

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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Transforming Rental Assistance

Over the past 75 years, the federal government has invested billions to develop and maintain public and multifamily housing. This housing



serves millions of Americans including extremely low-income families, seniors, and people with disabilities. Despite the investment and the great demand for affordable rental housing, the nation continues to lose units due to poor physical condition, owners leaving the voucher programs, and a lack of federal resources and flexibility to preserve units.

An initiative in HUD's 2011 budget proposal has the potential to preserve public and assisted housing units in the short term, and in the long term, help HUD's rental assistance programs modernize, consolidate and achieve better outcomes for residents.

The Transforming Rental Assistance (TRA) Initiative would provide \$350 million to preserve approximately 300,000 public and assisted housing units and streamline and simplify HUD's many rental assistance programs, making them easier for our partners on the ground to use more effectively. TRA would combine the best features of the Public Housing, Housing Choice Voucher (Section 8) and the Project-Based (Section 8) programs to provide both families and HUD's housing partners the flexibility to make decisions that best meet their individual and local needs.

TRA will help preserve the public housing stock and improve upon the multifamily program. On a daily basis, public housing authorities and multifamily property owners must determine how best

to preserve their old, outdated housing stock with limited federal resources. Many public housing units are in poor physical condition, which render them unlivable and eventually many are lost. HUD estimates that the public housing inventory faces a capital needs backlog ranging from \$18 to \$24 billion. The capital needs backlog is the amount of money it would take to make the necessary repairs to the national 1.2 million public housing units.

Under TRA, a limited number of public housing authorities and multifamily property owners will have the opportunity to convert properties they identify on a sustainable footing from both a physical and a financial standpoint. It will enable owners to leverage private financing to address the properties' immediate and long-term capital needs and implement energy-efficiency improvements. Utilizing this provision under TRA is completely voluntary. TRA will also streamline HUD's myriad of rental assistance programs. Right now, there are 13 different programs that are administered by three different HUD divisions, all with competing or conflicting requirements. Not only does this create administrative confusion for our partners who administer the programs, but it hampers HUD and the local communities' ability to assist families.

Equally important, TRA will give families more housing choices. After living in public housing for a year or more, a family may opt to obtain a voucher to rent from a private landlord in a community closer to their job or their children's school if the housing agency has vouchers available. Secretary Donovan, who has stated that housing is a critical resource for low-income families, believes this initiative needs to become the new assisted housing policy. He is not alone in this belief as others, including the Harvard Graduate School of Design who wrote the *Public*



Housing Operating Cost Study in 2003 and the Millennial Commission, have suggested similar measures to improve the delivery of quality public housing. TRA, and other measures in HUD's proposed 2011 budget, will put the Federal government back in the business of building and preserving affordable housing.

Sustainable Communities

On July 13, 2009, President Obama remarked that “for too long, federal policy has actually encouraged sprawl and congestion and pollution, rather than quality public transportation and smart sustainable development.” That is why HUD, DOT (lead: Federal Highway Administration), and the EPA have joined together to form the Partnership for Sustainable Communities- an unprecedented agreement to coordinate federal housing, transportation, and environmental investments, protect public health and the environment, promote equitable development, and help address the challenges of climate change.



The three agencies are working more closely than ever before to meet President Obama’s challenge to coordinate federal policies, programs, and resources to help urban, suburban, and rural areas and regions build more sustainable communities and make those communities the leading style of development in the nation.

The agencies are working together to identify opportunities to build more sustainable communities and to remove policy or other barriers that have kept Americans from doing so.

This initiative is guided by six livability principles:

1. Provide more transportation choices.
2. Promote equitable, affordable housing.
3. Increase economic competitiveness.
4. Support existing communities.
5. Leverage federal investment.
6. Value communities and neighborhoods.

Two examples of increased interagency collaboration can be found in HUD’s new Brownfields policy and the agencies’ grants coordination:

- *Brownfields*– In a move to remove a barrier to the construction of multifamily in-fill development, HUD has made it easier for FHA-insured multifamily housing to be developed on formerly commercial and industrial sites while ensuring the health and

safety of future residents. This will allow sites that are often well-located but underdeveloped to be reclaimed and revitalized to provide affordable housing near transit stations and other amenities. EPA, DOT, and HUD are working together to identify sites and ensure sustainable cleanup and redevelopment.

