys closed 92 separate FHA insured transactions during Fiscal Year 2019. The total insured value of these transactions was \$982,667,910.

Office of Residential Healthcare Facilities

Region V attorneys closed 68 separate FHA insured transactions for the healthcare related facilities during the fiscal year. The activities included resolution of matters relating to the Rosewood portfolio, JLM bankruptcy portfolio and assorted other enforcement activities.

In addition, the Region V attorneys touched approximately 500 requests for review or assistance on asset management matters, 60 transfers of physical assets, and 17 interest rate deductions.

Insured Housing Related Litigation

Region V attorneys continued to represent the Department in complex litigation relating to the insured assets, including mechanics lien, bankruptcy, complex workouts, and organization disputes within borrowers and grantees.

Rental Assistance Demonstration

The Region V Office of Counsel assisted and concurred on 33 RAD transactions allowing 6,693 units of housing to be converted from public housing to the Section 8 platform. Notable accomplishments were the conversion of 3,283 units of the St. Paul Housing Authority and the conversion of 1,300 Chicago Housing Authority units.

Public Housing

Region V attorneys continue to assist with receivership issues regarding Alexander County Housing Authority, resolution of Vermilion County Housing Authority unauthorized mortgaging of Public Housing land, mixed finance transactions throughout the region and other issues regarding public housing regulations and policies. The Office of Regional Counsel also reviewed, concurred or non-concurred on 18 public housing authority requests for settlements or payment of attorneys' fees.

Single Family: During fiscal year 2019, Region V attorneys and paralegals worked on approximately 6,200 individual single family matters, encompassing defensive foreclosures, protection of the real estate owned inventory, bankruptcy, tax sales, occupied conveyance litigation, defended litigation brought by homeowners and condominium associations and resolved issues related to the sale of HUD owned real estate properties. Notably, during fiscal year 2019, Region V defended the Department in litigation brought by non-borrowing spouses of deceased Home Equity Conversion Mortgages, borrowers which resulted in the HUD Single Family guidelines which allow the non-borrowing spouses to remain in their homes for an extended period after the death of the borrowing spouse.

Fair Housing

Region V attorneys in conjunction with FHEO, charged 12 fair housing cases, assisted in 4 compliance reviews, 2 conciliations and provided legal expertise for investigations as needed.

Debt Collection: On behalf of the Chief Financial Officer, Region V attorneys represented in defense of 81 collection actions and prevailed in all 81 actions. As a result of the favorable decisions, \$2,279,949 was collected through wage garnishments and administrative offsets of any Federal payment due to individuals who defaulted on HUD-insured loans or who were otherwise indebted to HUD.

Personnel Law

Region V attorneys continued to assist Employee and Labor Relations in legal sufficiency reviews of personnel actions and litigated 10 matters in various forums (EEO, MSPB, arbitration, ADR and Federal court). In most cases, resolution of personnel matters resulted in decisions favorable to the Department. Region V attorneys continued to provide national assistance on reasonable accommodation issues.

FOIA

Across the region, Region V attorneys concurred on approximately 77 distinct FOIA matters submitted for review. Region V attorneys routinely are available for FOIA questions.

Ethics and Standards of Conduct

During fiscal year 2019, the Region V attorneys provided 167 written ethics and standards of conduct opinions, reviewed 172 financial disclosure statements, provided new employee ethics briefings, and provided in-person training in Milwaukee, Minneapolis and Chicago.

The Departmental Enforcement Center

The Chicago office of HUD's Departmental Enforcement Center (DEC) works with various program areas throughout Region V in order to complete work assignments and enforces business agreement requirements with noncompliant program participants. During fiscal year 2019, the DEC worked with Multifamily Housing (MFH), the Office of Residential Care Facilities (ORCF), Public and Indian Housing (PIH), Community Planning and Development (CPD), and the Office of the Inspector General. The DEC coordinates its enforcement actions with its parent organization, the Office of General Counsel, to ensure that actions are taken in conjunction with appropriate regulations and business agreements.



