

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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HUD Dashboard

President Obama has emphasized the use of dashboards by Federal agencies. These are websites that compile data on which programs are working and which are not (i.e., a way to identify and address projects that are not getting the job done).



HUD expects to have a prototype of the system operational by October. The dashboard, called HUDStat, will list 22 measurable program results, or outcomes, HUD has identified for measuring progress towards its strategic goals. Each outcome is linked to a specific goal.

The information obtained from HUDStat will help to back up budget requests and eliminate ineffective programs.

HUD received \$258 million in its 2010 appropriations for HUDStat and other performance management work.

Green Retrofit Funding

We are pleased to announce that the following American Recovery and Reinvestment Act of 2009 (Recovery Act) grants and loans have been made available through HUD's Office of Affordable Housing Preservation (OAHF) for energy and green



retrofit investments:

- Ingleside Retirement Apts., Wilmington, DE: \$1,814,558
- Somerset Villas, Philadelphia, PA: \$1,259,969
- Casa Caribe, Philadelphia, PA: \$792,853
- Sharsburg Tower, Pittsburgh, PA: \$1,522,366
- Poux Apts., Erie, PA: \$95,115
- Rivermont Presbyterian Homes, Montgomery, WV: \$1,328,634
- Larkin, Inc., Wheeling, WV: \$170,483
- Trent Center East, Trenton, NJ: \$1,649,662

Loan Committees

Mortgagee Notice H 2010-13, dated July 19, 2010, has established national and Hub loan committees which will help safeguard the integrity and stability of the FHA Insurance Fund through the evaluation of credit risks concerning applications for mortgage insurance. Credit risk management, as implemented through a Hub and National Loan Committee approval process, will provide a method to ensure oversight of Hub and Program Center commitment authority, to ensure consistency in underwriting throughout the nation, and to provide a platform to share best practices.



Under this new procedure, Program Directors and Hub Directors will have signature commitment authority for all loans under 75 units or \$5 million, whichever limit is reached first.

Loans over 75 units or \$5 million, may remain subject to signatory approval or may be subject to Hub or National Loan Commit-

tee approval before either an application Invitation Letter or a Firm Commitment may be issued. This would depend on the program type, project size, loan size and real estate risk.

The National Loan Committee will oversee the activities of the Hub committees and will retain approval authority for all large loans over 250 units or \$50 million, and for market rate new construction or substantial rehabilitation loans over 150 units or \$15 million. The purpose of the National Committee's review of the Hub committees' actions is not to re-underwrite loans they have approved, or to question decisions made by the Hub committees. Rather, the review will permit the National Loan Committee to track commitment activity by region and by program, so as to better understand program utilization and to track trends, waivers, and emerging issues.

The intended outcomes will be:

- To align the FHA loan approval process with established industry practice.
- To assure that the best lending and deal structuring decisions are being made on large, complex, and higher risk loan transactions.
- To assure consistent and predictable underwriting outcomes for lenders and borrowers.
- To promote better informed lender decisions on the use of the programs and better front-end deal structuring by lenders.
- To achieve consistent and uniform loan underwriting, financial analysis, waivers from program guidelines, and program implementation across regions.
- To provide credit risk management of lending decisions being made by the Program Center production team.
- To develop uniformity in the Program Centers' and Hubs' underwriting, leading to the eventual implementation of a single loan underwriter who is responsible for the risk analysis of the entire transaction as a whole, and a chief underwriter.
- To achieve peer review benefits and sharing of best practices.
- To facilitate communication between the Program Centers, Hubs, and Headquarters for an enhanced

understanding at Headquarters of production and portfolio activity throughout the country, better informed policy Development, improved Headquarters understanding of the reasons for waiver requests, and, improved Headquarters ability to support local decisions.

Base City High Cost Percentages

The annual base city high cost percentages (HCP) for Section 202 and 811 capital advance projects have been adjusted, effective January 1, 2010.

For the Philadelphia Hub, the base city high cost percentages for the Section 202 and 811 Capital Advance programs (independent living) are as follows:

Charleston, WV: 188%
Camden, NJ (Atlantic City, NJ): 218%
Newark, NJ: 253%
Pittsburgh, PA: 204%
Wilmington, DE (Dover, DE): 232%
Philadelphia Hub: 247%

The high cost percentages for statutory mortgages (group homes) are as follows:

Charleston, WV: 196%
Camden, NJ (Atlantic City, NJ): 227%
Newark, NJ: 260%
Pittsburgh, PA: 212%
Wilmington, DE (Dover, DE): 241%
Philadelphia Hub: 257%

For Section 202 and 811 Capital Advance programs, the maximum HCP permitted, on a case-by-case basis, is 260%.