- *Grants*– EPA is collaborating with HUD and DOT in the review of applications for EPA’s Brownfields’ pilots; DOT is using the expertise of EPA and HUD in its review of applications for DOT’s multi-modal transportation TIGER discretionary grant program, which is funded by the Recovery Act; and HUD has invited DOT and EPA to assist in developing its proposed program for regional planning grants and local challenge grants (To review the advance notice, see: www.thefederalregister.com/d.p/2010-02-10-2010-2979).

You are also encouraged to read about an outstanding sustainable community success story– the Fruitvale Transit Village in Oakland, CA. It can be found at the following website: www.fhwa.dot.gov/environment/ejustice/case/case6.htm.



Proposed 2011 HUD Budget

Under the 2011 proposed budget, HUD will be one of 7 agencies that will see a decrease in its budget from 2010. OMB states that the new budget will be \$41.6 billion- 5% less.

As a result, HUD is making “tough decisions,” said Secretary Shaun Donovan. Overall, the following five programs will lose approximately \$1.5 billion: Section 202, Section 811, public housing capital fund, HOME Investment Partnerships, and Native American Block Grants.

HUD plans a long-term initiative to overhaul and consolidate 13 housing assistance programs run by three divisions. The 2011 budget also continues the department-wide “Transformation Initiative,” which began in 2010. HUD asks Congress to set aside 1% of its operating budget, or \$476 million, to help it improve management by establishing benchmarks, trends, and performance measures for its programs and to upgrade technology.

2010 Annual Adjustment Factors

Annual rent adjustments are required for housing units receiving assistance under Section 8 of the U.S. Housing Act of 1937. HUD develops the rent adjustment factors- known as Annual Adjustment Factors, or AAFs- based on changes in residential rent and utility costs derived from Consumer Price Index survey data. The Contract Rent AAFs for 2010 were published in the Federal Register on February 10, 2010.



Contract Rent AAFs are used to adjust contract rents for units assisted in certain Section 8 housing assistance payment programs during the initial (i.e., pre-renewal) term of the Housing Assistance Program (HAP) contract and for all units in the Project-Based Certificate program. There are three categories of Section 8 programs that use the Contract Rent AAFs:

- Section 8 New Construction, Substantial Rehabilitation, and Moderate Rehabilitation programs;
- Loan Management and Property Disposition programs; and
- Section 8 Project-Based Certificate program.

To view the tables, visit the HUD USER web site at: www.huduser.org/portal/datasets/aaf.html

Fast-Walking Seniors



What is your project doing to insure that its seniors stay mobile and healthy?

Walking is one of the most basic and easy-to-perform activities that seniors can utilize to improve their fitness levels. While exercise and movement of any type is generally good for one's physical well being, faster is better when it comes to a senior's walking pace.

In fact, a recent study involving over 3,000 men and women between the ages of 65 and 85 years, shows that those who walk slowly are at least three times more likely to fall victim to cardiovascular disease-related

fatality than fast walkers. The study closely monitored the seniors' walking speed and medical information over a five year period. The results showed that an older person's walking speed is a simple measure from which it is possible to gauge overall fitness levels which have a strong influence on longevity.

New Office of Sustainable Housing

The following remarks were made by Secretary Donovan to HUD staff regarding last month's launch of HUD's new Office of Sustainable Housing and Communities:

"Let me take a moment to talk to you about the Office and how it will fundamentally change the way our agency does business. While every community has a different interpretation of what sustainability means to them, each has the same core concern- how to meet the needs of today without compromising the futures of our children and grandchildren. That is sustainability.

For HUD, sustainability means tying the quality and location of housing to broader opportunities, like access to good jobs, quality schools, and safe streets. It means helping communities that face common problems start sharing solutions. It means being a partner to sustainable development, not a barrier.

