

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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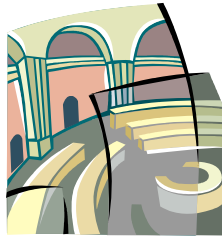
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Transforming Rental Assistance

On March 24, 2010, Carol Galante, Deputy Assistant Secretary for Multifamily Housing Programs, provided testimony to the House Financial Services Subcommittee on Housing and Community Opportunity on H.R. 4868, Housing Preservation and Tenant Protection Act.



During the hearing, she commented on HUD’s multi-year effort called the Transforming Rental Assistance (TRA) initiative.

Specifically, she stated that (TRA)...”would simplify regulations, help address the capital repair backlog, provide mobility to subsidized families, and move HUD’s rental housing programs into the housing market mainstream, as well as, help preserve the nation’s housing stock.

This initiative is anchored by four guiding principles:

First, the complexity of HUD’s programs is part of the problem - and we must streamline and simplify our programs so that they are less costly to operate and easier to use at the local level. Ultimately, TRA is intended to move properties assisted under these various programs toward a more unified funding approach, governed by an integrated, coherent set of rules and regulations that better aligns with the requirements of other federal

state, local and private sector financing streams.

Second, the key to meeting the long-term capital needs of HUD’s public and assisted housing lies in shifting from the federal capital and operating subsidy funding structure we have today--which exists in a parallel universe to the rest of the housing finance world--to a federal operating subsidy that leverages capital from other sources.

Third, bringing market investment to all of our rental programs will also bring market discipline that drives fundamental reforms. Only when our programs are truly open to private capital will we be able to attract the mix of incomes and uses and stakeholders necessary to create the sustainable, vibrant communities we need.

And fourth, that we must combine the best features of our tenant-based and project-based programs to encourage resident choice and mobility. TRA reflects HUD’s commitment to complementing tenant mobility with the benefits that a reliable, property-based, long term rental assistance subsidy can have for neighborhood revitalization efforts and as a platform for delivering social services. And in a world where the old city/suburb stereotypes are breaking down, and our metropolitan areas are emerging as engines of innovation and economic growth, we have to ensure our rental assistance programs keep up.”

Spotlight Your Project

If you have an interesting story about your project or its tenants, share it with the readers of Philadelphia Multifamily Hub News. Send your story to: Thomas.Langston@hud.gov.



HUD Strategic Plan Unveiled

In May 2010, Secretary Shaun Donovan unveiled HUD's Strategic Plan, which will serve as the agency's roadmap toward accomplishing its mission to "create strong, sustainable, inclusive communities and affordable homes for all."



The Plan will guide the agency through fiscal years 2010-2015. Through the Strategic Plan's five specific goals, HUD will:

- ***Strengthen the Housing Market to Bolster the Economy and Protect Consumers:*** To restore stability to the market, HUD will reduce the foreclosure rate and in partnership with the Department of the Treasury, assist 3 million homeowners who are at risk of losing their homes due to foreclosure by the end of the fiscal year 2011. HUD will also increase FHA capital reserves to above 2% and stabilize neighborhoods by helping communities purchase abandoned and vacant properties.
- ***Meet the Need for Quality Affordable Rental Homes:*** HUD will balance the support for sustainable homeownership and rental housing by directly contributing to the production of millions of new rental homes while also preserving their affordability, quality, accessibility, and energy efficiency.
- ***Utilize Housing as a Platform for Improving Quality of Life:*** Stable housing provides an ideal platform to deliver a wide variety of services to improve education, health, economic security, and safety of our residents. Building upon HUD's recent efforts to reduce chronic homelessness, HUD will use technology and improved accessibility to data to make federally subsidized housing a catalyst for investments in education, health and job training, and leverage private capital to expand housing for the growing number of seniors and homeless Americans- and end homelessness altogether.
- ***Build Inclusive and Sustainable Communities Free From Discrimination:*** Many of the neighborhoods hit hardest by the economic and housing crisis are among the least sustainable- with limited access to economic opportunity, the longest commuting times, the most unhealthy homes, and the poorest quality schools. To transform neighborhoods, we will link housing to schools, jobs, and better transportation through our Choice Neighborhoods Initiative and Office of Sustainable Housing and Communities, and provide gap financing through a Catalytic Investment Fund for innovative, high-impact development projects that will create jobs in communities with longstanding development challenges.

