

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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Green Finance Plus

Secretary Shaun Donovan announced, on May 31, 2011, Green Refinance



Plus, a program between HUD's Federal Housing Administration and Fannie Mae to allow owners of existing affordable rental housing properties to refinance into new mortgages that include funding for energy- and water-saving upgrades, along with other needed property renovations.

Under the program, FHA and Fannie Mae will share the risk on loans to refinance existing rent-restricted projects while permitting owners to borrow additional funds to make energy-saving improvements to their properties.

Approximately every 10-to-15 years, owners of existing multifamily affordable properties typically refinance their mortgages. In older apartment buildings, however, owners are hard-pressed to find additional financing to maintain or improve the physical condition of their properties, including making energy-efficient upgrades. Fannie Mae and its participating lenders will now be accepting applications to refinance owners' debt as well as to improve the energy efficiency of their properties.

Green Refinance Plus is intended to refinance the expiring mortgages of Low Income Housing Tax

Credit and other affordable projects and to lower annual operating costs by reducing energy consumption. Fannie Mae and HUD anticipate approximately \$100 million in initial refinance volume with an average loan amount of \$3.5 to \$5 million. FHA will insure up to an additional 4-5% of the loan amount, or an average of approximately \$150,000 to \$250,000 per loan, to provide additional loan funds to pay for property improvements that save energy and water costs for owners and tenants, such as energy efficient windows and ENERGY STAR appliances, as well as other needed property renovations.

Property owners will be able to select the energy- efficiency upgrades that make the most economic sense for their properties. Borrowers will obtain a "Green Physical Needs Assessment" completed by a qualified provider.

Fannie Mae will offer *Green Refinance Plus* through its networks of Delegated Underwriting and Servicing (DUS®) and Special Affordable lenders.

Headquarters' Staff Changes

Carol Galante was selected to be the Acting Assistant Secretary for Housing/FHA Commissioner, on July 12, 2011. Her former position of Deputy Assistant Secretary for Multifamily Housing Programs, will be temporarily filled by Janet Golrick, Associate Deputy Assistant Secretary Multifamily Housing Programs.

Also, several key Headquarters Housing staff have retired: Willie Spearmon, Director Housing Assistance and Grants Administration; Vyllorya Evans, Deputy Director, Housing Assistance and Grants Administration; and Kerry Mullholland, Special Assistant.



Income Limits

HUD has released the estimated median family incomes (MFIs) and income limits for Fiscal Year (FY) 2011. MFIs are used as the basis for income limits in several HUD programs (including the Public Housing, Housing Choice Voucher, CDBG, and HOME programs), as well as in programs run by agencies such as the Department of Agriculture, the Department of Treasury, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, and Government Sponsored Enterprises.



FY 2011 estimates are calculated for 535 metropolitan and 2,037 nonmetropolitan areas in the U.S. and its territories, using the Fair Market Rent area definitions applied in the Section 8 Housing Choice Voucher program. HUD updated the methodology for producing the FY 2011 estimates, which are now based on the five-year American Community Survey data from 2005–2009, rather than the 2000 Decennial Census. The FY 2011 income estimates and limits documentation system explains the derivation of each area's limit and median income estimates and links to the current Income Limits Area Definitions and other useful information available from HUD USER at: www.huduser.org/portal/datasets/il/il11/index.html.

HUD has also developed a set of income limits specifically for projects that rely upon Internal Revenue Code Section 42 Low-Income Housing Tax Credits and Section 142 projects financed with tax-exempt housing bonds and that were in service in 2007 and 2008. Projects in these two categories are referred to by HUD as Multifamily Tax Subsidy Projects (MTSPs). The FY 2011 HUD MTSP income limits documentation system explains the derivation of each area's MTSP limit and median income estimate and provides other useful information available from HUD USER at www.huduser.org/portal/datasets/mtsp.html.

Bed Bug Resources



HUD's Office of Healthy Homes has an informative web site on the topic of bed bugs.

See: <http://stoppests.typepad.com/ipminmultifamilyhousing/bed-bugs/>

Also, www.bedbugbmps.org/

Elderly & Technology

Aging in Place Technology Watch is a market research firm that provides thought leadership, analysis and guidance about technologies and related services that enable boomers and seniors to remain longer in their home of choice.



It has a thought-provoking web site that discusses, through articles and blogs, how livability can be extended through the incorporation of universal principles, telecare, and other assistive technologies.

The site's web address is as follows:

<http://www.ageinplacetech.com/>

Child Discrimination Settlement

USA4SALE Network, Inc., has agreed to pay \$15,000 to settle claims that it violated the Fair Housing Act when it posted ads on its web sites that discriminated against families with children. In addition, the company has also agreed to change the way its web sites filter discriminatory language.

