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Retirement

I will be retired from HUD, effective November 28, 2015, after 44 years of federal service. As a result, this will be the last newsletter issue that I will be publishing. It has been a pleasure providing you with HUD and industry news over the past 25 years.

Thomas Langston  
Acting Hub Director  
Philadelphia Multifamily Hub

OCAF Adjustments

The Operating Cost Adjustment Factors (OCAF) for 2016 were published in the October 13, 2015 Federal Register.

These factors are used for adjusting or establishing Section 8 rents under the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA), as amended, for projects assisted with Section 8 Housing Assistance Payments.

The following factors in the NE Region are effective February 11, 2016: CT- 2.8%, DE- 2.3%, DC- 2.8%, ME- 2.8%, MA- 2.8%, MD- 2.7%, NH- 3.1%, NJ- 1.9%, NY- 2.1%, PA- 2.7%, RI- 3.3%, VT- 1.45, VA- 2.6% and WV- 2.4%.

The new OCAFs can be viewed at:


FY 15 Multifamily Production

Preliminary data for our FY 2015 Initial Endorsements and Firm Commitments, have posted on MF Data.

The site contain a wealth of national and regional statistical information. For example:

- 1,302 Firm Commitments were issued, totaling $13.3 billion
- 1,176 Initial Endorsements were issued, totaling $12.2 billion

The reports can be accessed at:

Affordable, Accessible, Efficient Communities

The latest issue of Cityscape: A Journal of Policy Development and Research features a research symposium on the relationship between affordable housing—particularly HUD-subsidized housing—and neighborhood qualities such as walkability and access to amenities.

The symposium focuses on federal activities aimed at encouraging sustainable development, a summary of lessons learned from research conducted through the Sustainable Communities Research Grant Program and a preview of forthcoming research on the effectiveness of federal affordable housing policies, transportation and infrastructure planning and green building programs.

The articles can be read at:

www.huduser.gov/portal/periodicals/cityscpe/vol17num2/index.html

Rents Going Up

According to a national survey by Rent.com, 88% of property managers have raised their rents in the past 12 months, 45% have seen an increase in the number of millennials opting to rent and 68% predict their rents will rise an average of 8% in the next year. In addition, vacancy rates have fallen to 6.8% in the second quarter of 2015, the lowest it has been in nearly 20 years.

These numbers are based on a classic case of supply and demand. More Americans are renting and there are not enough available units to keep pace. Since the housing bust, there has been a definite shift toward more Americans opting to rent, especially in center cities. The stigmas attached to renting have dropped, and many now see renting as a safer, easier, more flexible and, sometimes, more affordable option. Also, the notion of the American dream of owning a home has less value than it used to.

While developers are responding to the demand and building new multifamily properties, these rarely result in lower rents. Rental construction simply does not translate to rents going down due to high building and land costs.

Accessibility of Housing Stock

The availability of accessible housing plays a key role in furthering the goal of fair housing opportunity for individuals with disabilities set forth in the Americans with Disabilities Act. Accessibility of America’s Housing Stock: Analysis of the 2011 American Housing Survey, a study recently released by PD&R, uses American Housing Survey (AHS) data to examine the prevalence of features in the nation’s housing stock that make units accessible for people with physical disabilities.

Based on the AHS data, the researchers created an Accessibility Index that classified housing units into three levels of accessibility:

- Level 1: Potentially modifiable.
- Level 2: Livable for individuals with moderate mobility difficulties.
- Level 3: Wheelchair accessible.

The results of the study suggest that the majority of U.S. homes are not fully accessible. Although approximately one-third of units have Level 1 accessibility features and are potentially modifiable, fewer than 5% of units have the features needed to accommodate a person with moderate mobility difficulties. The percentage of wheelchair-accessible units is even smaller; less than 1% of all units are equipped with features that would allow a wheelchair user to live independently. The researchers did note that some households might be misreporting features, which could result in underreporting some accessibility elements.

The study finds that the prevalence of accessibility features varies based on housing and resident characteristics. Overall, the findings of the report suggest that the U.S. housing stock is not well equipped to accommodate people with disabilities—a need that is likely to become more acute as the number of older Americans who have both ambulatory limitations and a desire to age in place grows. The study notes that additional research is needed to understand how people with disabilities live in homes with limited accessibility features. Along with identifying the prevalence of accessible housing, the report also includes recommendations for improving the accessibility questions included in the AHS.

