



NORTHEAST MULTIFAMILY REGIONAL HOUSING NEWS



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www.hud.gov/local/shared/working/r3/mfhsg.cfm?state=pa

Inside this Issue:

Utility Analysis.....Pg. 1

Small Buildings Risk Sharing.....Pg. 1

Smoke-Free Housing.....Pg. 1

NE Center Portfolio.....Pg. 2

HUD eGIS.....Pg. 2

Fair Housing Rule.....Pg. 3

Unauthorized Distributions.....Pg. 3

Equal Access Rule.....Pg. 4

Pay.gov for HUD-Held Loans.....Pg. 4

State Financial Rankings.....Pg. 5

Mortgage Insurance Study.....Pg. 5

Preservation Clinics.....Pg. 5

U.S. Housing Markets.....Pg. 6

Low Maintenance Plants.....Pg. 6

Ductless Air Conditioning.....Pg. 6

Preventing Falls.....Pg. 6

Seniors & Summer Heat.....Pg. 6

Alzheimer's & Dementia.....Pg. 7

Mental Health & Drug Abuse.....Pg. 7

"Around the Hubs".....PP. 8-11

Utility Analysis

Notice H 2015-04, dated June 22, 2015, *Methodology for Completing a Multifamily Housing Utility Analysis*, provides instruction to owners and management agents for completing their utility analysis required at the time of the annual contract rent adjustment and when utility rate changes result in an increase of 10% or more from the most recently approved utility allowance.



The notice streamlines utility analyses in order to provide more accurate utility allowances to properties in HUD's Multifamily Housing portfolio and ensure households receive allowances to adequately cover the monthly cost of reasonable consumption of utilities and other services for the unit by an energy-conscious household. Furthermore, creating a consistent methodology for determining allowances is the first step in being able to benchmark utility spending, with the ultimate goal of reducing an owner's operating costs and reducing HUD outlays for utilities.

Multifamily also issued a companion memorandum providing guidance on the use of reserve for replacement and management add-on fees to offset cost increases associated with initial implementation of the new methodology.

This notice is a key step in streamlining and creating consistency in

the methodology for determining utility allowances. Additionally, it is expected that the data-centered approach will offer an opportunity to owners/agents to re-evaluate property energy usage and make efforts to conserve where feasible.

Accurate utility data collection and analysis are integral to success in the reduction of energy and water consumption. The Department is a partner in the President's Better Buildings Challenge (BBC), a voluntary leadership initiative that asks building owners, developers, and managers to make a public commitment to energy efficiency. Many BBC Multifamily Partners own HUD-affiliated properties and Multifamily Housing is providing incentives to help owners/agents meet the BBC goal to reduce energy consumption by 20% over ten years across their entire portfolio.

Small Buildings Risk Sharing

HUD has implemented the Small Buildings Risk Sharing Initiative. The Initiative allows HUD to enter into 50/50 risk sharing agreements with CDFIs, Nonprofit, Public, or Quasi-Public organizations with affordable housing purposes. Six months after implementation, FHA MAP conventional lenders will also be eligible to apply.

The Initiative is intended to address an underserved sector of the rental housing market- small properties of more than five and less than 49 units. It will encourage lenders to enter this market and provide lower cost, fixed-rate loans from \$3 million to \$5 million (high-cost areas). The Initiative increases the supply and preservation of affordable rental housing. (See page 5).

Details regarding the initiative can be found at: www.gpo.gov/fdsys/pkg/FR-2015-07-16/pdf/2015-17464.pdf



Overview of Smoke-Free Housing

In response to several concerns about tobacco smoke, including the health effects of second-hand smoke and the risk of fatal residential fires, HUD encourages adoption of smoke-free policies in HUD-assisted multifamily housing.



Peter J. Ashley, Director of the Policy and Standards Division of HUD's Office of Lead Hazard Control and Healthy Homes, has identified several compelling reasons for this:

- Health impact. Secondhand smoke has a lot of toxic and carcinogenic chemicals, and it doesn't stay only in the unit of the smoker in a multifamily property. Research has shown that smoke travels throughout a building.
- It is the major cause of fatal residential fires. Even if there are no fatalities or injuries, smoking is a major cause of fire loss and an expense for property owners.
- Property owners save money if they prohibit smoking because when a unit turns over, they don't have to spend as much on cleaning, painting, and replacing fire-damaged carpeting, etc. The cost savings have been shown to be substantial.
- The majority of residents want a smoke-free environment and support smoke-free rules.