The settlement is the result of a complaint HUD initiated against the Ocala, Florida-based company after it allegedly printed a rental advertisement on its webpage, ocals4sale.com, that stated "No children, No kids." The Fair Housing Act prohibits housing discrimination based on family status, including publishing print, broadcast or Internet advertisements that indicate a preference or otherwise discriminate against families with children. "The Internet has revolutionized the way people search for housing and how housing providers advertise available housing. It cannot be a place to avoid the Fair Housing Act," said John Trasviña, HUD Assistant Secretary for Fair Housing and Equal Opportunity.

According to the voluntary agreement, USA4SALE Network will develop a screening filter that will flag potentially discriminatory ads for human review and train its employees on how to comply with fair housing advertising guidelines. The agreement also calls for the network to donate \$7,500 to a HUD-funded state fair housing organization and contribute another \$7,500 to a HUD-approved local fair housing group to cover the cost of the group's future fair housing advertisements.

Silver LEED Certification



North East Manor, a 27-unit Section 202, located in North East Erie, PA, received a LEED Silver Certification from the U.S. Green Building Council (USGBC). This is the first Section 202 project in the nation to receive this designation.

The project's sponsor is Community Action Partnership of Mercer County. The contractor and architect were the Hudson Group and John N. Gruitza Associates, respectively.

Leadership in Energy & Environmental Design (LEED) is an internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies intended to improve performance in metrics such as energy savings, water efficiency, CO₂ emissions reduction, improved indoor environmental quality, and stewardship of resources/sensitivity to their impacts.

Developed by the U.S. Green Building Council (USGBC), LEED is intended to provide building owners and operators with a concise framework for identifying and implementing practical and measurable green building design, construction, operations, and maintenance solutions.

Since its inception in 1998, the U.S. Green Building Council has grown to encompass more than 7,000 projects in the United States and 30 countries covering 1.062 billion square feet (99 km²) of development area. The hallmark of LEED is that it is an open and transparent process where the technical criteria proposed by USGBC members are publicly reviewed for approval by the almost 20,000 member organizations that currently constitute the USGBC.

LEED certified buildings are intended to use resources more efficiently when compared to conventional buildings simply built to code. LEED certified buildings often provide healthier work and living environments, which contributes to higher productivity and improved employee health and comfort. The USGBC has compiled a long list of benefits of implementing a LEED strategy, which ranges from improving air and water quality to reducing solid waste, benefiting owners, occupiers, and

society as a whole.

In LEED 2009 there are 100 possible base points plus an additional 6 points for Innovation in Design, and 4 points for Regional Priority. Buildings can qualify for four levels of certification:

- Certified: 40-49 points
- Silver: 50-59 points
- Gold: 60-79 points
- Platinum: 80 points and above

LEED is constantly evolving to more accurately represent and incorporate emerging green building technologies. A LEED registered project directory can be found at:

www.usgbc.org/LEED/Project/RegisteredProjectList.aspx

Plain Language

The Plain Writing Act of 2010 was signed by President Obama on October 13, 2010. The law requires that federal agencies use "clear



Government communication that the public can understand and use." Two executive orders (E.O. 12866 and E.O. 12988) cover the use of plain language in regulations. The Act requires the federal government to write all new publications, forms, and publicly distributed documents in a "clear, concise, well-organized" manner. They must be simple and easy to understand, with the goal of minimizing uncertainty and litigation. Succinctly stated, citizens should be able to easily find what they need, understand what they find, and use what they find to meet their needs.

By October 13, 2011 all federal agencies must take the following actions:

Use plain language in any document that:

- Is necessary for obtaining any federal government benefit or service or filing taxes.
- Provides information about a federal government benefit or service, or
- Explains to the public how to comply with a requirement that the federal government administers or enforces.
- Involves the writing/posting of annual compliance reports on each agency's plain language web page.

Elderly & Nutrition

Many elderly residents are skipping meals and threatening their health. Known in some circles as the "Tea and Toast Syndrome," the phenomenon is occurring for several reasons, such as a loss of a spouse, difficulty in shopping and preparing food, mild dementia, and less sensitive taste buds.



"Arthritis and movement disorders can add to the discomfort," said Dr. Gregory Busch, a geriatrician who is the medical director for Virtua Berlin, NJ Camden & Post-Acute Services. "Some older people can't open a jar so well. It takes muscle strength and coordination. Heather Sylvester, a registered dietitian with Kennedy Health System, said the increasing challenge of shopping for food, preparing meals and getting them on the table can lead to a lack of variety in senior diets- and malnutrition. "As the ability to taste and smell food decreases, food loses its appeal," Sylvester noted.