The entire study can be read at:

www.huduser.gov/portal/pdredge/pdr_edge_research_101315.html
**Arrest Records in Housing Decisions**

On November 2, the White House announced a set of measures to encourage reentry of formerly incarcerated people into society. In support of these measures, on the same day, HUD published Notice H 2015-10, *Guidance for Public Housing Agencies and Owners of Federally-Assisted housing on Excluding the Use of House Records in Housing Decisions.*

The purpose of the Notice is to inform PHAs and owners of other federally-assisted housing that arrest records may not be the basis for denying admission, terminating assistance or evicting tenants, to remind PHAs and owners that HUD does not require their adoption of “One Strike” policies, and to remind them of their obligation to safeguard the due process rights of applicants and tenants.

The Notice also reminds PHAs and owners of their obligation to ensure that any admissions and occupancy requirements they impose comply with applicable civil rights requirements contained in the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act, and Titles II and III of the Americans with Disabilities Act of 1990, and the other equal opportunity provisions listed in 24 CFR 5.105.

Finally, the Notice provides best practices and peer examples for PHAs and owners to review.

The notice, effective immediately, will positively impact owners by providing comprehensive guidance on screening and termination policies with regard to criminal activity. It will also benefit those with certain types of criminal history applying to any Multifamily Housing programs. It should be emphasized, however, that it does not change current policy.

To view the Notice, see:


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**Congressional Housing Report**

In September, the Congressional Budget Office issued a report on federal housing assistance programs for low-income households. The report provides details on HUD provides housing assistance to low-income households using three main housing assistance programs: Housing Choice Vouchers, Project-Based Rental Assistance, and Public Housing.

The report provides similar information and analysis on the Low-Income Housing Tax Credit Program along with other federal block grant programs that provide housing assistance through state and local governments.

It also discusses the ways in which the federal government provides housing assistance to low-income households, examines how that assistance has changed since 2000, and provides information about the households that receive assistance. In addition, the report assesses budget and policy options for altering that assistance.

The entire 48-page report can be read or downloaded at:


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**Homeless Veterans**

In the five years since President Obama launched *Opening Doors*, the nation’s first-ever strategic plan to prevent and end homelessness, veteran homelessness has been reduced by 36%.

This achievement could not have been accomplished without great partners like the 850 mayors, governors and county executives across the nation who’ve stepped up and answered the Mayors Challenge to End Veteran Homelessness.

Congratulations to all!
Preventing Falls

In 2011, the Centers for Disease Control and Prevention reported that there were 22,900 deaths in the U.S. related to falls. Two short years later, in 2013, the number increased to 25,500 deaths. Some 2.5 million falls are reported each year. The cost of treating those who fell rose $4 billion in just one year (2012-13).

Falls are also the most common cause of traumatic brain injury. In fact, three quarters of reported fall-related deaths are due to traumatic brain injury. The CDC also reports that 95% of all hip fractures are due to falls. Here are some other sobering “fall” facts:

- Men are 40% more likely than women to die from a fall.
- Twice as many women than men suffer a hip fracture in a fall.
- Fall-related health care costs are two to three times higher for women than men.
- Fractures account for 61% of overall non-fatal fall-related costs.
- Two-thirds of those suffering a hip fracture (i.e., the elderly) will not return to the level of activity they had prior to the fall.

Thankfully, falls are not an inevitable part of aging. In fact, many falls can be prevented. Everyone can take actions to protect the older adults they care about.

Prevention Tips

- Exercise. Lack of exercise can lead to weak legs, which increases the chances of falling. A regular walking program or gentle yoga may be a good start.
- Have a doctor or pharmacist review all medications. Some medicines— or combinations of medicines— can have side effects such as dizziness or drowsiness. This can make falling more likely.
- Remove tripping hazards and clutter, especially stairs and hallways.
- Insure adequate lighting in every room.
- Install handrails and lights on all staircases.
- Remove small throw rugs or use double-sided tape to keep the rugs from slipping.
- Keep often used items in cabinets that can be reached easily without using a step stool. Never stand on a chair or another unstable surface. Use the buddy system and have someone hold the step stool or ladder in place.
- Install grab bars inside and next to the tub or shower and next to the toilet. Use non-slip mats in the bathtub and on shower floors.
- In the kitchen or bathroom, be sure to clean up any water or spills on the floors.
- Finally, consider changing footwear as part of a fall-prevention plan. While high heels, flip-flops and sandals may be fashionable, they can lead to slips and falls. Older adults with a high fall risk should consider wearing properly fitting, sturdy shoes with non-skid soles.

New Core Project

HUD has transitioned its internal financial management and procurement operations to the U.S. Dept. of Treasury’s Administrative Resource Center (ARC). Although significant work remains, HUD is the first cabinet-level agency to move core financial systems to a Federal Shared Service Provider.