HUD has encouraged the adoption of smoke-free policies through the following actions:

- Program notices published initially by HUD's Office of Public and Indian Housing in 2009. The notice strongly encouraged public housing agencies to adopt smoke-free policies in at least some of the properties that they managed. This was followed in 2010 by a similar notice published by the Office of Housing that covered subsidized multifamily properties. Both notices summarized the reasoning for implementing the policy, the advantages for property owners and managers in adopting smoke-free policies and some of the recommended steps for doing so.
- In 2012, HUD developed two smoke-free housing toolkits- one for property owners and managers and one for residents. The toolkits expanded the reasons for adoption of these policies, recommended steps for doing so, and discussed the associated legal aspects.

- In October of 2014, HUD published a *Smoke-Free Housing Action Guide* that provided additional information on the topic- a further expansion of the toolkits that were published in 2012. It included information that HUD received through a 2012 *Federal Register* notice soliciting suggestions on best practices for implementing smoke-free policies, as well as information about barriers to implementation.
- Information has been posted on the Web.
- The Office of Healthy Homes has presented at regional and national meetings of housing providers, such as NAHRO.
- This year, Secretary Castro has said that he intends to go smoke-free in all PHA owned public housing properties that they manage. A proposed rule is being reviewed by the Office of Management and Budget. It's been distributed to other federal agencies for review and comment. It is expected to be published in the *Federal Register*, shortly, for public comment.
- The Department of Health and Human Services (HHS), the CDC's Office of Smoking and Health and the EPA's Office of Air and Radiation have collaborated with HUD and provided technical assistance.

In addition, tobacco control resources are available to assist smokers in projects who have already been thinking about quitting. Cessation services are offered by the American Lung Association, CDC and state and local health departments.

Mr. Ashley's comments can be read in their entirety at:

www.huduser.org/portal/pdredge/pdr_edge_trending_061515.html

Northeast Center Portfolio

The future Northeast Regional Multifamily Center, comprising the New York, Boston, Philadelphia and Baltimore Hubs, has an unpaid principal balance of \$18.5 billion with its 5,349 insured and 2,287 uninsured Asset Management loans.

HUD eGIS Storefront

HUD has created an easy-to-use site where users can search and discover HUD's geospatial datasets, application programming interfaces (APIs), web-based mapping tools and other initiatives.

See:

www.huduser.org/portal/egis/index.html

Fair Housing Rule

Last month, HUD announced a final rule to equip communities that receive HUD funding with data and tools to help them meet long-standing fair housing obligations in their use of HUD funds. We will also be providing additional guidance and technical assistance to facilitate local decision-making on fair housing priorities and goals for affordable housing and community development.



For more than 40 years, HUD funding recipients have been obligated by law to reduce barriers to fair housing, so everyone can access affordable, quality housing. Established in the Fair Housing Act of 1968, the law directs HUD and its program participants to promote fair housing and equal opportunity. This obligation was intended to ensure that every person in America has the right to fair housing, regardless of their race, color, national origin, religion, sex, disability or familial status. The final rule aims to provide all HUD program participants with clear guidelines and data they can use to achieve those goals.

“As a former mayor, I know firsthand that strong communities are vital to the well-being and prosperity of families,” said HUD Secretary Julián Castro. “Unfortunately, too many Americans find their dreams limited by where they come from, and a zip code should never determine a child’s future. This important step will give local leaders the tools they need to provide all Americans with access to safe, affordable housing in communities that are rich with opportunity.”

HUD’s final rule responds to the recommendations of a 2010 Government Accountability Office report, as well as stakeholders and HUD program participants who asked for clearer guidance, more technical assistance, better compliance and more meaningful outcomes. HUD considered and incorporated feedback from the significant public input and comments that it received during the development of this final rule. For example, in response to public feedback, HUD will phase in implementation of the rule so that grantees have substantial time to transition to the new approach. By encouraging a balanced approach that includes targeted investments in revitalizing areas, as well as increased housing choice in areas of opportunity, the rule will enable program participants to promote access to community assets such as quality education, employment and transportation.

HUD’s rule clarifies and simplifies existing fair housing obligations and creates a streamlined Assessment of Fair Housing planning process, which will help communities analyze challenges to fair housing choice and establish their own goals and priorities to address the fair housing barriers in their community. While the final rule will take effect 30 days after publication, it will not be fully implemented immediately. HUD will provide support to program participants that need to complete an Assessment of Fair Housing to ensure they understand the process and to identify best practices across a diverse group of communities.

Unauthorized Distributions & Owner Advances

HUD’s Office of Inspector General has issued an audit report identifying inconsistencies in the oversight of the financial controls provided in the regulatory agreements of certain projects with HUD-insured mortgages.



One of the audit recommendations is to provide guidance to multifamily property owners on the regulatory agreement and contractual limitations relative to unauthorized distributions. This guidance is critical because owners who make or take distributions from project funds, in violation of their business agreements with HUD, may be subject to both civil and criminal penalties, as well as administrative sanctions, such as debarment from participating in federal programs.

