

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



Vol. 4 No. 3 Encarnacion Loukatos, Hub Director Thomas Langston, Editor December 2004



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

Inside this Issue:

- Section 202/811 Funding... Pg. 1
- REAC Score Challenges...Pg. 1
- Marketing Plans...Pg. 2
- Woolrich, NJ...Pg. 2
- Davis-Bacon...Pg. 3
- Multifamily Sales...Pg. 3
- Service Coord. Awards...Pg. 3
- Laundry Equipment...Pg. 4
- Furnace Efficiency...Pg. 4
- Leaking Windows...Pg. 4
- Closings...Pg. 4



Season's Greetings!

Section 202 & 811 Funding

Congratulations to the following non-profit sponsors who were the recipients of \$60 million in capital advances for new Section 202 and 811 projects for FY 04:

Section 202 (millions)



PA- ACTION Housing, \$2.2 , Forest Hills; ACTION Housing, \$3.0, Homestead; ACTION Housing, \$2.2 , Pittsburgh; Community Action Partnership of Mercer Co., \$3.1 , Hermitage; Brethern Village, \$5.2, Lancaster; Lutheran Services Society of Western PA, \$1.5, Titusville; and Episcopal Community Services, \$6.3, Upland Borough; *DE-* Homes for America, \$1.8, Laurel; *NJ-* Presbyterian Homes & Services, \$9.5, Dover Twp.; Lutheran Social Ministries, \$6.0; Flanders, and The Diocesan Housing Svcs. \$8.5, N. Cape May; and *WV-* N. Central WV Community Action, \$1.2, Terra Alta.

Section 811 (millions)

PA- Bethlehem Area Moravians, \$.73, Bethlehem; Arc Wash. Foundation, \$3.4, Canonsburg; Passavant Memorial Homes, \$3.4, Delmont; Passavant Memorial Homes, \$.69, Monroeville; Columbus Property Mgmt., \$.99, Phila.; and UCP of SWPA, \$.97, Washington; *NJ-* Ocean Mental Health, \$.70, Bayville; Allies, \$.80, Delran; Caring House Projects, \$.80, Egg Harbor Twp.; Alternatives, \$.83, Somerville; Collaborative Support, \$.44, Piscataway; Collaborative Support, \$1.0, Salem; and *WV-* Prester Center, \$.71, Charleston; and Prester Center, \$.53, Fort Gay.

Challenges to REAC Inspection Scores

There are two processes available to challenge a REAC physical score-technical reviews and database adjustments. Requests for technical reviews must be submitted separately from requests for database adjustments.



An owner has 30 calendar days to review the physical inspection results and property score and request a technical review. In making this request an owner must determine if a material error occurred in the inspection, which if corrected, would result in a significant improvement in the property's overall score.

Examples of technical review items include: building data errors, unit count error, and non-existent deficiency errors. REAC, however, will not consider the following: disagreements over the severity of a defect or deficiencies that were repaired or corrected during the inspection.

Owners may also, if warranted, request a database adjustment within 45 days of the issuance of the report. Database adjustments include: local conditions and exceptions (e.g., conditions allowed by city codes), ownership issues (e.g., roads and sidewalks owned by the city, or fencing/retaining walls owned by adjacent properties), and adverse conditions beyond the owner's control (e.g., deficiencies caused by a natural disaster or a third party).

All requests for technical reviews and database adjustments must include documentation to sufficiently support the request such as written materials, photographs, and videos.

Affirmative Fair Housing Marketing Plans

HUD Handbook 4350.3 requires owners of subsidized projects to review and update, if necessary, their AFHMPs at least once every 5 years.



During the course of the review the following actions should be taken for each project:

1. Determine the racial and ethnic demographics of the current tenants.
2. Determine the racial and ethnic demographics of applicants on the waiting list.
3. Download census data for the project's census tract, city, county, and HMA (Housing Market Area) at: www.census.gov.
4. Compare the racial and ethnic percentages for each group of current tenants and list of applicants with the demographics for the city, county, or HMA.
5. Analyze under-representation of any racial or ethnic group.
6. Download the AFHMP Form, HUD 935.2 from HUD's website at: www.hudclips.org.
7. On the AFHMP, enter into block 2 the type of marketing plan that is being developed.
8. On the AFHMP, enter into block 3, the racial and ethnic groups which have been identified as under-represented.
9. Determine where potential applicants may be living.
10. Identify the type of marketing and outreach campaigns that will be most effective.
11. Use community contacts for outreach and marketing.
12. On the AFHMP, enter into blocks 6 & 7, experience and staff instructions, as well as "additional considerations" (e.g., priorities or preferences).
13. Submit the completed form to your HUD Project Manager.