Cityscape- Aging in Place



The research symposium in HUD's latest issue of Cityscape: A Journal of Policy Development and Research (Volume 12, Number 2), examines aging in place models that effectively link older residents of assisted housing to supportive services. The collected studies focus on the need for rigorous evaluation of models of aging in place and the importance of baseline data collection for effective service targeting. The full report can be accessed at:

www.huduser.org/portal/periodicals/cityscape/vol12num2/guest.html



Management Response to Crisis

On July 22, 2010, during the summer heat wave, University Square Plaza, a 442-unit Section 231 project located in Philadelphia, PA, lost power somewhere around 1:30 AM, due to a storm and severe flooding in the area. A total of 22,000 residents in the neighborhood were affected. The outstanding way the crisis was handled was a total team effort on the part of the management agent, AIMCO Capital.



Emergency

Here were the steps that AIMCO took to cope with the situation:

- The service manager, immediately reported the outage and called PECO, the utility company, for assistance.
- AIMCO senior management was notified of the crisis.
- The AIMCO Regional Property Manager briefed Channels 3 and 6 and KYW Radio of the situation and provided all of the known facts.
- Several teams were deployed by AIMCO to check all floors and apartments to make sure the residents knew about the outage and the need to open their windows if they chose not to be evacuated. (During the entire outage, the power was limited to emergency lighting and elevator power).
- PCA, the Red Cross, the Philadelphia Fire Department, and the Office of Emergency Management (OEM) were contacted.
- OEM and the fire rescue teams made several sweeps of the floors to insure all residents were safe and sound, especially those who were mobility-impaired.
- OEM was instrumental in getting the Salvation Army TEAM to provide a canteen of water drinks, and ice in the building's cooler lobby.
- Staff from other AIMCO projects provided the residents with drinks, pizza, cakes, and boxes of snacks, cakes and more water to show their support.
- Federal Security and Star Cleaning TEAMS were contacted and delivered superior service during this time of need.
- Management obtained a temporary generator and transformer from PECO until the power issue was resolved.

The crisis was resolved when full power to the building was restored around 7PM that night.

The University Square team (i.e., senior leadership, project staff, contractors, etc.) are to be commended for their outstanding work, professionalism, and caring attitude during this time of crisis.

This incident illustrates the importance of being ready to handle an emergency. We encourage all owners and managers to establish emergency plans for their buildings.

Three Energy Loan Funds

The Reinvestment Fund (TRF)- a community development financial institution fund that was formed in 1985- is managing nearly \$100 million in available financing for energy conservation and renewable energy products for the following loan funds:



PA Green Energy Loan Fund- TRF is leveraging \$12 million in American Recovery and Reinvestment Act (ARRA) funds with \$36 million in commitments from private and public sources. In this fund, TRF is underwriting, originating, and servicing loans and lease financing to commercial, nonprofit, government, multifamily residential, and industrial entities throughout PA. For additional details see:

<http://www.trfund.com/financing/energy/pagelf.html>

Philadelphia Greenworks Loan Fund- TRF and the Philadelphia Industrial Development Corporation (PHIDC) are working closely with the city of Philadelphia to manage \$9 million in ARRA funding, in which financing of \$100,000 to \$1 million will be provided to building owners, developers, or tenants of commercial, industrial, institutional, mixed-use, or cultural facilities. For additional details see:

<http://philadelphiaretail.com/pdf/GreenWorksLoanFund.pdf>

Greenworks Fund (planned for Bucks, Chester, Delaware, and Montgomery Counties)- TRF has been awarded a \$6.75 million sub-grant through the city of Philadelphia's successful energy-efficiency and conservation block grant application to the U.S. Dept. of Energy. The PIDC is providing an additional \$5 million in ARRA loan capital which TRF will leverage to attract private and other loan capital for building-related energy-efficient projects.

Note- Above information courtesy of Cascade, a community development publication published by the Federal Reserve Bank of Philadelphia,

Recent Discrimination Cases

Families with children are now able to live without restrictions at a Pompano Beach, Florida housing development under a voluntary agreement between HUD, Cornerstone Residential Management, Inc., and the Oaks at Pompano, Ltd. The agreement will improve and increase the affordability of multifamily housing in their area and provide \$30,000 in rental assistance to families with children. The firms will also make family-friendly improvements to their properties and donate \$20,000 to a fair housing organization.



The agreement comes after a June 2008 HUD review of occupancy restrictions set forth by the management group at the Oaks at Pompano, an apartment complex in Pompano Beach, Florida, that leases one, two, and three-bedroom apartments. HUD discovered that the restrictions not only forced families to pay more for their dwelling, but also denied families tenancy.