Highlights

During fiscal year 2019, the DEC completed 761 referrals from MFH and ORCF. These referrals included cases for possible noncompliance related to financial and physical condition matters, as well as referrals for the untimely filing of required financial statements. The DEC recovered \$1,943,027 related to these referrals, which will assist these projects to be more financially stable and viable for the populations which they serve. The DEC also collected \$50,000 of civil money penalties and executed 3 settlement agreements during the fiscal year related to repeated noncompliance by MFH project owners.

The DEC completed 2 reviews for PIH, The Housing Authority of the City of Jeffersonville (Indiana) and The Housing Authority of the County of Lake (Illinois), and a review for CPD, the Single Room Housing Assistance Corporation. These reviews covered the governance of the entities, adherence to internal controls and HUD requirements, and a thorough review of the financial records, including source documentation. The DEC recommended multiple actions which the program areas are working to implement.

The DEC was able to hire 4 new financial analysts, Mike Byzewski, Gracia Shiffrin, Karone Head, and Elester Wilbern, and a Presidential Management Fellow (PMF), Kori Bertun. This increased total staffing from 12 to 17. This will allow the DEC to assist with CPD Disaster Recovery reviews and to complete work assignments more expeditiously.

The DEC also hosted a PMF rotation for a Field Policy and Management employee, Nicole Winston. These new employees bring a variety of experience to the DEC, which will make the DEC a stronger partner with the various program area clients which it serves. Throughout the fiscal year, the

DEC focused on training these new employees so that their skill sets were expanded. These trainings included performing financial reviews, one-on-one mentoring, team-oriented approaches to work assignments, new software technologies, and leadership opportunities.

Office of Inspector General

The U.S. Department of Housing and Urban Development’s (HUD) Office of Inspector General (OIG) is one of the original 12 Inspectors General authorized under the Inspector General Act of 1978. Over the years, we have engaged with HUD personnel in recommending ways to improve departmental operations and addressing program abuses. We strive to make a difference in HUD’s performance and accountability by focusing our efforts on preventing abuses, mitigating exposure to the Department when frauds are discovered, and finding solutions to prevent recurrence.

Office of Investigations

The Office of Investigation plans and conducts investigations that vary in purpose and scope and may involve alleged violations of criminal or civil laws, as well as administrative requirements. The focus of an investigation may include the integrity of programs, operations, and personnel in agencies at federal, state, and local levels of government; program, procurement, and grant fraud schemes; mortgage fraud, financial fraud, and whistleblower retaliation; and other matters involving alleged violations of law, rules, regulations, and policies.

Relative to the HUD Office of Inspector General, Office of Investigations, Region V currently has offices in Chicago, Detroit, Cleveland, Columbus, Indianapolis, and Minneapolis.

The office make-up is as follows:

Special Agent in Charge	1
Assistant Special Agent in Charge	4
Special Agents	28
Investigative Analyst	1
Administrative Officer	1
Administrative Assistant	1

Office of Audit

The Office of Audit is an organizational unit within HUD’s Office of Inspector General. The Office of Audit plans and conducts independent and objective audits and other reviews of the U.S. Department of Housing and Urban Development (HUD) programs and activities to ensure that they operate economically, efficiently, and effectively. Its headquarters office is in Washington, D.C., and it has regional/field offices dispersed geographically throughout the U.S.

The Office of Audit for Region V has offices located in Chicago, Detroit, and Columbus.

The office make-up is as follows:

Regional Inspector General for Audit	1
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Assistant Special Agent in Charge	4
Staff Auditors	17

Highlights

Excerpts of significant cases, which were highlighted in the two Semi-Annual Reports for Fiscal Year 2019, are as follows:

Hammond, Indiana

A former assistant executive director of a PHA was sentenced in U.S. District Court in relation to an earlier guilty plea to theft concerning federal funds and tax evasion. The assistant executive director was sentenced to 37 months incarceration and ordered to pay more than \$835,000, more than \$633,000 of which is due to HUD. Through her role in the PHA, the assistant executive director embezzled Housing Choice Voucher Program payments by setting up fictitious accounts for which she was the signatory. After the theft, she failed to report those stolen funds on her income tax returns for the years 2013 through 2015. She used the fraudulent proceeds obtained from the program benefits for the purchase and remodeling of a residence in Michigan, vacations, cruises, a fishing boat, and other personal items. HUD OIG and the Internal Revenue Service, Criminal Investigation Division, conducted this investigation.

