

# PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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[www.hud.gov/local/shared/working/r3/mfhsg.cfm?state=pa](http://www.hud.gov/local/shared/working/r3/mfhsg.cfm?state=pa)

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### Acting FHA Commissioner

President Obama has named Bob Ryan, who currently serves as the DAS for Risk Management and Regulatory Affairs, as the Acting Assistant Secretary for Housing and FHA Commissioner. He will take over from Commissioner Stevens on April 1<sup>st</sup>.



With more than 26 years of experience in all aspects of the mortgage market, Acting Commissioner Ryan has extensive leadership experience with profit and loss accountability and a deep understanding of the mortgage origination and capital markets processes.

As FHA’s Acting Commissioner, he will manage our agency’s insurance portfolio including multifamily housing, health care facilities, and over 20 percent of mortgages in the domestic single-family market. He will also be responsible for other regulatory programs within HUD, such as the Real Estate Settlement Procedures Act and the Secure and Fair Enforcement Mortgage Licensing Act.

### Field Delegations

In HUD’s effort to transform the way it does business, by promoting place-based decision making, 23 delegations of authority have been granted to the



field for a multiple of program areas.

As background, over time, the decision-making processes at HUD have become centralized at Headquarters, compartmentalized within program areas, variable across different geographies, and disconnected from a place-based approach. Place-Based Decision-making aims to:

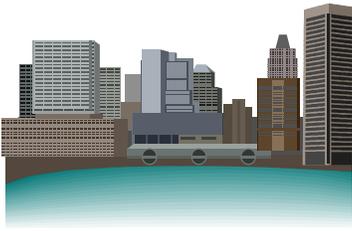
- Improve response time and consistency to efficiently meet our customers’ needs.
- Delegate more authority within headquarters and to the field for decisions that need to be more place-based and that can be decentralized; escalate to headquarters only those decisions that require more centralized control. HUD decided to focus on the four major program areas first, since this is where the majority of our decision making occurs.

Of the 23 delegations, 5 pertain to Multifamily Housing. They are as follows:

Delegation of Authority to Approve Certain Compliance, Disposition, and Enforcement (CDE) Plans, Revised Procedures for Requesting Inspections from the Real Estate Assessment Center, Approving Unit Conversions in Multi-family Housing, Approving Deferral of Flexible Subsidy Notes, Approval of Subordination, Non-Disturbance Attornment Agreements (SNDA) in Multi-Family Housing, and Authority for Multifamily Hubs to Process Waiver Requests Pertaining to the Three-Year Rule for Section 223(f).



### Baltimore ELA Conference



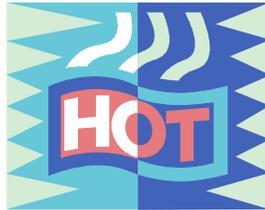
The Eastern Lenders Association (ELA) held its 6th Annual Conference in Baltimore, MD on March 8-9, 2011. In attendance were 193 lenders (44 companies), consultants/attorneys (14 firms), and HUD staff (5

Hubs). Also, the following HUD Headquarters' staff provided presentations: Joyce Allen, Chris Tawa, Dan Sullivan, Terry Clark, and Jack Malgeri.

Among the topics discussed were: lender monitoring, LEAN healthcare, lender approval/monitoring, ELA markets, property capital needs assessment (PCNA), new HUD closing documents, loan committees, concept meetings, streamlining application processing, electronic submissions, Asset Management involvement, as well as a Hub Directors' panel discussion.

### North Broad Street– New “Hot Spot”

Mayor Michael Nutter has declared the stretch of Broad Street between City Hall and Temple University as the “next great corridor.”



Based on an increase in residential development on both sides of Broad Street, developers are looking to this area for new opportunities. Among the projects in development are: a 97-unit apartment building by EB Realty Management that is part of a \$43 million complex at the site of the former Wilkie Buick dealership (including restaurants from Stephen Starr and Marc Vetri); luxury apartments at the former state building site at Spring Garden Street; new student housing (including first-floor retail) being built on Cecil B. Moore near Temple University; a multi-million dollar streetscape project; and the renovation of the Spring Garden and Girard subway stations.