Transform the Way HUD Does Business: HUD recognizes that it cannot accomplish the goals in the Strategic Plan without changing the way the agency does business. HUD plans to work now to affect change by building capacity within the agency; improving performance management and accountability; decentralizing decision-making to empower staff; and simplifying programs, rules, and regulations.

Regional Director Appointed

Secretary Shaun Donovan has named Adolfo Carrión to serve as the Regional Director for New York and New Jersey. Mr. Carrión is currently Deputy Assistant to the President and Director of the White House Office of Urban Affairs. In that role, he has worked to advance President Obama's agenda for urban America to make our cities and metropolitan areas more economically competitive, environmentally sustainable, and socially inclusive. His work establishing the Office of Urban Affairs has been credited with breaking down the silos that exist in the federal government. This has promoted better coordination between the Federal Agencies so that they could deliver innovative results for America's communities- something strongly reflected in the President's FY2011 budget.



Prior to his work in the White House, Mr. Carrión has had a record of success on issues of housing and community development, economic development and job creation, and building strong neighborhoods.

In his new position, he will serve as HUD's liaison to mayors, city managers, elected representatives, state and local officials, congressional delegations, stakeholders and customers and will be responsible for overseeing the delivery of HUD programs and services to communities, and evaluate their efficiency and effectiveness. He will also serve as an advisor on inter-governmental relations to Secretary Donovan, bringing lessons learned and new approaches from his time at the White House to the local level, and ensuring the agency's major policy initiatives are implemented across the country in ways attuned to local needs and conditions.

The New York Regional Office is one of the largest in the country in terms of population-served, programs, and portfolio. Region II encompasses New York and New Jersey, and is responsible for investments of approximately \$1 billion a year.

Service Coordinator Grants

Secretary Shaun Donovan has announced \$32.7 million in Service Coordinator grants, nationally. This will provide more than 19,200 low-income frail elderly and residents with disabilities in federally supported housing with assistance to identify and receive health care, meals, and other critical support services.



Within the Philadelphia Hub, the following funds were provided to three of its four states:

PA- \$709,389 (4 grants)
 NJ- \$544,672 (3 grants)
 WV- \$452,584 (3 grants)

“The Obama Administration is helping older Americans and those with disabilities to get the housing they need and, the grants announced today, give added assistance by helping to provide the services that will enable them to remain in their homes, living independently, connected to their communities and friends,” said Donovan.

These grants are directed to owners of privately owned multifamily housing developments that receive money from HUD to house low-income individuals. The owners, or their management companies, then either hire or contract service coordinators with backgrounds in providing social services, especially to the frail elderly and people with disabilities, to assist their residents with special needs.

As the U.S. population ages and the number of older Americans grows, there will be an increased need for programs to help the elderly continue living independently in their homes. According to the U.S. Census Bureau, there were 35 million people age 65 years or older in the U.S. in 2000, and it estimates that by 2050, the number will climb to 80 million.

PA Food Program for Seniors

Seniors who struggle to put food on the table may qualify for the Commodity Supplemental Food Program (CSFP). CSFP is a monthly supplemental food program of the U.S. Department of Agriculture (USDA) and 500 partners. It is administered in 26 Central Pennsylvania counties by the Central Pennsylvania Food Bank. Each month, a CSFP food package will be available to 35,000 income-qualified senior citizens



“Because so many seniors live on fixed incomes, they often find themselves choosing between food or medicine – or other necessities. The CSFP program will provide nutritious food that is designed to help seniors living on a limited income,” said Carolyn Fansler, Central PA Food Bank CSFP Coordinator. The monthly food package will contain items like cereal, evaporated milk, juice, pasta, peanut butter, cheese and canned fruits and vegetables. This package will not affect any other benefits received by seniors. More than 147,000 pounds of nutrient-rich food will be distributed by the Central PA Food Bank each month.