Fifty percent of people over 65 suffer from depression, which can be treated by talk therapy and medicines. Seniors should see their doctor regularly so their blood can be screened for vitamin deficiencies. These deficiencies occur because seniors tend to miss out on protein-rich foods such as meat and fish, which can lead to muscle deterioration. The same food group is also rich in vitamin B-12, a key nutrient that prevents anemia and is used in energy metabolism. Older people may also not be getting enough vitamin D, which the body can produce through exposure to the sun. "The elderly are outside less, so they make less vitamin D from sunlight and really need it from food sources such as dairy products and fish," Sylvester advised.

If people are not used to eating alone, they feel isolated. That's why congregate meals are essential. People tend to eat more while socializing. They can bring their own food or order in together. To encourage proper nutrition, many buildings schedule social events such as weekly dinner programs, or "lunch and a movie," with the emphasis on a fun but well-balanced menu that includes all the major food groups.

NJ county offices on aging also recognize that seniors have special nutritional needs better met with a social component. For example, the Burlington County (NJ) Office on Aging offers a Golden Years Luncheon Club at four sites, as well as its own Meals-on-Wheels program for homebound seniors. The Camden County Nutrition

Program serves hot lunches to seniors at seven locations, and also arranges for home-delivered meals. Gloucester County also offers balanced lunches at six sites and a Serv-A-Tray delivery service for seniors and the homebound.

Anna Docimo, Gloucester County's (NJ) Director of Senior Services, said the county delivers about 1,800 meals to seniors and the homebound each week. "Sometimes, the delivery person- usually a volunteer- is the only person these people see during the course of their day," Docimo said.

Friends and family also need to be cued in to signs and symptoms, including weight loss and depression. They should visit their elderly loved ones frequently and watch for weight loss, which could be a sign of poor eating habits.

New Philadelphia Redevelopment Plan

For centuries after William Penn laid out its initial design, the City of Brotherly Love is getting its first new comprehensive development plan since 1960.



The Philadelphia 2035 Master Plan was developed after an 18-month process that included community involvement by residents, the business sector, community groups and others. The Plan, which will guide land-use decisions in the nation's fifth-largest city, calls for continuing the effort to build the thriving downtown area; growing existing residential neighborhoods; designating specific industrial areas; adding rapid transit; extending existing transit lines and focusing new residential development along those lines; creating new neighborhood centers; preserving open space; developing a continuous waterfront trail along the Delaware River, historic areas and public spaces; connecting transportation and utilities; and encouraging small-scale farming.

The city has been broken down into 18 different districts, and a new zoning code has been completed. The new code, combined with the district plans, will yield new zoning maps that show the zoning categories in every neighborhood.

Going forward, the city planning commission said in a statement, officials hope to refresh citywide and district plans every five years. To read the entire Plan, see: <http://www.philaplanning.org/>

Woodbury Redevelopment Plan

The town of Woodbury, NJ has identified nine sites- or "pods"- within the city that are prime real estate for new retail, professional and residential growth. There's the potential for 1.5 million square feet of new development, with 280,000 square feet of office space and 220,000 square feet of ground-floor retail.



The new redevelopment plan would accommodate 1,200 new Woodbury residents living in 800 housing units in a town with a current population of about 10,000. But the retail and residential components would take 50 years to be fully realized, according to town officials.

The most dramatic redevelopment could occur in Woodbury's downtown, between the railroad tracks and Main Street along the current Centre Street corridor. One idea is for a promenade linking the city's second potential light rail station all the way to the heart of the city's once-vibrant downtown. Open community spaces with fountains and trees sandwiched between storefronts topped with apartments could ultimately replace what is now a residential area.

Those ideas would also be dependent on whether or not rail mass transit returns to Gloucester County. It has been decades since passenger trips were made along the existing rail line that runs from Camden, NJ to Glassboro, NJ. The current effort to provide such service has been stalled amid funding concerns. Money for the 18.5-mile, \$1.3-billion rail line was set aside by then-Gov. Jon S. Corzine in 2009. But Gov. Chris Christie has not yet committed the \$500 million earmarked by Corzine.

Fall AHMA Conferences

Two exciting AHMA conferences will be occurring, this October, in Pennsylvania- the PAHMA 25th Anniversary Fall Conference, on October 20-21, 2011, in Champion, PA; and the PennDel AHMA Fall Management Conference and Expo, on October 25-26, 2011, in Dover, DE.

Details about the conferences, as well as, registration information can be found at the following web sites:

<http://www.pahma.org/userfiles/file/Fall%20Conference/2011/2011%20Fall%20Registration%20Flyer.pdf>

<http://www.penndelahma.org/events.html#oct>

Extensions of Rent Supplement & RAP Contracts

In accordance with the Dept. of Defense and full-Year Continuing Appropriations Act of 2011, extensions up to one year will be approved for expiring Rent Supplement and Rental Assistance Payment (RAP) contracts.