### Recycling Carpet

According to the Carpet America Recovery Effort (CARE), over 90 carpet reclamation centers recycled 246 million pounds of old carpeting in 2009.

Recycling of carpeting is desirable based on the rising cost of raw materials, public policy, and disposal costs. To learn how you can keep carpet out of local landfills, see: [www.carpetrecovery.org](http://www.carpetrecovery.org).

### Second-Hand Smoke Danger for Children

According to a national research study, children who live in smoke-free apartments, but have neighbors who light up, suffer from exposure to smoke that seeps through walls or shared ventilation systems.



Compared to children who live in detached homes, apartment-dwelling children have 45% more cotinine, a marker of tobacco exposure in their blood. Such increased levels of cotinine, even at the lowest levels, can cause physiologic changes, including cognitive disruption.

This has caused some municipalities in California, Washington, and New York to ban smoking in multifamily residential buildings. In response to personal rights and privacy arguments against the bans, municipalities have countered that civil liberties only hold if the smoke has no affect on one's neighbors.

### A “Bright Idea”

For several years, Community Homes has installed compact fluorescent light bulbs (CFLs) in residents' permanent light fixtures (i.e., ceiling, kitchen, and bathroom) in its three projects. They are now taking its energy conservation effort a step further by installing additional CFLs and light emitting diode (LED) night lights in the residents' lamps.



Met-Ed, the project's local electricity supplier, has provided 6 CFLs and 2 LED night lights, at no charge, for every unit in Community Home's portfolio. They will be installed by the maintenance team of each project.

### Energy Efficiency & Green Design

PD & R has issued a 67-page report, *Enhancing Energy Efficiency and Green Building Design in Section 202 and Section 811 Programs*. The purpose is to aid sponsors and owners to advance these goals and, specifically, to assist in responding to new requirements and incentives. The report can be accessed at the following site:

[http://beta.huduser.org/huduser/publications/affhsg/enh\\_eng\\_eff\\_gbd.html](http://beta.huduser.org/huduser/publications/affhsg/enh_eng_eff_gbd.html)

### **Options for Annual EIV Security Training**

EIV system users and owner/agent staff who do not have access to the EIV system, but who use EIV reports to perform their job function, are required by Housing Notice 2010-10 to complete security training annually. The Notice indicates the security training portion of HUD's most recent EIV webcast, currently December 2009, will satisfy this requirement. The Office of Multifamily Housing is introducing another available option for users to complete security awareness training. Acceptable training now includes completion of the on-line Federal ISS Awareness training program. The Federal ISS Awareness training program includes a *Certificate of Completion* for users to print.



To complete the Federal ISS Awareness on-line Security Awareness Training:

- Open your web browser.
- Type: <http://iase.disa.mil/eta/index.html#onlinetraining>.
- Press Enter.
- Click on Federal ISS Awareness icon on the IA Education, Training and Awareness Screen.
- Click on Launch New Information Systems Security Awareness on the Information Systems Security Awareness screen.
- Proceed with the training.
- When the training is complete, print and maintain the *Certificate of Completion*.

Note: The Security Awareness Training described above is the same training required for those individuals who transmit TRACS files. If the training has been completed to satisfy TRACS security training requirements, this will satisfy EIV security training requirements as well so long as the completion date represented on the *Certificate of Completion* is not older than one year.

Also, the PennDelAHMA has training on May 10— see: [penndelahma.org/5-10-2011-EIV-info.html](http://penndelahma.org/5-10-2011-EIV-info.html).

### **Mallard Run Tenants Receive Grant**

The Mallard Run Tenants Association, of Mallard Run Apartments, a 100-unit Section 8-assisted project for the elderly, located in Camp Hill, PA, was the recipient of a Creating Healthy Communities mini-grant funded by the PA Dept. of Health. The grant award will be used to implement an accessible community garden, nutrition

awareness education programs, and Tai-Chi and Qi Gong exercise. The project is managed by IRM.