That is the job of our new Office of Sustainable Housing and Communities- the center-point of all HUD's sustainability efforts. With a \$200 million total budget this year and led by Shelley Poticha, the office includes \$100 million for metropolitan regions in the form of planning grants to help fund bold new pilot projects to connect housing investments to transportation and jobs. With these funds, HUD expects to award grants to between 10 and 15 regions around the country to help them realize their sustainability visions and help our central cities, suburbs and the rural areas around them become laboratories for reform. Our hope is that we can help communities develop an assortment of innovative practices from which regions around the country can launch their own unique development plans.

Of course, while \$200 million is an important start, it isn't going to build more sustainable communities all by itself - nor is any one office going to break down every barrier. That's why I'm asking each of HUD's program offices-- from FHEO to CPD- to not only work with OSHC, but do their part to step up and change the way they do business...But this isn't just about HUD. The ultimate goal of this office is to bring HUD's programs into line with planning processes of agencies across the Administration, so that when the Federal government invests in communities we are all working from the same playbook."

Nursing Home Ratings

USA Today has published a state-by-state analysis of 15,700 nursing homes, based on the Centers for Medicare and Medicaid Services' 1-5 star rating system. The rating system is based on quality, staffing, and health inspections. Nearly all homes that repeatedly received 1-2 stars were owned by for-profit corporations.



The analysis of the data revealed that 1 in 5 nursing homes have consistently received poor ratings for overall quality. The lowest-rated homes had an average of 14 deficiencies per facility, which can include quality-of-life measures and safety violations. The ratings were derived from inspections, complaint investigations, and other data collected from 2008-2009. Medicare spokesperson, Mary Kahn stated, however, that a 1-star home is not necessarily a bad facility since even the lowest-rated homes must meet baseline Medicare conditions.

To view a particular nursing home's rating, see:

<http://www.usatoday.com/news/health/nursing-home-database.htm>.

Helping Seniors Live Longer

Annual screenings and check-ups become increasingly important as people age. Here is a list of the top 10 preventative tests and exams that can help promote longer life spans of elderly residents:



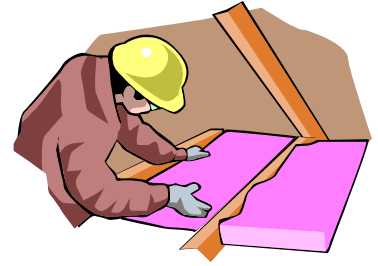
- Blood Pressure Test.
- Cholesterol and Triglyceride Test
- Mammogram
- Colonoscopy
- Blood Glucose Test
- Prostrate Cancer Screening
- Bone Density Scan
- Skin Cancer Exam
- Cervical Cancer Screen
- Eye Exam

Bed Bug Resource

New York City has a very informative website about the bed bug problem that is affecting many hotels and apartments. See: <http://bedbugger.com>.

Weatherization Funds

On January 25, 2010, the U.S. Department of Energy (DOE) issued a Final Rule amending the multifamily eligibility requirements for its Weatherization Program for low-income persons.



The Weatherization Program includes a wide variety of cost-effective energy efficiency measures that encompass a building's envelope, such as its heating and cooling systems, electrical system, and electricity-consuming appliances.

Under the Rule, tax credit projects, as well as units that participate in the U.S. Department of Agriculture (USDA) Rural Housing Service's Multifamily Housing Programs that are included on a list published by DOE, will meet the program's income eligibility requirements.

Prior to these new rules, which became effective on February 24, apartment properties had to verify the income of every resident to apply for weatherization funds, even though HUD and the IRS were already collecting resident income verification data on subsidized properties.

The Rule further provides that these properties automatically satisfy one or both of the other program eligibility requirements regarding prohibitions against rent increases and excessive enhancements to the property.

The Final Rule and program information can be found at the following websites:

www.nmhc.org/Content/ServFile.cfm?FileID=7892

http://apps1.eere.energy.gov/weatherization/what_is.cfm

Assisted Living Facilities Facts

In 2007, there were 11,276 assisted living facilities, nationwide. This totaled 839,746 residential units. The states with the greatest number of assisted living facilities had 40 per 1,000 elderly (65 and over) residents. The lowest had fewer than 10 per 1,000 elderly residents.