HUD defines a distribution as any withdrawal or taking of cash or any assets of a project other than for the payment of reasonable expenses necessary to the operation and maintenance of the project. Examples of distributions include, but are not limited to, the disbursement of project assets as payments to the project’s owning entity or its members, partners, or shareholders; the disbursement of project cash in payment of non-project (entity) expenses; the taking of project property (supplies or fixed assets) from the project for non-project purposes; the disbursement of project assets as loans to other entities; and the disbursement of project assets as repayments on outstanding owner advances.

The specific restrictions regarding distributions for each project are identified in its business agreements with HUD. Additional requirements may also be found in HUD’s multifamily housing handbooks and notices, which are updated periodically and are available on-line at www.hud.gov. Owners and their auditors should familiarize themselves with these restrictions.

Any questions concerning this matter should be referred to your local HUD Program Center.

Equal Access Rule

As part of the White House Conference on Aging, HUD issued Notice H 2015-06, on July 13, 2015, to better serve LGBT Americans seeking HUD-assisted or HUD-



insured housing and avoid discrimination. The guidance will help clarify the *Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Rule* (Equal Access Rule), which was originally published in 2012. The Equal Access Rule ensures that housing across HUD programs is open to all eligible individuals regardless of actual or perceived sexual orientation, gender identity or marital status, including Section 202 Supportive Housing for the Elderly.

The guidance clarifies that a determination of eligibility for housing that is assisted by HUD or subject to a mortgage insured by the Federal Housing Administration (FHA) shall be made in accordance with the eligibility requirements provided for such a program by HUD, and be made available without regard to actual or perceived sexual orientation, gender identity, or marital status. The guidance also clarifies that no owner of administrator of HUD-assisted or HUD-insured housing, approved lender in an FHA mortgage insurance program, nor any recipient or sub-recipient of HUD funds may inquire about the sexual orientation or gender identity of an applicant for, or occupant of, HUD-assisted housing or housing whose financing is insured by HUD, whether renter or owner occupied.

Violations of the rule and guidance could result in HUD's determination that the owner has failed to comply with program requirements. HUD may pursue any available remedy, including such sanctions as debarment, suspension, limited denial of participation and civil monetary penalties, that it determines appropriate to remedy the violation.

The creation and implementation of the Equal Access Rule builds on HUD's and President Obama's commitment to expanding opportunity, advancing equality, and "leveling the playing field" for the LGBT. Since 2010, HUD has taken steps to strengthen LGBT protections, such as formally adopting the principle that gender identity discrimination is sex discrimination under the Fair Housing Act, releasing a groundbreaking study on LGBT housing discrimination and pursuing complaints under the Equal Access Rule.

The multifamily assisted and insured housing guidance follows additional guidance issued by HUD in February on home lending and transgender access to homeless shelters.

For more information on today's guidance, please visit :

<http://portal.hud.gov/hudportal/documents/huddoc?id=15-06hsgn.pdf>

Pay.Gov for HUD-Held Loans

Effective August 1, 2015, all payments for a note either currently or previously held by HUD in the Multifamily Notes portfolio must be submitted via Pay.gov. The conversion from the current lockbox to Pay.gov, as the mechanism via which all payments are submitted for a note either currently or previously held by HUD in the Multifamily Notes portfolio, is required per OMB directive mandating that all payments to the federal government be submitted and collected electronically.



Any payments to the lockbox will be returned to the sender.

Pay.gov will have the following advantages:

- Free, fast and easy to use.
- Secure on-line access.
- Convenient 24/7 access.
- Immediate remittances.

Any questions regarding the policies and subsequent decisions that resulted in this conversion can be addressed to Multifamily Notes Servicing Branch at either MultifamilyNotesServicingBranch@hud.gov or 202-708-4035.

Any questions regarding how to utilize the Multifamily Notes site on Pay.gov to submit a payment can be addressed to Dynaxys HelpDesk either helpdesk@dynaxys.com or 301-622-0900 x 350.

(Note: Information concerning the use of Pay.gov by lenders for insured programs and Mortgagee Letter 2015-13, dated May 11, 2015, can be found on page 2 of our June 2015 newsletter).

State Financial Rankings

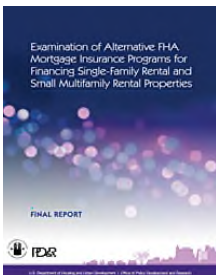
The Mercatus Center at George Mason University has issued a report, *Ranking the States by Fiscal Condition*.



Based on a weighted score of 2013 data for measures including cash on hand, budgeting, long term planning and trust funds, the best performing state was AK (#1) and the worst was IL (#50).

Here is how the states ranked in the future jurisdiction of the Northeast Regional Multifamily Center: NH (#20), VA (#21), DE (#30), MD (#37), RI (#38), VT (#39), ME (#42), WV (#43), NY (#46), CT (#47), MA (#48) and NJ (#49).