Under the terms of the agreement, the management companies will:

- Provide families with children \$30,000 in rental incentives or discounts on their rental amounts at the Oaks at Pompano.
- Use \$20,000 to make family-friendly improvements to the Oaks at Pompano.
- Adjust occupancy standards so that one-bedroom units house two people, two-bedroom units house four people, and three-bedroom units house six people.
- Donate \$20,000 to a local fair housing organization(s).
- Provide and verify fair housing training to staff at Oaks at Pompano and all other properties.

In a second discrimination case, HUD has charged two Cleveland-area landlords with violating the Fair Housing Act for allegedly refusing to rent a house to a woman because she is Hispanic. Furthermore, HUD contends that Kathy Parker and Deryl Gibson, the African-American owners of the Warrensville, Ohio, house asked the woman, "Why do you want to live in a black neighborhood," and informed her that she might not feel comfortable there.

According to HUD's charge, the Hispanic woman and

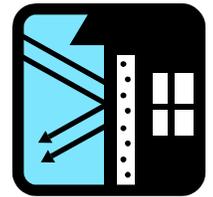
fair housing tester each attempted to rent a three-bedroom house owned by Parker, who is a licensed real estate agent, and Gibson. When Parker showed the Hispanic tester the home, Parker asked the woman why she wanted to live in a black neighborhood and remarked that it was not a good idea. After the woman expressed her interest in renting the house, Parker allegedly told her that she would have to consider it while she continued to show the house to other prospective renters.

During HUD's investigation, Parker told the investigator that she had "problems" with races other than African American when the dominant race of the community is black. The house was eventually rented to an African-American family.

The HUD charge will be heard by a United States Administrative Law Judge unless any party to the charge elects to have the case heard in federal district court.

Keep Insulation Dry

Insulation is a valuable tool for saving energy in a building. However, when it gets wet, it can cause many problems.



Wet insulation can corrode steel studs, wall ties, and screws; it can become a conductor of energy rather than a retainer; and it can promote the growth of mold.

Insulation can become wet many ways: during early construction; poorly installed flashing, seals, or coping; clogged weep holes in walls; latent moisture from curing concrete; absence of water-resistant, continuous insulation; infiltration of warm moist air; and absence of properly designed and installed air barriers.

There are three basic solutions to the problem: 1. Use moisture-resistant insulation; 2. Inspect and manage latent moisture during construction; and 3. Perform annual inspections of copings at the top of parapet walls, flashings, lintels over windows, and control joints in masonry walls.

It should be remembered that time and money spent on repairs and downtime can be minimized through vigilant maintenance, early detection of problems, and rapid remediation.

New Employee

The Philadelphia Hub welcomes a new employee—Thomas Longo. Mr. Longo will serve as a Project Manager in the Philadelphia Program Center.

Preventing Falls

The National Floor Safety Institute (NSFI) says that more than 50% of all slips, trips, and falls in buildings are caused by flooring issues.



These flooring issues include improper selection of flooring material for a particular space, residue left on a flooring surface, and lack of improper walk-off matting. Poor matting can do more harm than no matting at all, by increasing the likelihood of reduced slip resistance of the flooring surface.

A building's entry areas, restrooms, and meeting rooms are common areas for slip, trip, and fall accidents. These areas typically have smooth, hard-surface, and polished floors that become especially hazardous when they become wet.

Selecting the proper flooring solution for a particular space is one of the best ways to prevent accidents. Walk-off matting is the best choice for entry areas, and grouted ceramic tile is preferable in restrooms and food areas. Mats should have a low profile (no more than 0.5 inches higher than the flooring), should be inspected frequently to ensure that there's no buckling or curling, should be secured to the floor to prevent migration, and should not contain a build-up of contaminants (grease, water, sand).

Tenants, especially the elderly, can also be asked to take prevention into their own hands (or feet) by wearing proper footwear for the environment. The National Floor Safety Institute cites shoes or footwear as being the second leading cause of slips, trips, and falls, causing nearly one-quarter of these accidents. For example, it's important to wear flat-soled footwear with a proper grip when flooring is wet. Furthermore, visitors need to make sure that they don't get distracted when walking on hard surfaces, and stay aware of liquid on the floor.

In addition, building maintenance staff should:

- Choose cleaning products that don't leave a residue
- Perform regular floor audits to ensure that the safety of the flooring isn't compromised.
- Immediately clean up spills and other wet spots (especially during wet weather).

While everyone would prefer to avoid slip, trip, and fall accidents, they are bound to happen. When they do, building owners and project managers should file all

required and recommended reports, investigate the incident to accurately determine the cause, and take any steps necessary to remediate the potential problem to minimize the likelihood that an accident could happen again.

As a way to reduce risks and demonstrate a commitment to floor safety, a floor safety program can be implemented to utilize an independent auditor and document the results.