To be eligible for a extension, the following four criteria must be met:

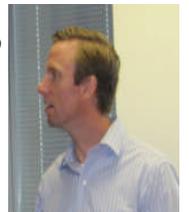
1. The date of expiration must be on or after June 17, 2011 and no later than Sept. 30, 2011,
2. The project's most recent REAC score must be 60 or above,
3. The project's most recent Management and Occupancy Review rating must be Satisfactory or higher, and
4. The project's subsidy vouchers for the past 12 months must be submitted to TRACs prior to the request for an extension.

For additional details, contact your HUD Project Manager.

"Meet the HUD Staff"

In each issue of *Philadelphia Multifamily Hub News*, one employee in the Hub will be featured.

In this issue, we would like to introduce Mark O'Matz, an architect who was recently hired to work in our Pittsburgh Program Center.



Before coming to HUD Mark worked as an architect for Perkins Eastman Associates for 14 years. Mark's experience included designing over 700 units of new and renovated housing in urban neighborhoods. Mark was also involved in multiple neighborhood revitalization developments with the Pittsburgh URA. He earned a Bachelor's Degree in Architecture from Penn State University and became a registered architect in 1999. In 2003 Mark received his LEED AP accreditation.

Highest Percentage of Renters

According to U.S. Census data, in the Philadelphia metropolitan area, the following municipalities, with at least 1,000 residents, had the highest percentage of renters: Southeastern PA- West Chester (65%), Coatesville (63%), Chester (61%), Media (59%), Norristown (58%), and Philadelphia (46%); and Southern New Jersey- Camden (61%), Lindenwold (60%), Maple Shade (51%), North Hanover (49%), and Bordentown (47%).



Pittsburgh- #6 Rental Market

The apartment market in Pittsburgh, PA is among the strongest in the nation with a 96.2% occupancy rate in March 2011. That ranks the city in 6th place behind New York (97.3%), San Jose (97.3%), El Paso (96.9%), Minneapolis (96.6%), Portland (96.6%), and Oakland (96.2%).



Here are some additional facts about Pittsburgh's rental market:

- Average rents have risen between 3% and 5% in the last two years.
- 1 BR and 2 BR units that rented for \$800 increased to \$830 in the past two years.
- Higher-priced 1 BR and 2 BR units that rented for \$1,000 increased to \$1,040 in the past two years.
- Increased demand is occurring in the South Side and Downtown, because of young professionals and recent college graduates.
- Strong apartment market has attracted out-of-town investors.
- Five new apartment projects are under construction and four older buildings are being converted (see the June 2011 issue of Philadelphia Multifamily Hub News).

Outcomes of Affordable Housing

Recent impact studies have verified the multiplier effect of affordable housing. HUD estimates that the initial local impact of building 100 multifamily units in a tax credit project includes \$12.3 million in income, \$1.6 million in taxes and other revenue for state and local government jurisdictions, and 220 jobs.

The Center for Housing Policy also confirms that affordable housing stimulates employment and the economy. The organization has identified the following factors that can contribute to the multiplier effect of affordable housing:

- States and cities receive revenue from permit and impact fees, as well as taxes on building materials, builders' profits, and construction workers' wages.
- Businesses are in an improved position to attract and retain employees.
- Home values may appreciate, resulting in a stronger tax base.
- Low and moderate income families double the amount of money available for items other than housing, utilities, and transportation.

New HUD Notices

HUD Notice H 2011-13 was issued on July 22, 2011. It provides high cost percentages, effective January 1, 2011, for base cities in the U.S. The percentages for FHA multifamily statutory mortgage programs are 270% for Philadelphia, PA, Pittsburgh, PA; Camden, NJ; Newark, NJ; Wilmington, DE; and Charleston, WV.



Also, the following notices have extended previous notices: Notice H 2011-12– extended Multifamily Risk Notice to July 31, 2012; and H 2011-14– extended Overview of Hub and National Loan Committee to September 30, 2011.

To read these notices, see:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/hsg

MIP/Positive Credit Subsidy Risk Categories

For the third consecutive year, multifamily mortgage insurance premiums (MIP) remain unchanged– the FY 2011 MIPs will be the same as in FY 2010.



In addition to announcing MIPs for FY 2011, the Federal Register Vol. 76, No. 132, dated July 11, 2011, announced that the risk categories incurring positive credit subsidy obligations for firm commitments issued or reissued in FY 2011 are the same as those in FY 2010. There are three positive credit subsidy risk categories: 1. Section 221(d)(3) new construction/substantial rehabilitation for nonprofit/cooperatives; 2. Section 241(a) supplemental loans for apartments only; and 3. Section 223(d) operating loss loans.

Loan Closings



The following loan closings occurred during the month of July: Insured- Heilman House, Tipton, PA (50 units); and Section 811– North Coast Place Apartments, Erie, PA (10 units).