Alternative Mortgage Insurance Study



During the recent financial crisis, FHA's mortgage insurance program ensured mortgage credit access for qualified single-family owner-occupants and for investors in large multifamily rental properties. FHA's active mortgage insurance programs did not, however, provide similar support for single-family (1–4 units) rental property or small multifamily (5–49 units) rental housing

property investors, despite the fact that single-family and small multifamily rental properties constitute 87% of all rental units in the U.S. HUD recently released a commissioned study that examined options for making FHA's mortgage insurance programs available to single-family rental property investors and more attractive to small-multifamily rental property investors.

Small rental properties make up a majority of U.S. multifamily rentals and are more likely than larger multifamily properties to serve low-income renters. These properties are less likely than larger multifamily properties to have a mortgage, and those that do tend to have loans with higher adjustable rates and shorter terms. This suggests that small multifamily properties lack access to reasonable financing and could be lost to the housing stock as a result. In fact, the literature confirms the existence of a financing gap for small multifamily properties despite some provisions of GSEs, FHA, and community banks that might be helpful to small borrowers.

Financing has proven more expensive for small multifamily properties, both as a percentage of the loan and on a per-unit basis because multifamily lending and insurance programs require the same due diligence and underwriting procedures for both small and large multifamily

properties so that small multifamily properties incur the same fixed costs as large multifamily properties but spread over a smaller number of units and smaller loans. The authors of this study suggest that revisions to FHA's multifamily program could resolve some of the problems that have created financing gaps, including high origination and servicing costs, lengthy loan approval times, the lack of a secondary market for small multifamily loans, the lack of available financing for rehabilitating these properties, and insufficient underwriting flexibility.

If FHA were to make its insurance programs more attractive to investors of small multifamily rental properties and single-family rental properties, further study of the impact of these changes on various aspects of the rental market, such as the supply of rental housing, rents, foreclosure inventories, first-time and owner-occupant buyers, conventional lending and housing prices, would no doubt be beneficial. This study suggests, however, that if investors could participate in FHA programs, the result could be new investment that not only protects and preserves the existing rental housing stock but also speeds the conversion of distressed properties to rental units, which could help stabilize housing markets in turmoil.

The authors note that economic conditions remain an important predictor for default risk, although that risk can be mitigated by appropriate loan features and underwriting guidelines, which FHA has improved during the past two decades.

For more information regarding this study, see:

www.huduser.org/portal/pdredge/pdr_edge_research_071315.html

Preservation Clinic

This is a reminder to owners of projects with maturing Section 202 and 236 mortgages to register for the HUD Preservation Clinic, in New York on September 9, 2015.



The clinic will cover preservation options, financing and long-term stability. You will also have the opportunity to meet with subject matter experts to discuss your specific project questions at several mini-clinics.

Registration should be made, on line, at the HUD Exchange:

Do not delay. Seating is limited!

National Housing Market Conditions

HUD's Office of Policy Development and Research has released its analysis of the national housing market for the first quarter of 2015. The report contains updates on production, marketing, multifamily housing performance, homeownership, and affordability statistics for the first quarter, provides comparisons with previous quarters, and places the data in larger historical context.



The analysis indicates that during the first quarter of 2015, progress in the housing market recovery slowed. Construction starts for multifamily dwellings fell. The first quarter overall rental vacancy rate of 7.1% was down from 8.3% a year earlier. Multifamily vacancies fell to 7.5%, down from 9.4% a year earlier.

Of new apartments completed in the fourth quarter, 63% were leased within the ensuing 3 months, just slightly higher than the 62% pace in the previous quarter and the 61% pace a year earlier.

The report can be viewed in its entirety at:

www.huduser.org/portal/sites/default/files/pdf/National_Summary_1q15.pdf

Low Maintenance Plants

The right plants for a building can save on landscaping costs because they require less care and save water. Most areas that get a lot of rain annually, regularly experience extended spells.



Plants that are adapted to survive and even thrive through such periods will require little or no watering. LEED-approved drought tolerant plants can include trees, woody shrubs, vines, and flowers. Also, some grass species- buffalo grass, for instance, or crested wheat-grass- use less water and tolerate drought better than Kentucky blue-grass and other standard turf grasses. Native plants, which are well adapted to local rainfall patterns, soils and pests may be excellent choices for drought resistance. As an added bonus, they do not require fertilizer.

Many utilities and local governments offer incentives for water conservation measures. Contact your utility and government to learn more about these programs.

Ductless Air Conditioning

A solution to provide air-conditioning to a room or office without HVAC ducts, is to install a ductless unit.



