

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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\$292.5 Million Section 242 Loan

HUD has committed to insure a Section 242 mortgage loan, in the amount of \$292.5 million, to New Regional Medical Center (NRMC) in East Norriton, Pennsylvania.



The new facility is the product of a strategic partnership between Albert Einstein Healthcare Network and Montgomery Hospital Medical Center. It will include construction of a new 146-bed, state-of-the-art acute care hospital, including 96 surgical beds, a 22-bed intensive care unit, a 20-bed obstetrical unit, and an eight-bed neonatal intensive care unit. The new structure will expand local access to quality health care and is the first completely new medical center to be built in the southeastern Pennsylvania region, including the City of Philadelphia, in at least a decade, according to the Pennsylvania Department of Health.

"FHA is helping to build state-of-the-art health care facilities like this all across the country," said FHA Commissioner David Stevens. "By helping to make these projects possible, FHA also contributes to the financial well-being of communities by creating jobs and helping to stimulate local economies."

HUD estimates the New Regional Medical Center construction project will support 2,750 full-time jobs and provide an estimated economic

stimulus of more than \$785 million to the community. Once completed, the project is expected to support 450 full-time jobs and provide an annual economic benefit of more than \$101 million.

The new facility will offer both inpatient and outpatient services including emergency medicine, cardiology, general medicine, obstetrics/gynecology, general surgery, interventional radiology/vascular/cardiology, oncology, and orthopedics. It will also begin offering services not currently available in its service area. These services include cardiac surgery, advanced electrophysiology, cardiac catheterization, and neonatal intensive care.

By insuring the mortgage loan, FHA is enabling the medical center to obtain lower cost financing that will save an estimated \$74 million in interest expense over the life of the loan. Since 1968, FHA has insured 383 mortgages to hospitals throughout the nation- 42 within the past five years.

FHA's Section 242 Mortgage Insurance Program for Hospitals provides HUD-insured mortgages made by private lending institutions to finance construction or renovation of acute care hospitals including major equipment needed to operate the facility. The eligible applicants can be public, proprietary, or nonprofit hospitals certified by the responsible State agency.

Project-Based ARRA Reporting



It has been determined that project owners who were recipients of project-based ARRA funds last year, do not need to report on the Recovery.Gov website regarding their utilization.



Grants & Civil Rights Protections



For the first time in its history, the U.S. Department of Housing and Urban Development will require grant applicants seeking HUD funding to comply with state and local anti-discrimination laws that protect lesbian, gay, bi-sexual, and transgender (LGBT) individuals. Recently, HUD published a notice detailing the general requirements that will apply to all of the Department's competitively awarded grant programs for Fiscal Year 2010.

Traditionally, HUD requires all applicants for competitive grant funding to comply with all applicable federal fair housing and civil rights requirements including those expressed in Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act. Now, HUD will further stipulate that applicants and their sub-recipients must comply with state or local laws proscribing housing discrimination based on sexual orientation or gender identity.

It is estimated there are approximately 20 states and the District of Columbia that have laws prohibiting discrimination based on sexual orientation discrimination. In addition, 12 states and the District of Columbia prohibit discrimination based on gender identity.

HUD's General Section will not consider an applicant's submission if they fail to meet minimum thresholds which will now include being able to demonstrate that they have not been charged with a systemic violation of state or local law proscribing discrimination in housing based on sexual orientation or gender identity.

Last October, Secretary Shaun Donovan announced a series of measures to ensure that the agency's core housing programs are open to all, regardless of sexual orientation or gender identity. In addition to the notice, HUD intends to propose new regulations that will clarify that the term "family" as used to describe eligible beneficiaries of HUD's programs include otherwise eligible LGBT individuals and couples. The Department's intent to propose new regulations will clarify family status to ensure its core housing programs are available to all families, regardless of their sexual orientation or gender identity.

Neighborhood Networks Week- August 2-7, 2010

This summer, Neighborhood Networks Week will follow the theme, A Successful Past, A Promising Future, in honor of the Initiative's 15th Anniversary.