### **In TIME OF NEED Program**

On March 15, 2011, American Furniture Rental (AFR), in association with the New Jersey Affordable Housing Management Association (JAHMA) Foundation installed furniture in the apartment of Santos Martinez, a tenant residing at MSAA Manor, a Section 202 project located in Glassboro, NJ, as part of its IN TIME OF NEED furniture distribution program. MSAA Manor is managed by PRD Management, Inc. of Pennsauken, NJ. Mr. Martinez received kitchen, bedroom, and living room furniture.



The IN TIME OF NEED program working with Thomasville Furniture has now completed 22 other furniture installations. The furniture has combined retail value in excess of \$400,000 that has been donated to low-income families living in affordable housing sites since May of 2006. Site personnel at any JAHMA "affiliated property" can submit an application on behalf of a needy resident/family that is in need of furniture. The furniture program is one of two major ongoing activities of the JAHMA Foundation; the other being a scholarship program to which residents of JAHMA affiliated properties are eligible to apply.

Anyone wishing to learn more about the IN TIME OF NEED program can access the JAHMA website ([www.iahma.org](http://www.iahma.org)) and click on the IN TIME OF NEED icon or they can contact Dr. Bruce W. Johnson, the program administrator, at 215-262-4230.

### **2011 Annual Adjustment Factors**

On March 16, 2011, a Notice of the Revised Contract Rent Annual Adjustment Factors (AAFs) for 2011 was published. The AAFs are used to adjust the contract rents on the anniversary date of the assistance contract for some multifamily projects.



The AAFs are effective March 16, 2011. A copy of the Federal Register containing the revised AAFs is located at:

[www.huduser.org/portal/datasets/aaf.html](http://www.huduser.org/portal/datasets/aaf.html).

## U.S. Housing Market Report

HUD recently released the 4th Quarter report of U.S. Housing Market Conditions for 2010. The report contains a comparative analysis of the multifamily housing sector with previous quarters, updated national data, overviews of economic and housing market, and historical trends.



Some interesting statistics found in the report, concerning the Philadelphia Hub, for the 12 month period ending December 31, 2010, are as follows:

- Multifamily building activity, as measured by the number of units permitted, increased 16% in NJ (5,925 units) and 29% (160 units) in WV. Decreases of 8% (2,240 units) occurred in PA, and 17% in DE (400 units).
- Vacancy rates decreased from 8.5% to 3.2% in the Philadelphia metro. area.
- Vacancy rates decreased from 5.2% to 4.9% in northern NJ, and remained unchanged at 3.9% for central NJ.
- Avg. monthly rents increased 17% to \$2,100 in Center City Philadelphia.
- Concessions in Center City declined from 7.6% to 2.5%.
- Avg. mo. rents increased 8% to \$1,550 in the Philadelphia metro. area.
- Avg. mo. rents increased by more than 5% to \$1,360 in the Philadelphia suburbs.
- Apt. rents increased 2% to \$1,150 northern NJ, and 1% to \$1,160 in central NJ.

To read the entire report, see:

[http://www.huduser.org/portal/periodicals/ushmc/winter10/USHMC\\_4q10\\_Regional\\_Activity.pdf](http://www.huduser.org/portal/periodicals/ushmc/winter10/USHMC_4q10_Regional_Activity.pdf)

## Foreclosure Sale



A foreclosure sale will be held on May 4, 2011 on Elders I & II, two Section 202 projects, totaling 85 units. A \$100,000 Earnest Money Deposit and a \$233,990 Letter of Credit or Cash Escrow is required. The location of the sale is First District Plaza (New York Ballroom), 3801 Market Street, Philadelphia, PA. To obtain additional information or a bid kit, see:

[www.hud.gov/offices/hsg/mfh/pd/mfplist.cfm](http://www.hud.gov/offices/hsg/mfh/pd/mfplist.cfm).

## Safety Tags

The following article was submitted by Kay Danzico of Webster Towers in response to the "Red Cross I'm Ok" article that appeared in last month's newsletter:

"It's almost identical to the Red Cross program. I had started it years ago at another facility and have continued it here. I call them Safety Tags.

They are handmade tags made by three tenants who are former quilters. They're pretty 4" squares with a cord tied at the top. Before tenants retire for the night, they hang their tag on the doorknob outside of their entrance door. In the morning, by 11:00 AM, they take the tag off the outside doorknob and put it on the inside one. We use a buddy system instead of floor walkers which seems to work a little better for us. It's an optional program, but the tenants who use it love it!