Typically, these units are compact- 2-3 feet long by 10 inches high- and they stick out from the wall about 8 inches. Tubing from the indoor unit connects to an outside compressor that shaped like a "briefcase." It is much more efficient and quieter than central air conditioning.

Although pricey- units start at \$3,200- this type of unit can result in a 43% reduction in your utility bill for heating and cooling, according to the U.S. Dept. of Energy.

Preventing Falls

Every 15 seconds, an older adult is treated in the emergency room for a fall and every 29 minutes an older adult dies following a fall. Among older adults, falls are the leading cause of fractures, hospital admissions for trauma and injury deaths. Falls are also the most common cause of traumatic brain injuries, accounting for 46% of fatal falls.



Nationally, \$30 billion is spent per year treating older adults for the effects of falls. If this rate of falls cannot be stemmed, it is projected that direct treatment costs will reach \$59.6 billion by 2020. A quarter of hip fracture patients will be in a nursing home for at least a year, further adding to Medicaid costs. (Source: U.S. Council on Aging).

What measures are you taking to keep your tenants safe in your senior housing project?

Protecting Seniors from Summer Heat

Heat is a potentially deadly problem- nearly 400 Americans die from heat waves each year. Most of them are elderly people who do not realize when they are overheating and in danger.



Part of the problem lies in the fact that older people simply cannot handle the heat as well as younger ones, because they do not sweat as effectively and have poorer circulation. Obesity, heart disease, dementia, diabetes and certain medications can compound

the risk.

To protect seniors, the standard advice is to get them into an air-conditioned building, have them dress lightly, and keep them hydrated. This, however, is easier said than done, since poorer circulation also makes seniors feel too cold in air conditioned spaces and want to wear a sweater even when it is hot. Also, some seniors prefer other kinds of drinks to water, even though they may be too sugary for their sedentary lifestyles or filled with caffeine, which is dehydrating or highly caffeinated drinks.

Experts in geriatric medicine advise caregivers to stay on the alert for signs of heat exhaustion or heat stroke. The typical signs are as follows:

Heat Exhaustion

- Heavy sweating.
- Weakness.
- Cold, pale and clammy skin.
- Fast, weak pulse.
- Nausea or vomiting.

Heat Stroke

- High body temperature (above 103 degrees).
- Hot, red, dry or moist skin.
- Rapid and strong pulse.
- Possible unconsciousness.

If any of these symptoms are encountered, the following actions should be taken:

- Call 911 immediately.
- Move the person to a cooler environment.
- Reduce the person's body temperature with cool cloths or a bath.
- Sip water for heat exhaustion but avoid water for heat stroke.

(Source: Centers for Disease Control and Prevention)

Alzheimer's and Dementia



Not all memory problems in older adults are signs of disease. Regardless of age, people forget things. In April, the Institute of Medicine issued a comprehensive report, "Cognitive Aging." The report stressed that cognitive aging is not a disease and should not be viewed as one. Instead, it is a lifelong process that can vary greatly from one individual to the next.

Overall, only one of every eight Americans suffers from Alzheimer's disease. However, it is important to know the differences between normal aging and signs of Alzheimer's/dementia. A comparison, of everyday activities, is follows:

Normal– Losing things occasionally.

Alz– Putting things in unusual places or misplacing things and being unable to retrace steps.

Normal– Forgetting names or appointments but remembering them later.

Alz– Forgetting important dates or events. Asking for the same information over and over.

Normal– Making a mistake when balancing a check-book.

Alz– Having trouble keeping track of monthly bills or following a recipe.

Normal– getting confused about the day of the week but recalling it later.

Alz– Losing track of dates, seasons and the passage of time. Forgetting where you are or how you got there.

Normal– Making bad choices once in a while.

Alz– Using poor judgment when dealing with money, giving large amounts to telemarketers. Paying less attention to grooming or keeping clean.

Normal– Occasionally, needing help to use settings on a microwave or video recording device.

Alz– Difficulty completing a familiar task, driving to a familiar location or remembering the rules of a favorite game.

(Source: New Jersey Institute for Successful Aging)

Mental Health & Substance Abuse

One in four older adults experiences some mental disorder including depression, anxiety disorders and dementia. This number is expected to double to 15 million by 2030.

Similarly, the number of older adults with substance abuse problems is expected to double to 5 million by 2020.

It is therefore vital that older adults with substance abuse or mental health issues receive prompt treatment. If left untreated, they can lead to poor health outcomes, higher health care utilization, increased complexity of the course and prognosis of many illnesses, increased disability and impairment, compromised quality of life, increased caregiver stress, increased mortality and a higher rate of suicide.