Scheduled for August 2-7, Neighborhood Networks Week 2010 provides centers with an opportunity to showcase all that they have to offer, recognize the efforts of those who help make center programs a success, and shine the spotlight on their accomplishments, as well as those of residents.

HUD invites all centers to honor the Initiative's 15th Anniversary by participating in Neighborhood Networks Week 2010. During the weeklong observance, centers are encouraged to host a local event that captures the spirit of the Initiative. To help centers plan a successful event, HUD created the Neighborhood Networks Week Event Planning Guide. The guide has been updated for Neighborhood Networks Week 2010 to include a revised planning section, as well as new resources. It can be downloaded at:

<http://www.hud.gov/offices/hsg/mfh/nnw/nnweek/nnweek2010/2010eventplanningguide.pdf>

Centers may wish to host an event that honors the "Neighborhood Networks Week Special Event Days" that were established by HUD for Neighborhood Networks Week 2007. Special Event Days offer centers a great starting point for their local event by providing established event themes that also promote the Initiative's mission. Centers may also take part in a national, virtual event. National events are being planned now, and more information will be available on the Neighborhood Networks Web site soon.

If your center will be hosting a local event, be sure to register your event today at:

<http://lnshhq05w.hud.gov/NN/confevent.nsf/reg>

If you have questions regarding Neighborhood Networks Week 2010, call the Neighborhood Networks Information Center toll-free at: (888) 312-2743.

Special Note: The Philadelphia HUD Office will be holding a 15th Anniversary Celebration on August 31, 9AM-12 Noon (Room 12C). Contact Susan Noce for details: 215-861-7583.

Census Information

In March 2010, census takers began visiting addresses across the country to count the population and to collect information for the 2010 Census.

Census takers are required to contact occupied apartments themselves; however, if an apartment is vacant or if the census taker is unable to contact the tenant, the census taker is instructed to ask an apartment owner/manager to answer a few short questions about the apartment (e.g. who was occupying the unit on April 1, 2010), as well as provide the name and phone number of the apartment owner/manager in the event that the Census Bureau needed to ask any follow-up questions.



In accordance with 13 USC 223, owners and/or managers of multifamily projects must provide census takers with the names of tenants residing in their properties when requested by census takers. Failure to provide this information or allow free ingress can result in a fine not more than \$500. If the census takers need information besides the names of the tenants, they should request this information from HUD. Because there are no Privacy Act implications, owners and/or managers could also provide information on what units were vacant. Property owners/managers are not authorized to disclose additional information.

In addition, Contract Administrators (CAs) of HUD Multifamily programs must not provide any tenant information to census takers. If contacted, CAs should refer the census taker to the owner or manager of the property.

“Greening” of Philadelphia



Sustainable 19125, an initiative developed by the Partnership for a Green Community, has obtained a grant from the William Penn foundation to create a Green Blocks Program in zip code 19125.

Lead by New Kensington Community Development Corporation and the Pennsylvania Horticultural Society, Sustainable 19125 has pledged to turn the Fishtown, Port Richmond, and East Kensington neighborhoods into the greenest and most sustainable areas in the City of Philadelphia (<http://sustainable19125.org/>).

Tenant Participation in Projects

On June 18, 2010, Carol Galante, Deputy Asst. Secretary Multifamily Housing Programs, issued a memorandum to all owners and management agents reinforcing HUD’s commitment to tenant participation, individually and through legitimate tenant organizations.



The memorandum highlighted key sections of 24 CFR Part 245 (see link, below) and noted that compliance is expected. In a Housing Notice currently being developed with consultation and input from our stakeholders, the requirements of Part 245 will be enforced through Civil Monetary Penalties.

http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title24/24cfr245_main_02.tpl

PETRA Delayed

On June 16, 2010, you were advised of the new Preservation, Enhancement and Transformation of Rental Assistance Act (PETRA). This act requires project owners to use Pay.gov. for the payment of Section 202 and 201 (Flexible Subsidy) loans.