AFHMPs will be reviewed by your HUD Project Manager or the Performance-Based Contract Administrator (PBCA) on their next scheduled on-site management and occupancy reviews.

Grab Bars

The New Jersey Division of the Surrogate Court of New Jersey has dismissed a lawsuit brought against Somerville Senior Citizens Housing Inc. in the wrongful death of an elderly tenant who lived in an apartment operated by that



owner since 1978. Specifically, the 78-year old tenant's arm became trapped between a bathroom room wall and a grab bar for three days. She died as a result of complications from this injury. The executor of her estate claimed that the space between the bathroom wall and the grab bar was 2 7/8 inches when it should have been only 1 1/2 inches. It was alleged that if the grab bar had been closer to the wall Ms. Leibig would not have been able to get her arm stuck.

The Court dismissed the suit on the basis that the senior citizens housing complex did not breach any special duty of care for Ms. Leibig. In New Jersey, state codes do not require grab bars to be installed at a specific distance from the wall except in housing for the handicapped.

Rapidly Growing Municipality

Woolrich Township, a new suburban community in Gloucester County, New Jersey, has become the fastest growing municipality with a population of more than 1,000 in the Northeast.



As stated in the Courier-Post, until 10 years ago, the township was primarily a fertile farming community in southern New Jersey. However, due to the scarcity of vacant land within a 15 mile radius of Philadelphia- the metropolitan area's major base of employment- Woolrich has attracted thousands of new residents.

Another "draw" for the township is its "country charm." Residents, however, are concerned that as the area becomes more developed, it will lose this appeal similar to what happened to other communities in south Jersey such as Mt. Laurel, Washington Township, Gloucester Township, and Voorhees.

To prevent this from occurring, Woolrich officials have begun conversations with the state's Office of Smart Growth to manage its development consistent with the State plan. One of the strategies to be used will be mixed-use opportunities and land use tools, such as the transfer of development rights (see the "Smart Growth" article in the July 2004 issue of Philadelphia Multifamily Hub News).

The challenge will be to insure that there is a balance between appropriate commercial and residential growth, as well as, a balance between new development and the preservation of rapidly disappearing open space and farmland.

Office of Labor Relations & Davis-Bacon

The Office of Labor Relations is primarily concerned with the administration and enforcement of Federal prevailing wage requirements in HUD programs. Labor Relations staff ensure that all construction and maintenance laborers and mechanics working on covered projects are paid no less than the Federal prevailing wage rate for the type of work they perform. The Office works with organized labor, contractors, housing and community development industry groups, and other agencies to support and enhance HUD's employment and community empowerment objectives for low-income people through such innovative jobs initiatives as the "Step-Up" Program.



Working independently (or in conjunction with HUD Counsel, HUD program staff, the Department of Labor (DOL) Wage and Hour staff, HUD and DOL Inspectors General, and/or the Department of Justice) Labor Relations staff undertake investigations into suspected violations while also taking protective measures to ensure the availability of funds to pay whatever wage restitution is ultimately found due. Labor Relations staff also provide technical and practical support to State and local agencies administering HUD programs where such agencies have initial responsibility for labor standards administration and enforcement.

In recent cases, HUD's Labor Relations staff completed or supported investigations or other enforcement actions resulting in wage restitution totaling \$1,701,034 to 584 underpaid workers.

From time to time, the Office issues written guidance to assist its own field staff and the local agency staff in this responsibility. This guidance includes Labor Relations Letters and the "On the Mark!" Series and Desk Guides. More recent publications include [A Practical Guide for States, Indian Tribes and A Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects](#).

There is also an excellent 37-page booklet entitled, [Making Davis-Bacon Work- A Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects](#). It can be obtained at the Office of Labor Relations website at: www.hud.gov/offices/olr.

The Regional Labor Relations Officer for the Phila. Regional Office is Debra Bensala: (215) 656-0616, X3179.

Multifamily Properties for Sale

HUD's Federal Housing Administration (FHA) has programs which insure mortgages or provide direct loans on multifamily properties. When a mortgagor defaults on a loan insured by FHA, the mortgagee can assign the mortgage to HUD and receive the benefits of the FHA mortgage insurance. The mortgage then becomes a HUD-held mortgage and if the mortgage cannot be reinstated, HUD Multifamily Property Disposition forecloses on the property.