The change is the result of a 2010 review of HUD’s aging “legacy” financial systems where it was determined that they did not provide the necessary scale and breadth required to meet today’s financial management needs. In an environment of increasingly restrained resources, HUD realized it needed to move away from inefficient systems that carry a risk of failure and need time-consuming maintenance. Transitioning to a shared service was the most efficient path forward. By partnering with ARC (Treasury), HUD gained valuable efficiencies and adopted standards that will allow it to engage in better analytical and risk-based management.

The “New Core” project will enhance financial transparency and analytical capabilities, increase regulatory compliance, and improve efficiency through the transition of HUD’s core financials and key administrative systems and services. It will enable HUD to focus its 7,500+ workforce on serving the nation’s housing and community development needs by reducing employees’ administrative burdens.

Smoke Alarm Technology

Did you know that there are two types of smoke alarms? Ionization smoke detection is more responsive to flaming fires while photoelectric smoke detection is more responsive to fire that smolders a long time before breaking into flames. Since you never know what type of fire will occur in your building, the National Fire Protection Association and the Consumer Product Safety Commission recommend that buildings have both types of protection. Instead of buying two different alarms for every room, you can buy slightly more expensive combination alarms that include both technologies.
**Coloring Book Craze**

In a world where people spend countless hours answering emails, checking up on Facebook friends, or streaming movies, adult coloring is all the rage. According to the Art Therapy Association, the coloring-book phenomenon is reintroducing art as an important component of health and wellness. Jessica Drass, a registered nurse, says the activity also allows adults to express themselves, in a fun way - something they might have forgotten to do as the grew older, taking on new responsibilities.

Many adults have given up on creating art as a means of expression by early adolescence. There is a great deal of fear involved, with people thinking they are "not good enough" at creating art. Art can be used for empowerment and self-discovery. It can be a great and inexpensive tenant activity for both young and old. Adult coloring books help build self-esteem and confidence, while providing a structure so individuals can feel engaged with the art-making process. In adult coloring books, the design is already there, you don't have to come up with it yourself. People feel, "I can do this, I can just color in the spaces, choose what colors I want, and enjoying using the materials." This way, they don't feel vulnerable by having to draw something themselves.

Coloring books can be a great starting point that can build self-esteem and confidence with art materials, and encourage people to use more sophisticated art materials and create their own artistic expressions that extend far beyond coloring book pages.

This tenant activity can be very rewarding. All you have to do is to supply stacks of coloring books (some with actual "adult themes"), best-sellers, as well as some made by local artists and coloring tools like crayons, markers and colored pencils.

The sense of nostalgia creates a soothing side effect. Nothing takes you back to childhood and days of less responsibility than the smell of crayons. In one way, coloring is mindless-perhaps in a social setting- and in another, it's mindful- maybe more so in the private realm.

Three of the top 10 best-selling books on Amazon.com are adult coloring books, including "Secret Garden: An Inky Treasure Hunt and Coloring Book" at No. 5, and "Enchanted Forest: An Inky Quest & Coloring Book" at No. 9.

Although coloring may seem a surprising outlet to some, it is comparable to many other creative endeavors, like knitting, crocheting, or creating a scrapbook from pictures.

Registered art therapist, Jessica Drass, offers several tips on how adults can rediscover fun with art:

- Download free coloring pages or buy a book at Amazon or Barnes and Noble.
- Use some nice colored pencils or markers (which you can also buy on Amazon or Barnes and Noble) and have an open mind.
- Let go of your judgmental thoughts and enjoy the process.
- For art-workshop offerings, try: www.wisemindcreations.com

**Proposed Smoke-Free Rule**

On November 12, 2015, HUD announced a proposed rule to make the nation’s public housing properties entirely smoke-free. HUD’s proposed rule would require more than 3,100 public housing agencies (PHAs) across the country to implement smoke-free policies in their developments within 18 months of the final rule.

Since 2009, HUD strongly encouraged Public Housing Agencies (PHAs) to adopt smoke-free policies in their buildings and common areas. During this time, more than 600 PHAs and tribally designated housing entities adopted smoke-free policies. Currently, there are nearly 1.2 million public housing units across the country. Through HUD’s voluntary policy and local initiatives, more than 228,000 public housing units are already smoke-free. If finalized, the proposed smoke-free rule would expand the impact to more 940,000 public housing units.

Under HUD’s proposed rule, PHAs must implement a policy prohibiting lit tobacco products (cigarettes, cigars or pipes) in all living units, indoor common areas, administrative offices and all outdoor areas within 25 feet of housing and administrative office buildings. HUD is seeking public comment on this proposed rule for the next 60 days. This proposed rule will be open for public comment for the next 60 days. Interested persons may submit comments electronically at www.regulations.gov. Comments may also be submitted by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410.
RAD Quick Reference Guide

HUD now has an updated RAD Quick Reference Guide online. The guide provides instructions to owners converting their projects to PBRA authorized under RAD. The updated guide provides information on continuing Family Self Sufficiency (FSS) programs at PBRA properties.