To participate in the program, advance registration is required. Applicants must present verification of age, address and household income to register and may only sign up once. Once registered, delivery of food will begin in June or July. A proxy may be designated to deliver the food.

For more information on participating in CSFP, call the Central Pennsylvania Food Bank toll free at 1-877-999-5964 between the hours of 8 AM and 2 PM., Monday through Friday. Or, visit: www.centralpafoodbank.org.

PECO Smart Ideas Incentives

Customers of PECO can now take advantage of financial incentives for retrofits that incorporate energy efficient measures for all major uses. Incentives are being offered in the following four areas:



- Smart Equipment Incentives (HVAC, lighting, drives/motors, and refrigeration & food services).
- Smart Gas Efficiency Upgrade.
- Smart A/C Saver (programmable communicating thermostat).
- Smart Natural Gas Conversion.

The first cycle for the Smart Equipment Incentives Program runs from July 1, 2009 through May 31, 2011. Each subsequent program year cycle ends on May 31. Incentives are offered until program funds are exhausted or until May 15 of each program year, whichever comes first. All PECO Smart Equipment Incentive Projects must be completed and final applications received no later than May 15 to be eligible for incentives in that program year.

To learn more about the program and how to apply for next year's incentives, see:

www.peco.com/SmartIdeas

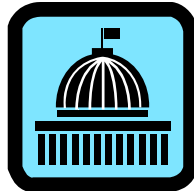
Top Developers and Owners

The April/May issue of Affordable Housing Finance listed the top 50 owners and developers in the nation. Within the Philadelphia Hub, there were three companies in both categories: Owners- The Michaels Organization, Marlton, NJ (#1 with 44,916 affordable units), Pennrose Properties, Philadelphia, PA (#19 with 8,592 affordable units), and The Ingerman Group, Cherry Hill, NJ (#38 with 5,303 affordable units); and Developers- The Michaels Organization, Marlton, NJ (#1 with 1,699/1,699 starts/completions last year); Pennrose Properties (#3 with 692/630 starts/completions), and The Ingerman Group (#28 with 183/359 starts/completions).



NJ Caregiver Registry

Governor Chris Christie (R-NJ), on April 30, 2010, signed a bill into law that will create a registry for caregivers who have been found to abuse people with disabilities.



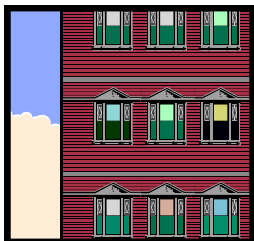
Under the law, the state Department of Human Services will be charged with creating an emergency telephone service that any one can call to report suspected abuse. The Department will also designate a unit to investigate the complaints and take action if a caregiver is found to have harmed someone.

FY 10 Income Areas Data



HUD has released its FY2010 Individual Income Limits Areas and Individual Median Family Income Areas data. This information can be found at: <http://www.huduser.org/portal/datasets/pdrdatas.html>

New Loan Closings



Two FHA-insured loans closed during the month of May: PA-Village Park Apartments; and WV-Fairmont Arbors.

“Green” Giant

Leading by example, the Federal government is constructing a \$1.8 billion headquarters building for the National Geospatial-Intelligence Agency, at Fort Belvoir, VA, that will be certified under the Green Building Council's Leadership in Energy and Environmental Design (LEED) Program.



The 2.4 million square-foot facility will be the third largest government building in Washington. The building is seeking either a silver or gold LEED certification. Some of the “green” components of the building will be:

- Heating and cooling system that uses 4,000 chilled beams (58°F) instead of overhead ductwork to deliver temperature-controlled air to the workplace.
- Vegetative roofs.
- Storm water that is collected in a retention pond for irrigation.
- Low-level VOC paints, sealants, carpet adhesives, and furniture.
- Low-weight self-cleaning 50,000 sq. ft. atrium roof made from recyclable material.