South Bend, Indiana

Two individuals portraying to be investors were sentenced in U.S. District Court in relation to their earlier guilty pleas to wire fraud, mail fraud, bank fraud, identity theft and bankruptcy fraud. The two were sentenced to a cumulative 105 months of imprisonment and ordered to pay restitution totaling \$581,386, of which \$80,136 was due to the FHA. The two were involved in a scheme in which they would convince distressed homeowners to sign over the rights to their properties via Quit Claim Deeds with the promise that the investors would make payments to the homeowners later. The investors would then send a promissory note to the lenders holding the mortgages and file a fraudulent Satisfaction of Mortgage at the recorder's office in order to resell the properties. The investors performed this scheme on six properties, three of which were FHA insured.

Egan, Michigan

A former software coordinator for a local PHA was sentenced to one-year incarceration, 20 years of probation, and 40 hours of community service and ordered to pay restitution of \$271,325 to the PHA. The software coordinator was sentenced in a County District Court in relation to his earlier guilty plea to theft by swindle. The software coordinator was responsible for the PHA's computer system and created fictitious landlords and tenants in the system in order to fraudulently obtain Housing Assistance Payments (HAP). He created two fictitious management companies who received HAP checks for tenants who were deceased, no longer eligible for assistance, or never on the program. The software coordinator was the registered agent for both companies and diverted over \$271,000 in PHA funds for his personal use. HUD OIG and the Egan Police Department conducted this investigation.

Excerpts from the audits issued during fiscal year 2019, which are posted on HUD OIG's website:

The Management Agent for Lake View Towers Apartments Did Not Always Comply with HUD's Section 8 HAP Program Requirements, Chicago, IL

We audited the Lake View Towers Apartments' Section 8 housing assistance payments program based on our analysis of risk factors related to multifamily projects in Region V's jurisdiction and the activities

included in our fiscal year 2019 annual audit plan. Our audit objective was to determine whether the management agent administered the project's program in accordance with the owner's contract with the U.S. Department of Housing and Urban Development (HUD) and its own requirements.

The management agent did not always administer the project's program in accordance with HUD's and its own requirements. Specifically, it did not always correctly calculate and support housing assistance payments for its program households, obtain and maintain required eligibility documentation, and maintain appropriate waiting lists for the project. As a result, HUD inappropriately paid nearly \$57,000 in ineligible and more than \$399,000 in unsupported housing assistance. If the management agent does not correct its tenant certification process, HUD could overpay more than \$54,000 in housing assistance over the next year. In addition, housing assistance may have been unjustly denied or delayed for eligible applicants on the project's waiting lists.

We recommend that the Director of HUD's Chicago Office of Multifamily Housing Programs require the project owner to: (1) reimburse HUD for the ineligible housing assistance payments; (2) reimburse the appropriate household for the underpaid housing assistance; (3) support or reimburse HUD for the unsupported housing assistance payments; (4) conduct criminal record background checks; (5) update its waiting lists to include applicable notations; and (6) implement adequate policies, procedures, and controls to address the issues cited in this report.

Sources of Information

- Bureau of Labor Statistics
- CDC National Childhood Blood Lead Surveillance Data
- Comprehensive Housing Affordability Strategy (CHAS) Data
- DAP Data Warehouse
- HEREMS
- HUD Community Assessment Reporting Tool (CART)
- HUD e-GIS Open Data Storefront
- HUD Exchange
- HUDuser.gov
- iREMS
- Office of Davis-Bacon and Labor Standards SARS
- Office of Housing Counseling HUD-9902 report
- Office of Inspector General Semi-Annual Reports for Fiscal Year 2019
- Office of Multifamily Housing Datamart (MPRD)
- Office of Public and Indian Housing Data Warehouse
- Office of Public and Indian Housing HCV Power BI Dashboard
- Office of Public and Indian Housing Information Center (PIC)
- Section 3 Performance Evaluation and Registration System (SPEARS)
- U.S. Census Bureau American Community Survey (ACS)