Loan Closings



The following loans closed in February: *Insured*— PA: Kittanning Care Center and Liberty Park; and *Section 202*— PA: Ridgebury Apts.

Subsidized Households Report



HUD's Office of Policy Development and Research has updated its comprehensive profile of subsidized housing in the United States. The "Picture of Subsidized Households 2008" data set describes the nearly 5 million households living in HUD-subsidized housing in the United States in 2008.

Characteristics of these households are summarized at the national, state, core-based statistical area, city, county, program, public housing agency (PHA), and census tract levels. Users can create custom queries of the Picture 2008 data by geography and by HUD program in order to retrieve specific data, download complete summary files, and export Picture data to Geographic Information System (GIS) software for mapping.

The programs covered in this data set (Section 8 project-based housing; New Construction and Substantial Rehabilitation; Section 202 and 811 Supportive Housing; public housing; and Housing Choice Vouchers) provide subsidies that reduce rents for low-income tenants who meet eligibility requirements.

To read the report, see:

<http://www.huduser.org/portal/picture2008/index.html>

Just an "Average Joe"

The Philadelphia Daily News, on February 25, 2010, ran a heart-warming story about, Tim Kinniry, a 35 year-old disabled tenant in Liberty Eleven Condos, a new 11-unit Section 811 project, located in Center City Philadelphia, PA.

Kinniry's three brothers- one with a milder form of CP and two able-bodied- all have jobs, families, unrestricted lives. So did his late sister, Dawn Marie, who is still very much a part of Kinniry's thoughts. Kinniry's pursuit of an "Average Joe" existence once left him so depressed that he attempted suicide.

But he's 10 years past that now and has been living his dream since January, when he moved out of the Inglis House nursing home and into the Marine Club Condominiums, on Broad Street and Washington Avenue, a mainstream residential community with 293 apartments, an in-house health club, and private gardens. He is living in one of 11 condos owned by Liberty Housing Development Corp. - a nonprofit that is using \$5 million in federal and city funding to buy apartments in "able-bodied" residential developments, retrofit them for handicapped accessibility and move physically disabled people like

Kinniry from nursing homes to independent living.

Liberty's chief executive officer, Bruce Connus, said the mainstreaming concept differs dramatically from the traditional use of federal funds to place the physically disabled in nursing homes. So much so, he said, that Liberty's 16 independent-living apartments, and the 41 scheduled for development this year, put Philadelphia in the national forefront of "freeing people who are trapped in nursing homes."

"Liberty Housing has over 100 people on our waiting list who are now trapped in a nursing home because of the lack of accessible affordable housing in Philadelphia," Connus said.

Eric Blumenfeld, president of EB Realty Management Corp., who developed Marine Club Condominiums and who sold 11 of them to Liberty for occupancy by the physically disabled, is a hero to Connus. "Isn't this what urban life is supposed to be about?" Blumenfeld said. "People from all walks of life, from all different challenges, living together under one roof?"

Kathleen Griffin, a retired concert pianist who lives at Marine Club Condos, is thrilled with her new neighbors. "It takes a very progressive, compassionate developer to make this type of residential mix a reality," she said. "It takes someone who looks at humanity and thinks, 'Anything is possible.'"

At Inglis House, Kinniry created a job for himself: buying candy at discount stores and reselling it to the nursing-home residents at a small profit. He rides public transit from his new South Philly home to Inglis House every day to continue selling his candy.

"I'm just the Average Joe who goes to work and comes home and watches sports - and, I hope, eventually gets married and has a family," Kinniry said.

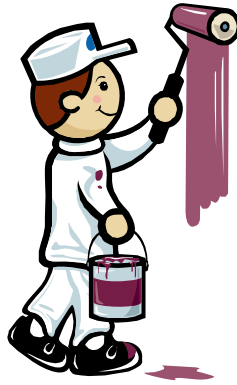
Security Guard Hero

On March 4, at 2 AM, a fire occurred at Monview Heights, a 326-unit Section 236 property, located in West Mifflin, PA. The fire was caused by the resident using a flammable liquid to light charcoal briquettes to heat her unit after her gas service was terminated.