I was glad to read about similar programs because it gives tenants, as well as staff, such a sense of security."

## The Power of Song

Musicians in the Philadelphia metropolitan area have been helping to inspire, heal, and comfort patients through the Musicians on Call program.



Over the past six years, more than 100 volunteer musicians and 38 volunteer guides have regularly participated in the program by providing weekly performances for patients at Our Lady of Lourdes Medical Center, Thomas Jefferson University Hospital, the Hospital of the University of Pennsylvania, the Philadelphia VA Center, Children's Hospital of Philadelphia, and St. Christopher's Hospital for Children.

It has been found that the music allows patients to avoid depression and become better motivated in pursuing a healthier future. When the musicians are not available for live performances, their nonprofit organization provides "CD Pharmacies," which offers a CD listening library and CD players for patients' use.

Additional information can be obtained by contacting Kim Winnick, WXPB marketing director, at 215-573-3339.

## **Storm Water Surcharge**

A charge for storm water management services (SWMS) is now included in every Philadelphia Water Department (PWD) customer's monthly water/sewer bill. Historically, this charge has been based on an account's meter size. Since July 1, 2010, SWMS charges for non-residential and condominium properties have been based on a property's area and characteristics. More specifically, non-residential and condominium properties are charged based on measurements of the Gross Area (GA) and the Impervious Area (IA) of the property. Owners of these properties, however, may be eligible for storm water credits to reduce their total SWMS charge and may also request corrections to the GA and IA determinations if they are found to be inaccurate.



In a natural, undeveloped environment, rainfall from storms falls on the ground and evaporates or is absorbed into the soil. The water that is absorbed is "cleaned" as it moves through plant material and the soil layers. This water replenishes the groundwater and provides base-flow for streams. In an urban, developed environment, like Philadelphia, rainfall from storms falls on the ground and runs off from impervious surfaces (e.g., concrete, asphalt, buildings, etc.) and flows into the sewer system. This water is what is referred to as storm water runoff, storm water, or simply runoff. Since this water cannot be absorbed into the ground and take part of the natural water cycle, it drains into the sewer system that PWD builds and maintains.

Storm water needs to be managed or, due to increasing storm volumes, it can result in combined sewer overflows into streams and basement flooding problems. Storm water runoff volume and quality have been identified as the number one pollution source to rivers and streams. There are also increasing federal and state regulations that mandate the proper management of storm water. All of these factors lead to increases in storm water management costs.

PWD now relates a property's burden on the sewer system directly to its storm water charge, by using the property's individual characteristics as the basis for this fee. This is done by using Geographic Information Systems technology, or high-tech mapping software, to measure a property's gross area and impervious area. Impervious area is classified as any surface that prevents water from soaking into the ground. A typical increase in a water/sewer bill for a high rise project would be \$1,000 per month. To lessen the burden on customers who will see such increases in their bill, PWD is phasing in the

new charge over a period of four years, through 2013.

The City has adopted a *Storm Water Credits Program* to provide non-residential and condominium property owners an opportunity to obtain storm water credits, and thereby reduce their monthly SWMS Charge. Storm water credits can be earned as a result of the construction, operation, and maintenance of privately owned Storm Water Management Practices (SMP) that reduce a parcel's contribution of storm-water to the city's collection and conveyance systems. There are three types of credits: Impervious Area Storm Water Credit, Gross Area Storm Water Credit, and National Pollutant Discharge Elimination System Industrial Permit Storm Water (NPDES) Credit. Consultants, listed on the city's website, can perform audits to determine the best measures to implement to obtain reductions in the monthly water and sewer bill.

PWD, and Philadelphia Industrial Development also offers incentives and assistance to non-residential PWD customers, through the *Storm Water Management Incentives Program (SMIP)*. This program offers 1%, 15-year financing, from \$75,000 to \$1 million, to support the design and construction of storm water mitigation measures, such as detention and retention basins, swales, detention pipes, infiltration basins, green roofs, porous paving, and rain gardens.