As current FSS participants will continue to be eligible for FSS once their housing is converted under RAD, guidance is provided for an owner to obtain the escrow amount by creating a miscellaneous adjustment on the property’s HAP voucher.

The guide also updates all references to the newly published RAD Notice PIH-2012-32 (HA), REV-2. (Note: The guide does not apply to RAD conversions to Project Based Voucher (PBV) assistance).

The RAD Quick Reference Guide is available on both HUD.gov and the RAD Resource Desk at:


Lower Heating Bills

The U.S. Energy Information Administration has predicted that consumers using natural gas are likely to spend an average of 10% less this winter than last year. Similarly, consumers using heating oil could see bills down 25% to their lowest level since 2009.

This is good news for projects trying to keep their utility bills in check.

The drop in fuel costs is attributable to several factors: increased production due to America’s year-long drilling boom, the rise of fracking and a flood of oil from OPEC to retain its global market share.

New HUD User Website Address

The website address for HUD User, the source for housing and community development research, reports and data from HUD’s Office of Policy Development and Research has changed from www.huduser.org.

The new website is as follows:

www.huduser.gov

Germ-Killing Paint

Sherwin-Williams, has developed the world’s first paint that kills hard-to-treat, infection-causing bacteria. The patented microbicidal paint, dubbed Paint Shield, earned certification from the EPA for killing more than 99.9% of infectious bacteria such as Staph, E. coli, and MRSA on painted surfaces two hours after exposure. Tests have shown that it keeps killing germs for up to four years, as long as the surface is covered with Paint Shield paint. Other antimicrobial products simply prevent organisms from corroding the paint.

This breakthrough offers an entirely new way to help prevent the spread of some of the most common bacteria that can trigger hospital-acquired infections. The U.S. Department of Health and Human Services says healthcare-associated infections are one of the leading causes of preventable deaths in the United States, and the Centers for Disease Control and Prevention has found that one in 25 U.S. patients contracts at least one infection while under hospital care.

Paint Shield, however, will come at a premium. A gallon of Paint Shield, which will be available in 590 colors starting in the first quarter of 2016, will cost $84.99.

Homeless Demonstration

HUD has entered into a partnership with DOJ to test cost-effective ways to help persons cycling between the criminal justice and homeless service systems.

The demonstration will offer public/private financing to support Permanent Supportive Housing for the re-entry population.
“Around the Hubs”

PHILADELPHIA

Bridging the Digital Divide

The City of Camden (NJ) has entered into a partnership with the ConnectHome Initiative— a collective effort between communities, the private sector and the federal government aimed at bridging the digital divide by bringing expanded high-speed web access and improving digital literacy to more families living in public housing communities. The initiative, overseen by HUD, is also expected to benefit nearly 200,000 children across the country.

Camden was chosen, as one of 27 cities, to participate as a “Promise Zone” community— a status the city received in April. Promise Zones are intended to help poor communities boost economic activity, reduce violent crime and upgrade standards of living, according to HUD.

It is also partnering with Comcast through its Internet Essentials program, a broadband adoption program. Since August 2011, the program has connected 2 million low-income Americans, or more than 500,000 families, to the power of the Internet at home. The program provides low-cost broadband service for $9.95 a month; the option to purchase an Internet-ready computer for less than $150; and multiple options to access free digital literacy training in print, online and in person.

Comcast donated 24 computers for residents to use to learn basic computer skills, while GitHub, a web-based company will offer software-building classes for children. A kiosk will also be set up inside the Housing Authority’s Community Supportive Service Center on Boyd Street where residents can further develop digital literacy skills, such as searching for jobs, college planning or completing SAT prep courses.

World Heritage City

The City of Philadelphia has been named the nation’s first World Heritage City. It joins such international cities as Jerusalem, Cairo, Paris and other places recognized for their impacts on the course of human events.

The prestigious designation, held by about 260 cities worldwide, also reflects Philadelphia’s evolution into an economic and educational hub, as well as its resilience.

2015 Homes Within Reach Conference

The Philadelphia HUD Office conducted a Homeless Placement Workshop in Harrisburg, PA, on November 16, 2015, as part of the Housing Alliance of PA’s 2015 Homes Within Reach Conference.