Strengthened Energy Star Certification

As a result of a recent investigative report by the General Accounting Office (GAO) concerning fictitious Energy Star products, the Environmental Protection Agency (EPA) has announced plans to strengthen the program.



From now on, each application will be reviewed individually by an EPA staff member (as opposed to the automated approval process previously in place). By the end of 2010, companies that want Energy Star certification for their products will be required to submit lab results from an independent testing agency rather than their own evaluations.

New Hub Employee



The Philadelphia Hub welcomes a new employee- Allen Cohen. Allen will be employed as a Project Manager working in the Development Branch of the Philadelphia Program Center.

Lives Transformed

Ministry of Caring submitted the following three stories to us about how four lives were transformed by moving into Sacred Heart Village, a 78-unit section 202 project, located in Wilmington, DE.



“Sacred Heart is blessed to have two veterans living amongst us. Mr. Jim and Mr. Walter are such veterans who, along with a married couple, John and Clarissa, express Sacred Heart Village’s faith-based commitment to excellence through its partnership with HUD as a Section 202 Supportive Housing for the Elderly Program.

Mr. Jim served in the Army National Guard for 20 years. Having served his country for so many years, he never expected to be evicted from his home. Mr. Jim’s landlord decided to sell the property he called home and Jim ended up homeless. Being an elderly gentleman, he had no idea of where to turn so he moved into a motel. Obviously, as his funds were being rapidly consumed, he was in need of immediate short-term housing so someone suggested that he move temporarily into the local YMCA until he could find a permanent home. Mr. Jim paid his rent there faithfully, from week to week, and started visiting the Francis X. Norton Senior Center where he heard about affordable housing at Sacred Heart Village. It was a difficult decision for Mr. Jim to make, as so many emotions were still tied up with his former residence, but Mr. Jim finally signed up to be placed on the waiting list. Shortly thereafter, Mr. Jim’s dream of a permanent residence was realized and he moved into Sacred Heart Village on April 9, 2007. He now has many friends and enjoys hanging out with the ladies at the Salon.

Mr. Walter had been a community activist in the City of Wilmington. A respected community leader, he worked to encourage youth and bring about positive change during a turbulent time in the city’s history. Prior to these activities, he served his country well and often speaks of living and sleeping in sub-zero temperatures, saying it was so cold that car batteries froze if left outside overnight. After serving his country and helping the community progress, Mr. Walter turned his attention to the needs of his family. His mother was becoming more fragile and, being a dutiful and loving son, he moved in to care for her. Having noticed the progression of his mother’s illness, Mr. Walter placed his name on the waiting list at Sacred Heart Village. Unfortunately sometime later, a tragic fire occurred in their home and he was forced to relocate her to a

nursing home due to her increased need for care. This once vigorous veteran and community warrior would have been forced into homelessness if his sister did not open the doors of her home to him. He realized, however, that this could never be his permanent home. Mr. Walter relates that “it was like a Godsend” that shortly after moving in with his sister his name came up on the waiting list and he was able to move into Sacred Heart Village on September 1, 2006. Mr. Walter enjoys gaming and is an active card player and member of the Gospel Choir.

Our third story concerns a married couple, Ms. Clarissa and John, who only recently came to live at Sacred Heart Village on February 24 of this year. Mr. John and Ms. Clarissa arrived after living in another apartment complex that was not handicapped accessible and was located on an upper floor. Mr. John is quite independent and, although he is a paraplegic, he often walked to the nearby Walmart. Ms. Clarissa’s children were extremely concerned about this behavior as Walmart is on a very busy highway. One of the daughters’ also mentioned how Ms. Clarissa and Mr. John often went by bus to restaurants but often got lost en route, as the correct bus stop was missed. The children were very anxious that John and Clarissa have a safe, secure, protective environment that they felt Sacred Heart Village could provide. Now, the Service Coordinator for Sacred Heart Village arranges for Mr. John and Ms. Clarissa to go grocery shopping and for other affairs on the Ministry of Caring bus so there is never a problem of getting off at the incorrect stop.