NAHMA Scholarships

The Educational Foundation of The National Affordable Housing Management Association (NAHMA) recently awarded post-secondary school scholarships for its 2010 scholarship program, ranging from \$1,000 to \$2,500, to three local students.



These students reside in projects whose owners are members of the PennDel AHMA. They are part of a national group of 34 awardees in which \$34,000, in total, was provided to further their education.

Congratulations to:

Barbara Malek
Newberry Estates, Williamsport, PA
Community Realty Management Company
Junior, Temple University, Philadelphia, PA
Major: International Business

Ngoc Nguyen
Stoneybrook Townhomes, Claymont, DE
Arbor Management
Junior, University of Delaware, Newark, DE
Major: Pre-Medicine

Thien-Huong Nguyen
Stoneybrook Townhomes, Claymont, DE
Arbor Management
Sophomore, University of Delaware, Newark, DE
Major: Accounting

Renting Fact

Twenty-seven percent of Americans renting apartments or homes have no intention of ever buying a home, according to a national survey published by Trulia.com. Among the factors affecting this sentiment are: inability to save for a down payment, waiting to get a new job, or waiting for a reduction in mortgage rates.

“Golden Block” Makeover

The City of Philadelphia has begun a \$3.8 million project, that was 10 years in the making- to revitalize the area, known as El Centro de Oro or El Bloque de Oro- the Golden Block.



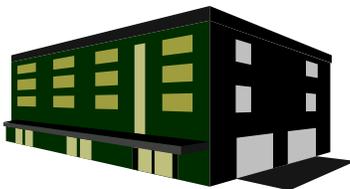
The project will be led by the Main Street Program of the Hispanic Association of Contractors and Enterprises (HACE), and will stretch from Lehigh to Indiana Avenue on Fifth. To make it happen, the Commonwealth of Pennsylvania provided \$2 million, the Philadelphia Cultural and Commercial Corridor Bond Program \$900,000, and the PA Department of Transportation \$977,500.

What neighbors commonly call golden sidewalks will finally be repaved and repainted. Freshly paved sidewalks will get a new coat of bright yellow paint along a squiggly pattern, meant to refresh the corridor's Caribbean theme. Metal palm trees will line both sides of the street. New benches, planters, and other adornments will be added. The lighting will be improved. Renovations also will include landscaping, the disposal of dead overhead wiring, and the construction of bump-outs at Somerset and Cambria Streets and Indiana Avenue.

Nine businesses have already moved to Fifth Street, bringing 30 jobs. Some investors are using the streetscape as a selling point, getting loans to buy properties on Fifth. Properties are expected to gain value after the project is completed.

Merchants and community organizations hope the revitalization creates an even stronger identity for the Golden Block and promotes the Latino community, making it a tourist destination like the city's Chinatown and the Italian Market neighborhoods.

Loan Closings



and Section 202– PA: Hopewell Housing for the Elderly.

The following loans closed during the month of August in the Philadelphia Hub: Insured– PA: Settler's Place Apts. and Ascension Manor I & II;

Neuman Center Celebrates 50th Anniversary

In July, the Neumann Senior Center, in the Fishtown neighborhood of Philadelphia, celebrated the 50th anniversary of the Section 202 program. The Center was rehabilitated in 2006 from what used to be St. Mary's Hospital and later the Neumann Medical Center. It was funded by a 10,544,200 Section 202 capital grant.



A tenant, Marie Brooks, talked about her residency at Neumann Senior Center. Her experience was unique because she was the first resident to live in the housing center. She explained how she lived there for three days with just the managing crew, wondering if others were going to join her. Now, she does not have to worry about being alone because all 69 units are occupied, housing 73 residents.

The Neumann Senior Center has allowed residents, like Marie Brooks, to focus on other things in life besides stressing over necessities. They now concern themselves with fun activities, like how they are going to decorate their apartment doors in the yearly door competition, what game to play in the common areas, or what time to enjoy the panoramic view of the Philadelphia skyline from the project's roof top terrace.

PA Health Care Licenses

The PA Health Care Facilities Act (Act 69) has been amended to create two new types of licensed entities that provide non-skilled services to individuals in their homes or other independent living environments– Health Care Agencies and Home Care Registries.



Home care services include any one or more of the following services: assistance with self-administered medications, personal care, homemaking tasks, companionship, respite care, and other non-skilled services.

Organizations that supply, arrange, or schedule non-licensed employees or contractors to provide home care services for a fee (e.g., housekeeping, linen, food services, or transportation) are covered by the Act and must obtain licenses to continue to provide these services. Licensure consists of a \$100 annual fee, required paperwork, and on-site monitoring (every other year). See the PA Dept. of Health's website at: www.health.state.pa.us.