Multifamily Property Disposition offers multifamily properties for sale at the time of foreclosure on a HUD-held mortgage. Some HUD-owned properties are also available for sale to the public. Properties are sold competitively, all cash, no financing or mortgage insurance provided. All sales require an earnest money deposit. Some properties are sold with repair or demolition requirements within a set period-of-time.

To receive an electronic Invitation to Bid on each multifamily property as it is advertised for sale, as well as immediate notification of any sale change or cancellation, go to www.hud.gov/offices/hsg/mfh/pd/mfplist.cfm. Visit each Wednesday for the Weekly Listing. The properties are offered all-cash, no financing or mortgage insurance provided.



Service Coordinator Awards

We are pleased to announce that \$1,665,637 in Service Coordinator grants were awarded to the following 10 projects (1,325 units) in the Philadelphia Hub: PA- St. Peter Apartments/Trinity House Apts. (Columbia)- \$115,753; Grandview Manor Apts. (Erie)- \$190,220; Casa Farnese (Philadelphia)- \$146,418; Anthracite Apts. (Pittston)- \$180,294; Mulberry Towers (Scranton)- \$344,872; Tyrone Elderly (Tyrone)- \$175,309; Bellefield Dwellings (Pittsburgh)- \$136,264; Baldwin Towers (Pittsburgh)- \$184,264; and NJ- Montclair Senior (Montclair)- \$192,243.



Laundry Equipment

For maximum efficiency and cost savings laundries should be equipped with Energy-Star-qualified washers and dryers.



In addition, you should look at the water extraction (i.e., drying) speed of washing machines. Top loading models should operate at 710 rpm and front-loaders at 1,000 rpm. (See the October 2004 issue of Philadelphia Multifamily Hub News). Also, to maintain a consistent water temperature the washer should be preset to the permanent-press/warm setting. Gas dryers are preferable to electric models because they cost 1/3 less to operate. Gas heat also will dry clothes faster. Make sure, however, that there is enough "make-up air"- the air that the gas burners require to burn efficiently.

If you have to use electric dryers, make sure that they are using the correct electrical service. If they are not sized properly (i.e., matched with the correct voltage) the dryers will take longer to dry clothes and will cost more to operate.

Other tips to consider are: use metal vents to avoid lint blockages, make sure that lint traps are emptied after each wash-load, and encourage the use of washers and dryers during off-peak times.

Note: The Multi-Housing Laundry Association has asked the EPA to consider a water-efficient product-labeling program similar to Energy Star, the government program that identifies energy-efficient products. It is believed that a label will help encourage apartments to purchase water-efficient appliances and adopt common laundry facilities to conserve water.

Furnace Efficiency

If you will be replacing furnaces, keep in mind that whatever you choose should have a high annual fuel utilization rating (AFUE). The higher the AFUE, the more efficient the unit.

Federal Appliance Energy Standards of 1993 essentially require manufacturers to make units with an AFUE of at least 80%, and there are units that are up to 96% efficient.

Another energy saver is to use an electronically commuted, or ECM, blower motor. In a typical home, the annual cost to operate a standard furnace fan is \$250. However, an ECM would cost only \$50 per year.

Tips for Leaking Windows

Sealant failures are the prime cause of leaking windows. Such failures may be influenced by normal weathering, improper design (i.e., interface with façade components), or poor installation.



If you are faced with such a problem, consider the following tips, as set forth in the October 2004 issue of Buildings before you embark on an expensive repair or replacement program:

*Maintain accurate leakage records, including the date, quantity, and location, as well as the weather conditions prior to the observed leakage.

*Do not authorize window system repairs without knowledge about the probable cause of the leakage.

*Engage a façade consultant experienced in the diagnosis of window systems to investigate leakage problems and outline repair options.

*Do not allow indiscriminate application of sealant as a shotgun approach to address leakage.

*Insure that any sealant repair/replacement program contains essential elements of proper sealant joint design and installation.

Closings

The following closings occurred during November:
Insured— PA: Finch Towers; WV: Forest Bluff, Bridgeport Manor, Majorie Gardens, and Charles Towers; *Section 202/811*— PA: Kennedy Court; NJ: Community Options and Community Hope VII.



Newsletter Feedback



We welcome your comments or suggestions. Please send them to:

Thomas_Langston@hud.gov.