The resident and her three children, ages 13, 11, and 6, escaped injury by jumping from their 2nd floor apartment in the arms of Rod LaVelle, a security guard working for Centurian Security. After landing safely in his arms, he ushered the family into his heated security booth, wrapped his jacket around the two youngest children, and contacted the fire department. A great job by Mr. LaVelle!

Selecting Paint Colors

Room colors can influence moods and thoughts. Colors affect people in many ways, depending upon one's age, gender, ethnic background or local climate. Certain colors or groups of colors tend to get a similar reaction from most people – the overall difference being in the shade or tones used. So it's important to choose wisely. Do not worry about trends. Color trends will come and go. The trick is to blend the colors you like into a pleasing combination. Color has the power to change the shape and size of furnishings as well as the shape and size of a room itself.



When selecting color for a room, keep in mind that each color has a psychological value. Paint is fairly inexpensive and transforms a room more quickly than anything else you can do so you can afford to experiment a little.

Colors behave in three basic ways- active, passive, and neutral. Light colors are expansive and airy, they make rooms seem larger and brighter. Dark colors are sophisticated and warm; they give large rooms a more intimate appearance. Here are some common colors and a description of the moods they set:

- Yellow captures the joy of sunshine and communicates happiness. It's perfect for kitchens, dining rooms, and bathrooms. In halls, entries, and small spaces, yellow can feel expansive and welcoming.
- Blue brings down blood pressure and slows respiration and heart rate. That's why lighter shades are considered calming, relaxing, and serene, and are often recommended for bedrooms and bathrooms.
- Green is considered the most restful color for the eye. It is suited to almost any room in a building. In a kitchen, a sage or medium green cools things down; in a family room or living room, it encourages unwinding but has enough warmth to promote comfort and togetherness. In a bedroom, it's relaxing and pleasant.
- Purple in its darkest values (eggplant, for example) is rich, dramatic, and sophisticated. It's associated with luxury as well as creativity, and as an accent or secondary color, it gives a scheme depth. Lighter versions of purple, such as lavender and lilac, bring the same restful quality to bedrooms as blue does,

but without the risk of feeling chilly.

- Orange evokes excitement, enthusiasm and is an energetic color. While not a good idea for a living room or for bedrooms this color is great for an exercise room.
- Red raises a room's energy level. It's a good choice when you want to stir up excitement, particularly at night. In the living room or dining room, red draws people together and stimulates conversation. In an entryway, it creates a strong first impression. Under lamplight, the color appears muted, rich, and elegant.
- Crimson can make some people feel irritable. It is a color that should be avoided as the main color of a room.
- Neutrals (black, gray, white, and brown) are basic to the decorator's tool kit. All-neutral schemes fall in and out of fashion, but their virtue lies in their flexibility: Add color to liven things up; subtract it to calm things down. Black is best used in small doses as an accent.

Ceilings should not be overlooked since they represent one-sixth of the space in a room, and too often get nothing more than a coat of white paint. In fact, for decades, white has been considered not only the safest but also the best choice for ceilings. As a general rule, ceilings that are lighter than the walls feel higher, while those that are darker feel lower. "Lower" need not mean claustrophobic—visually lowered ceilings can evoke cozy intimacy.

These general guidelines are a good starting point in your search for a paint color. After investing time to select just the right color, make sure it continues to look that way long-term by investing in a top quality paint.

Non-Filers Beware!

An owner of a 220-unit Section 8-assisted project in western PA learned the hard way that having his mortgage restructured by OAHF did not relieve him from his responsibility to file annual financial statements with HUD.



In a Settlement Agreement reached with an Administrative Law Judge, the owner was required to submit delinquent annual financial statements for the years 2005-2008, as well as the 2010 statement by July 10, 2010. In addition, for violating the HAP Contact, the owner was required to pay a civil monetary penalty of \$5,000, which will increase, substantially, if there is noncompliance or a default of the Settlement Agreement.