For more information, see:

[http://www.phila.gov/water/Stormwater\\_Billing.html](http://www.phila.gov/water/Stormwater_Billing.html)

## **More Seniors Getting On-Line**

The elderly are the fastest-growing group of web users. In a survey conducted by Case Western Reserve, 92% of the elderly in one Florida community own a computer and nearly 50% use it every day.



About a third said the computer was purchased for them by a family member. The four most important uses cited were e-mailing relatives (especially grandchildren), researching health information, making travel arrangements, and playing games.

The key teaching tips to facilitate cyber learning among the elderly are:

- Explain every step, and be ready to repeat it.
- Write instructions down on paper or in e-mail.
- Show how computers and the web can be useful, practical, and important to them.

An excellent on-line video learning tool can be found at: [www.teachparentstech.org](http://www.teachparentstech.org).

**New HUD Publication**

The first issue of Evidence Matters: Transforming Knowledge into Housing and Community Development Policy (Winter 2011), organized around the theme of neighborhood revitalization, is now available.

Introduced by Secretary Donovan, the goals of this publication intersect directly with HUD's mission- "to create strong, sustainable, inclusive communities, and quality homes for all." The inaugural issue features articles on neighborhood revitalization. The lead story examines the history and hope of Choice Neighborhoods. Supporting articles explore the neighborhood effects of concentrated poverty and the role of effective planning in building community capacity.

Future issues will spotlight research/practices in the field, as well as additional resources useful to housing policy stakeholders.

Bookmark this website:

[www.huduser.org/portal/periodicals/em/winter11/index.html](http://www.huduser.org/portal/periodicals/em/winter11/index.html)

**New ALTA/ACSM Minimum Standards**

Effective February 23, 2011, new ALTA/ACSM Land Title Survey Minimum Standard Detail Requirements (the "standards") were adopted by The American Land Title Association (ALTA) and the National Society of Professional Surveyors (NSPS). The new standards have some significant changes, when compared to the 2005 standards. These will affect the way surveys of property are to be conducted and how the results will be presented on the plat of map of survey. Other changes to the standards have brought needed clarification of some issues that caused confusion to the land surveyor and the parties requesting or utilizing the results of a Land Title Survey.



HUD Form 92457, Survey Report and Instructions, however, will continue to be used until the new Form, Instructions and Multifamily Closing Guide is published and available. At such time the form will become obsolete. The guide will then incorporate the new ALTA Survey requirements.

For details, see:

[www.smith-roberts.com/pdf/2011-alta-acsm-land-title-survey-minimum-requirements.pdf](http://www.smith-roberts.com/pdf/2011-alta-acsm-land-title-survey-minimum-requirements.pdf)

**Focus on New Jersey**

The Newark Program Center holds the distinction of being the first HUD office in the nation to present a loan proposal, Cliffs Park Towne Center, to the HUD National Loan Committee last June.



The approved project is a Section 220 mixed-use project, consisting of 267 residential units (86- 1BR & 181- 2BR), 50,883 square feet of commercial space, and a 3-story garage with 596 parking spaces. It will be located in the heart of the business district of Cliffs Park, NJ.

The project, with an outdoor plaza and a reflecting pool, will serve as a catalyst for the economic revitalization of the Borough of Cliffs Park. Situated only two miles from the waterfront, it will provide residents with access to jobs in New York City, as well as recreational activities.

Approximately 78% of the \$97.8 million development cost, will be funded through an FHA-insured loan. The project will offer lower average rents, as compared to nearby waterfront properties. To assist in the development of the project, the Borough assembled the 105,817 square foot site and will provide long-term tax exemption.

The project strongly aligns with HUD's mission to foster "public-private" partnerships..

**Loan Closings**

The following multifamily loans closed in March 2011: *Insured*- PA: Garden Court Apts., Noble Towers, and Lexington Manor; WV: Dunbar Towers; and Section 202- PA: Paschall Senior Housing; and WV: Park Side Apts.; and Section 811: NJ: Caring Home 2007- Ridge Avenue.

**Be a Hub News Reporter!**

We are still looking for good stories for our newsletter. If you have anything to contribute, please send an e-mail, with an attached Word file, to:

[thomas.langston@hud.gov](mailto:thomas.langston@hud.gov)