The use of this website, however, has been delayed because the necessary interface software has not yet been released.



Accordingly, owners should continue remitting their loan payments, as usual, until official notice is given to proceed with the new system.

Q & A Guide for Supportive Housing Legal Issues

The Corporation for Supportive Housing (CSH) has published a reference guide, the 2010 National Edition of Between the Lines: A Question and Answer Guide on Legal Issues in Supportive Housing. The purpose of the Guide is to clarify for service providers and property managers the general legal principles relating to the developing, leasing, and operation of supportive housing. It is published in two parts: the Chapters, which include an explanation of federal and some state laws governing supportive housing in a question and answer format; and the Appendices, which include more detailed information referenced in the Chapters.

The Guide can be downloaded at:

www.csh.org/index.cfm?fuseaction=page.viewPage&pageID=4530&nodeID=81

Reasonable Accommodation Violation

HUD has charged the owner of a Walworth, Wisconsin apartment complex and its management company with discrimination for denying an accessible parking space to a tenant who has difficulty walking. In the charge, HUD alleged that WHPC-DWR, LLC and Cardinal Capital Management, Inc., violated the Fair Housing Act in denying the request of the tenant, who has braces on both legs.



The Fair Housing Act requires landlords to make reasonable accommodations in their rules, policies, practices, or services when needed to provide persons with disabilities an equal opportunity to use or enjoy a dwelling.

According to the charge, the tenant had an accessible parking placard when he moved into Village Square Apartments in Walworth County and he immediately began parking in a designated "handicap accessible" space closest to the entrance. Shortly thereafter, management informed him he could not park in that space because it serves as a pick-up and drop-off area for tenants who do not drive. With HUD's encouragement, the tenant renewed his request but management replied, "That's how we do things."

Unable to use the designated accessible parking space, the tenant began parking in a space far from the entrance, causing him severe pain in trips to and from his car. In one instance, after parking and beginning to walk towards his unit, he slipped and fell on ice, causing an injury that required emergency medical attention. Not wanting to face another winter without accessible parking, the tenant moved.

The HUD Charge of Discrimination will be heard by a United States Administrative Law Judge (ALJ) unless a party to the Charge elects to have the case heard in federal district court.

LIHTC Database

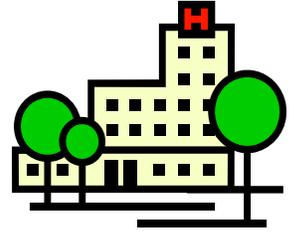
HUD now has available an update of its Low-Income Housing Tax Credit (LIHTC) Database to include LIHTC-financed projects placed in service through 2007.

The complete LIHTC Database can be downloaded through an interactive web-based system at:

<http://lihtc.huduser.org>.

Section 242 Hospital Mortgage Insurance

As a result of the expansion of the Section 242 Hospital Mortgage Insurance Program, HUD expects to insure 23 projects totaling nearly \$2 billion this year. In addition, Section 232 has nearly doubled the applications received in the past two years, receiving over 420 in this fiscal year alone.



The FHA's healthcare programs positively impact the economies of the communities they serve as well as improving medical care and quality of life. In fiscal year 2009, FHA hospital projects created 14,879 jobs and contributed \$3.9 billion in economic stimulus.

In response to the unprecedented growth, the Healthcare Programs Office implemented the LEAN process to increase efficiency. As a result, processing time has been reduced from 156 to 40 days once an application is assigned to an underwriter.

The principal balance of the healthcare portfolio is \$24 billion. HUD is focused on assuring that the health care portfolio is high-performing and poses little risk to the FHA fund by improving underwriting standards, ensuring consistent application, developing standard policies for asset management and loss mitigation, and reviewing the regulatory agreements and other closing documents used in the Section 232 Program.

Worst Case Housing Needs

Worst Case Housing Needs 2007—A Report to Congress is now available for reading. It is the twelfth in a series of worst case housing needs reports that have been issued by the HUD since 1991.