EIV Final Rule Webcast

The Mandatory Use of EIV Final Rule webcast that took place April 14, 2010, which discussed Housing Notice 10-08 Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments; Final Rule, has been posted to HUD’s webcasts page at: <http://portal.hud.gov/portal/page/portal/ HUD/webcasts/archives>. The supplemental PowerPoint slides have been also posted to the Multifamily EIV website at <http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/eivtraining.cfm>.



Air Conditioning Fast Fact

The Association of Home Appliance Manufacturers has reported that the average Energy Efficiency Ratio (EER) of room air conditioners has increased 47% from 1972-1991. Because of this, operating costs for electricity can be cut in half if a vintage 1970s air conditioner is replaced with one with an EER of 10. (Note- Energy Guide Labels can be checked to purchase units with EER’s of 10+).

Paint is More than Color

In the March 2010 issue of Philadelphia Hub News, an article was written on how to select paint colors. However, there are 7 other things to consider when choosing the right paint for your project:



1. Scrubability and Burnish Resistance
2. Hiding Characteristics
3. Mildew Resistance (i.e., antimicrobial)
4. Sheen (flats are less durable)
5. Location (e.g., lower grades can be used on ceilings)
6. Frequency of Repainting (lower quality paints of \$10 or less per gallon can be used in places where repainting is frequent)
7. Green (use VOC compliance paints)

WaterSense



WaterSense is an EPA-sponsored partnership program to protect the future of our nation's water supply by promoting water-efficient products and services.

Like the Energy Star label, the WaterSense label makes it easy for consumers to find and select products that save water, while performing as well or better than conventional products. The label can be found on the following products: toilets, bathroom sink faucets and accessories, urinals, showerheads, pre-rinse spray valves, and weather-based irrigation controllers.

Generally, these products will perform as well or better than their less efficient counterparts, be about 20% more water-efficient than average products in that category, realize water savings on a national level, provide measurable water saving results, achieve water efficiency through several technology options, be effectively differentiated by the WaterSense label, and be independently identified.

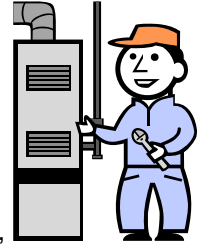
For companies that use the label, they must sign a WaterSense partnership agreement. Among other things, the partnership agreement defines the roles and responsibilities of EPA and the partnering organization, as well as the proper use of the label, on packaging, and in marketing and other promotional materials. A list of WaterSense partners who provide design, installation, maintenance, and auditing services can be found at the following websites:

www.epa.gov/watersense/meet_our_partners.html

www.epa.gov/watersense/nhspecs/water_budget_tool.htm

HVAC Cleaning

HVAC (Heating, Ventilation, and Air Conditioning) cleaning can improve a building's indoor air quality and increase efficiency up to 30%. This work should be done every 2-5 years, depending on the conditions that decrease the system's airflow (e.g., pollen, dust, renovation work, and nearby construction).



Here are a few cleaning guidelines:

- The technician should follow NADCA (National Air Duct Cleaners Association) standards.
- Debris should be loosened using brushes, air whips, or compressed air.
- Loose debris should be collected using a negative-pressure vacuum cleaner to avoid spreading the contaminants.
- Service openings that were used during the cleaning process must be professionally sealed.
- After the ductwork has been cleaned, the technician should inspect the blower, blower motor, air conditioning coils, and external surfaces to insure that they are clean and functioning properly.

Small Area Fair Market Rent Demo Project



HUD will be implementing a small area FMR demonstration program in selected metropolitan areas, with populations below 20,000, beginning with the publication of Fiscal Year 2011 FMRs. To determine how best to implement such a program, HUD will operate small area FMR demonstration projects for the Housing Choice Voucher program.

HUD expects that small area FMRs will provide Section 8 tenants with greater ability to move into opportunity areas, where jobs, transportation, and educational opportunities exist, and prevent undue subsidy in lower-rent areas.

A system for looking up FY 2010 Equivalent Small Area Rents is available at:

http://www.huduser.org/portal/datasets/fmr/fmrs/index_sa.html