The workshop will discuss how HUD has partnered with PHFA, the VA, the Continuums of Care (COCs) and non-profits to work with owners and management companies to accept referrals of qualified homeless applicants who come with a package of supportive services.

Homeless Preferences

We wish to acknowledge the following management agents in the PA who are now offering homeless preferences:

Philadelphia area:

Pittsburgh area:
SHMS-Action Housing, AHRCO, Senior Care, Westgate Management and Ralph A. Falbo, Inc.

Anti-Fraud Toolkit

The NJ Division of Consumer Affairs has created a new “Anti-Fraud Toolkit” designed to protect senior citizens from falling victim to scam artists. The kit is the latest phase of the agency’s “Fighting Fraud” awareness education campaign, which has been delivered to seniors in every county in New Jersey in 2015. The “Anti-Fraud Toolkit” will be distributed in early 2016. It will include a list of warning signs of fraud, details of the numerous scams targeting seniors, advice on dealing with unwanted phone calls, tips on distinguishing a legitimate business caller from a fraudster, and other pertinent information. Those who work with seniors every day— social workers, caretakers, staff at senior centers, and local and county divisions of aging— will be able to download and post anti-fraud information on bulletin boards at senior centers, retirement homes, and social clubs. In addition, alerts will be created, posted online, and distributed in hard copy to provide seniors and those who work with them “real time” updates on current frauds and scams targeting seniors in New Jersey.

The toolkit can be accessed at: www.njconsumeraffairs.gov/anti-fraud-toolkit
NJ Tax Credit Project

A total of $1.7 million in federal tax credits has been awarded by the New Jersey Housing and Mortgage Finance Agency to fund 70% of the construction costs for Camp Salute, a 76-unit project, to be located in Clayton, NJ. The project will be developed by Conifer Realty, will have 25% of the units fully accessible for veterans with physical or mental disabilities. Five units will be set aside for homeless veterans. The rest will be available for low-to-moderate income residents, with preference given to veterans, veterans’ widows, families and Gold Star parents. Each one, two and three-bedroom unit will include a patio or balcony. A community center will include a gym, computer lab, meeting space and offices for the People for People, a non-profit which will offer supportive services for tenants.

Baltimore

Sheridan Station

A total of 247 rental and 80 homeownership units have been completed in the Anacostia neighborhood of Washington, DC. Under the development of WC Smith, Sheridan Station was constructed with $16.7 million in HOPE VI subsidies, as well as $5.8 million in American Recovery and Reinvestment Act of 2009 funding. In total, this brings the HUD investment to nearly $250 million in stimulus funds to reduce blight, create a sustainable environment, prevent homelessness and transform this community.

The mixed-income development near the Anacostia Metro Station includes a medical clinic, community rooms, solar panels, on-site parking and a new playground. Built to high standards of sustainability, Sheridan Station includes the first multifamily building in the District to be awarded LEED platinum designation.

Penn-North Community Center

The Baltimore Field Office staff is forming a partnership with the Penn-North Community Center in Baltimore’s Sandtown-Winchester Neighborhood- two blocks from the epicenter of the riots in late April.

The building, which was the original Frederick Douglass High School, and where Thurgood Marshall, Cab Calloway and others graduated from, has been converted into a neighborhood resource center. It offers Narcotics Anonymous meetings every hour from 10 am to 9 pm, workforce development programs, acupuncture for addiction treatment, a large children’s Safe Zone room, and other services. There are also apartments for temporary and long-term residents offering very low monthly rents and helping neighborhood residents to get back on their feet.

New York

Northeast Center Director

Arden Sokolow has been appointed as the Director of the new Northeast Multifamily Regional Center. Ms. Sokolow, who joined HUD on November 16, 2015, brings a wealth of experience to her new position. She was previously employed by Forsyth Street, a nationally recognized leader in structuring, sourcing and investing capital for the preservation and development of affordable housing. She also has over eight years of experience in affordable housing policy and finance, most recently as an Executive Director at the New York City Department of Housing Preservation and Development. At HPD, Ms. Sokolow ran the Inclusionary Housing and 421-a Affordable Housing Programs, as well as heading HPD’s Distressed Asset Financing Programs, which created financing tools relating to foreclosure in single and multi-family properties.

She holds a Master’s degree in Urban Planning from Hunter College and a B.A. from Columbia University.

Project Homeless Connect

On September 22, The Western New York Coalition for the Homeless held Buffalo’s 7th annual Project Homeless Connect. Staff from the Buffalo Field Office were well represented among the volunteers.

Over the past six years, more than 2,200 homeless and at-risk clients have received services including medical and dental screenings, credit and legal counseling services, housing referrals, vocational training, HIV and STI testing, public benefits screenings, haircuts and many more.