Worst case housing needs are experienced by unassisted very low-income renters who either (1) pay more than one-half of their monthly income for rent; or (2) live in severely inadequate conditions, or both. HUD defines "very low-income" as below 50% of the local area median income (AMI) and "extremely low-income" as below 30% of AMI.

The report can be downloaded at: www.huduser.org/portal/publications/pdf/worstcase_HsgNeeds07.pdf

Life Transformed

Her name was Shirlean Williams and she moved into Mullen Manor, a 24-unit Section 811 project, located in Sicklerville, NJ, in April 2007. She was in a wheelchair, mobility-challenged due to her weight and was on oxygen 24 hours a day. She came to Mullen Manor with very little furniture and belongings and was just happy to find quality affordable housing. The other residents and staff pitched in and helped Shirlean acquire what she still needed and she quickly became one of them.



Over the next two and a half years, Shirlean made amazing progress in overcoming her disability. It all started when the township put in a walkway from the parking lot to the park located behind the project. She began, a little at a time, to venture toward the park in her wheelchair- at first, just enjoying the scenery. But, before long, she began walking to the fence each day with her oxygen tank and going a little further each time. This became a silent personal goal for her to walk around the park and return home without her wheelchair or tank.

After being set up with Access Link transportation, she began going to church, to her doctors, and to stores. Eventually, she no longer needed to drag her oxygen tank with her. Her walks became longer each day and, after losing over one hundred pounds, she only needed her oxygen tank at night. Shirlean became a new woman!

In December of 2009, Shirlean gave notice that she would be moving out of Mullen Manor. She felt she no longer needed barrier-free housing and wanted to free up her apartment for someone waiting for the chance she needed a few years ago. She moved closer to her church and now walks to church each week. She stays in contact with the management of the project and is doing great. Obviously, it is not just Mullen Manor that changed her life but it is nice to know that HUD subsidized housing had a hand in her journey.

Mullen Manor is managed by PRD Management, Inc. of Pennsauken, NJ (James McGrath, President).

Recycling Fact



The amount of wood and paper that is thrown away each year in the U.S. could heat 50 million homes for 20 years.

Source: City of Phila. Streets Dept.

Market Conditions

HUD recently released the 1st Quarter report of U.S. Housing Market Conditions for 2010. The report contains a comparative analysis of the multifamily housing sector with previous quarters, updated national data, overviews of economic and housing market, and historical trends.



Some interesting statistics found in the report, concerning the Philadelphia Hub, for the 12 month period ending March 31, 2010, are as follows:

- Multifamily building activity, as measured by the number of units permitted, increased by 57% in NJ to 4,000 units, and by 90 units in DE to 510 units. A decrease of 960 units, however, occurred in PA.
- Vacancy rates fell from 7.6 to 4.2% in Center City Philadelphia.
- Vacancy rates increased from 7.8 to 8.3% in Philadelphia suburbs.
- Vacancy rates increased from 10.5 to 13.6% in southern NJ counties.
- Vacancy rates increased from 3.9% to 4.1% in Central NJ, and from 3.9% to 5.3% in Northern NJ.
- Avg. monthly rents decreased, from \$2,045 to \$1,965 in Center City Philadelphia.
- Avg. mo. rents increased from \$1,380 to \$1,410 in the Philadelphia suburbs.
- Apt. rents increased from \$1,320 to \$1,365 in southern NJ counties.

To read the entire report, see:

http://www.huduser.org/portal/periodicals/usmc/spring10/USHMC_Q110.pdf

Loan Closings



The following loan closings occurred in the Hub during the month of June 2010:

Insured-
PA: Laurel Wood Care Center, Northview Estates, and Rhodes Estates; Section 202- PA: St. Peter's housing; and Section 811-DE: Garrett House.

Note: Changes to FHA underwriting/monitoring will be highlighted in the August 2010 issue of Phila. Hub News.