“Around the Hubs”**PHILADELPHIA****Philadelphia Report Card**

Philadelphia's Center District's "State of Center City 2015" report was issued in May. The yearly report is designed to measure the progress of Philadelphia's downtown, to document continuing challenges and to be of use to those who seek to locate, lease, invest or meet in Center City. Among the findings were the following:

- Millennials, empty nesters and families with children are powering the red-hot population and housing growth.
- From 2004 to 2014, 16,661 new housing units were added to the Greater Center City district.
- Residential construction in 2014 saw 1,983 new units completed- a slight drop from 2,168 in 2013.
- New housing, in 2014, included 1,358 apartments, 183 condos and 442 single-family homes.
- There are 183,240 people in greater Center City's 7.7 sq. miles- second only to Mid-town Manhattan.
- Young renters move from apartments in the core of Center City to houses in the surrounding neighborhoods that comprise Greater Center City.

The entire report can be downloaded at:

<http://www.centercityphila.org/socc/>

Philadelphia Rents

In the City of Philadelphia, depending on the neighborhood, \$800-\$1,400 a month can rent a small studio or a roomy two-bedroom apartment. Consider these median rents:

Center City- \$1,400 (one-bedroom apartment) and \$800-\$1,200 (300-400 sq. ft.)
 Fishtown- \$1,300 (smaller two-bedroom apartment- 800-1,000 sq. ft.).
 South of South- \$1,300 (840-1,100 sq. ft.).

Preservation of At-Risk Population Project

Federal, City and County leaders gathered to celebrate the preservation and restoration of the William S. Moorhead Tower, on April 28, 2015. Located in the Oakland section of Pittsburgh, Moorhead Tower is specifically designed for the visually impaired, the elderly and people with disabilities. It is the first apartment building of its kind in the City of Pittsburgh and contains 142 apartments: 127 one-bedroom and 15 two -bedrooms as well as a connected living computer center, a fitness center, a wellness office and a large community room with great views of the city. A Beacon Community, Moorhead Towers, provides supportive services and programming to help residents lead a healthy, social and productive life. Beacon's comprehensive program, Living Well by Design[®] represents a holistic approach to providing resident services with a focus on education, wellness, and community building activities. Its program aligns with HUD's initiative that integrating housing and health services is critical for successful aging in place and helping people with disabilities remain in their home and community. Some of the residents have been in the building for over 30 years and were given the opportunity to directly incorporate their ideas in the renovation work.

West Virginia Affordable Hall of Fame

The West Virginia Affordable Housing Hall of Fame inducted the Federal Home Loan Bank of Pittsburgh at its 10th anniversary celebration at the Lakeview Resort in Morgantown on May 7. Housing has been the heart of the Federal Home Loan Bank of Pittsburgh's mission since it was chartered by Congress in 1932. Every year, the Bank sets aside a portion of its earnings for AHP grants, which are awarded through competitive funding rounds to FHL Bank member financial institutions for qualified projects that create housing for low-income and special needs individuals and families. To date, more than \$14 million in AHP funds has been granted to West Virginia projects, leveraging \$82.7 million in development dollars to create 1,590 units of affordable housing.

Sandy Aftermath

Superstorm Sandy, which hit the northeast region on October 29, 2012, resulted in damage to 15,600 rental units, in New Jersey alone. These newly homeless tenants quickly learned that they were priced out of the majority of rental homes that survived the storm.

In response, more than 3,700 affordable apartments, in New Jersey, are being financed through a new \$700 million Superstorm Sandy program, with 2,271 designed for families, and 1,483 set aside for seniors. The program, however, has not been effective in several affluent counties.

Some have been using the program to build more senior housing, instead. Tony Marchetta, Executive Director of the New Jersey Housing and Mortgage Finance Agency, which is directing the Fund for Restoration of Multifamily Housing, remarked that "It's insufficient. We need to get more family housing."

Of the eight counties participating in the program, Ocean, Monmouth and Essex are significantly building more senior projects than family housing. Cape May is evenly split, with 160 senior and 160 family units.

The following is a breakdown of the type of housing paid for with Sandy aid (per NJ Dept. of Community Affairs):

Ocean County- 72 family (15%), 396 senior (85%).
 Monmouth County- 299 family (40%), 445 senior (60%).
 Essex County- 164 family (42%), 225 senior (58%).
 Cape May County- 160 family (50%), 160 senior (50%).
 Atlantic County- 656 family (77%), 194 senior (23%).
 Middlesex County- 238 family (79%), 62 senior (21%).
 Bergen County- 125 family (81%), 30 senior (19%).
 Hudson County- 557 family (81%), 131 senior (19%).

As a result of this imbalance, the state is taking the extraordinary step of setting aside one quarter- \$50 million- of the third and final allocation into the multifamily housing fund to be used exclusively for affordable family housing in Monmouth and Ocean counties. If these projects continue to fail to materialize here at the Shore, the \$50 million will probably be spent elsewhere, Marchetta said.

HUD weighed in on this issue, back in 2009, when a settlement was reached with affluent Westchester County, NY to build 750 units of affordable housing in 31 communities, with none of them being age-restricted. This is everybody's problem because the financial effects of an affordable housing shortage can be felt throughout the entire renter population, said Donna Blaze, CEO of the Affordable Housing Alliance. It also makes services more expensive, she said.

A list of the affordable housing projects under construction can be found at:

www.app.com/story/news/local/toms-river-area/berkeley/2015/07/01/affordable-housing-sandy-seniors-apartments/29569405/

Application Day

Nativity BVM Place, a 63-unit, \$9.8 million, Section 202 project located in Philadelphia held an application day on July 14, 2015.

The following write-up was submitted by the sponsor, Catholic Health Care Services (Diocese of Philadelphia):

"The doors opened at 10AM - we were told the first person in line arrived at 6:15 AM! More than 40 were in line by 9 AM. We had well over 100 applications completed by 3 PM there were even more people who passed through the door because many came as couples, with a sibling, friend or an adult child who helped complete an application or just to provide support. The social club where the event was held graciously let us use a side room so people could wait inside and not in the humidity and rain.

The day went very smoothly we are particularly pleased with the property management company (Presby Inspired Life) who we are working with who facilitated the day.

Another Application Day scheduled for next Thursday, July 23, and applications are also being sent out in the mail to those who request it. We don't expect as many people to show up next week, nonetheless we still anticipate many more applications.

Through all the ups and downs we had over the last few years with this Nativity site, this week's successful Application Day is testament of how critical HUD Section 202 funding is to provide dignified and supportive housing for the elderly!"

The "99" Club

The following management agents are to be commended for having projects that received an almost perfect REAC physical inspection score of 99 this year:

NDC Real Estate Mgmt.– Williamson Towers; National Church Residences– Edgewood Village; American Apt. Mgmt.– Alderson Manor; Forest City Residential Mgmt.– Brookpark Place; Triple C Housing– South Plainfield Consumer Home; Community Enterprises Corp.– Atlantic City Consumer Home; Housing Authority of Bergen Co.– Brookside Gardens; GN Management– Episcopal Gardens; Warrior Run Dev.– Lock Haven Court; CRM– Opportunities II; Sisters of St. Joseph– Bethlehem Village; Housing Mgmt. Services– St. Augustine Plaza; St. Ambrose Manor Inc.– St. Ambrose Manor; Gateway Mgmt. Services– Allegheny Manor; Mars Housing– Penn-Mar Plaza; iTechnology Dev. Corp.– Noble Towers; Retiree Housing Mgmt.– Sheptytsky Arms; Westgate Mgmt. Co.– Pershing Square; and Central PA Dev. Corp.– Moshannon Valley Apts.

BALTIMORE



Tax Credit Excellence Award

The Arlington Partnership for Affordable Housing's (APAH) Arlington Mill Residences was named Metropolitan/Urban Housing winner at the 21st Annual Charles L. Edson Tax Credit Excellence Awards on June 10 at the U.S. Capitol Visitors Center in Washington, D.C.

Mixed-Income/Transit-Oriented Project

The Residences at Thayer Avenue is a mixed-income, transit-oriented project, located in Silver Spring, MD that began occupancy in 2014. It consists of 52 apartments—41 one-bedroom and 11 two-bedroom apartments, of which 10 are market rate, 32 are for households earning 60% or less of the area median income (AMI), and 10 are for households with incomes at or below 30% of AMI. They offer an exceptional level of connectivity and walkability which provides low and moderate income households with easy access to their jobs and other opportunities available in the DC metropolitan area, as well as reducing traffic congestion and greenhouse gas emissions.

The development includes several sustainable features for which the developer is seeking Leadership in Energy and Environmental Design Silver certification. The building has a green roof, a stormwater retention system that includes a bio-retention pond, low-e glass windows, ENERGY STAR® appliances, motion sensors throughout the building to reduce unnecessary light use and vinyl plank flooring that lasts longer than carpet.

Financing for the \$18.5 million development came from several affordable housing sources, including \$11.9 million from the Maryland Department of Housing and Community Development and \$4.5 million from the Montgomery County Housing Initiative Fund.

To bring the mixed-income development to fruition, the developer had to overcome environmental challenges to receive HUD funds. An assessment of the site revealed traces of chemicals in the soil, soil gas and groundwater originating from a dry cleaner on a nearby property. Although the chemicals were present only in low concentrations, Landex's environmental consultant, Urban Green Environmental (UG), devised a vapor mitigation system to remediate the threat of volatile organic compounds (VOCs) entering the proposed building through the

porous foundation. Landex also worked with the East Silver Spring Citizens' Association, to address neighborhood concerns about parking, traffic and other issues.

The "99" Club

The following management agents are to be commended for having projects that received an almost perfect REAC physical inspection score of 99 this year: Accessible Housing Associates— Franklin Center; Way Station Inc.— Flury Place; John H. Wells Foundation— Chase Place Apts.; Chesterfield Alternatives— Iverson Road Group Home; Corp. for Shelter Mgmt.— Calloway Street; Community Housing Partners— Holly Court; All American Realty— Leisure Park Towers; and Realty Management Service— Forest Oak Towers.

Seaton Village Dedication

On June 25, Bob Iber, Director Project Management, attended the dedication of Seton Village, a Section 202/LIHTC property in Emmitsburg, MD. Seton Village Apartments is the conversion of a residential wing of the Daughters of Charity's St. Joseph's Provincial House. Of the 43 affordable apartments for seniors ages 62 and over with incomes between 30-50% Area Median Income, 31 one-bedroom apartments are HUD Section 202 restricted units, along with 12 two-bedroom units. Five of the apartments are handicapped accessible and each apartment includes high efficiency heating and air conditioning, Energy Star appliances and water-conserving fixtures. In addition to a HUD Section 202 capital advance of \$5,100,000, the financing for the redevelopment included tax exempt bonds and loans from the State of Maryland, tax credit equity and grants from the Weinberg Foundation and Community Development Block Grant funding from Frederick County.

NEW YORK



The "99" Club

The following management agents are to be commended for having projects that received an almost perfect REAC physical inspection score of 99 this year: Independence Residences— Mary Ann Stack Residence; Erie Co. Chapter of NYSARC— Walden Avenue Residence; Doldo Real Estate— Centennial Apts.; National Church Residences— Keeseville Country Gardens; St. Mark's Terrace Dundee HDFC— St. Mark's Terrace Dundee; Christopher Community— Rome Mall Apts.; and People Inc.— Connecticut Street Housing.

BOSTON



The “99” Club

The following management agents are to be commended for having projects that received an almost perfect REAC physical inspection score of 99 this year: Phoenix Property Mgmt.– Freedom House, New Life Estates, Villa Nia and Elmhurst House; Wingate Mgmt.– Silver Lake Homes; The Community Builders– Back of the Hill; Pathways Vision Inc.– Pathways Vision; Stewart Property Mgmt.– Monroe Place; Cathedral Square Corp.– Pennington House; Howard Center Inc.– Pillsbury Square; Fellowship Housing Opportunities– Courtyard Apts.; Crotched Mountain Foundation– Greenville Falls; SNHS Mgmt. Corp.– Falls; AIDS Care Ocean State– Malm Manor; and House of Hope Community Dev. Corp.– Thomas Wilbur Homestead.

Most Energy-Efficient City

Boston has been named, America’s most energy-efficient city by the American Council for an Energy Efficient Economy (ACEEE).

It scored highest among 51 of the large cities measured in the areas of local government operations, community initiatives, building policies, energy and water utilities and transportation.

Coming in after Boston were New York and Washington, DC.

Secretary Castro Joins Ribbon-Cutting

On July 7, 2015, Secretary Julian Castro joined Mayor Marty Walsh to celebrate the ribbon-cutting at the newly-rebuilt Quincy Heights development in the Dorchester neighborhood of Boston, MA. The



multifamily housing portion of the development (previously known as Marrant Bay/Woodledge) is a 129-unit recapitalized, scattered site, family development. The project received initial endorsement on a Risk Sharing loan in the amount of \$16,915,000 in June 2013.

In addition to the Risk Sharing loan, the purchase and rehabilitation of the project is funded using Low Income Housing Tax Credit equity, as well as subordinate debt from a variety of sources, including the City of Boston through HUD’s Choice Neighborhoods program.

The project has a Section 8 Housing Assistance Payments contract for all units and an outstanding Flexible Subsidy loan in the amount of approximately \$3,600,000, (original loan amount of \$1,311,288, plus accrued interest of \$2,288,712).

Two non-profit entities, Dorchester Bay Economic Development Corporation and Quincy-Geneva Housing Corporation, have partnered to purchase, refinance and redevelop the project.

The redeveloped project restores the original 129 units, with the same mix of unit sizes. HUD Multifamily approvals include: a Risk Sharing loan in the amount of \$16,915,000, a transfer of 49 of the 129 Section 8-subsidized units to new buildings constructed on a new site contiguous to the original site under Section 8bb, a waiver to allow deferred repayment of the Flexible Subsidy loan, a HAP contract renewal under the Mark-Up-to-Market program, and a redirection of Section 8 subsidy from the project’s HAP contract to subsidize tenants that were relocated off-site during construction.

Be a Reporter!

If you have a best practice that you would like to share, or would like to have your project highlighted in a future issue of this newsletter, please send a Word article to:

thomas.langston@hud.gov.

