



PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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Secretary Meets with Industry

Secretary Shaun Donovan met with members of the Mortgage Bankers Association (MBA), The National Association of Home Builders (NAHB), and the National Multi Housing Council (NMHC), on January 5, 2011 to discuss HUD's plans for its multifamily housing programs.



Secretary Donovan made the following points:

- HUD must play a delicate role in balancing the need for greater amounts of liquidity in the residential market and the risk to the insurance fund.
- The inability to hire additional HUD staff is a concern in meeting increased demand.
- FHA has always had a vision to meet the underserved markets and to provide liquidity via a fairly broad mandate, but within certain boundaries, such as loan limits.
- A huge percentage of the pipeline is new to FHA. The "FHA box" has to get bigger to respond, but it has to understand the risks of the types of projects it is being asked to finance.
- It is difficult to stay on top of the surge while at the same time, implementing the modernization of its systems and procedures that have been designed to deal with the increase in flow and to guard against risk.

- While the IG's audit of the 2009 and 2010 FHA insurance fund, in November, shows a year-over-year rise in multifamily defaults, it also shows that it has been accompanied by an even bigger increase in fees and premiums, making the multifamily portfolio revenue-positive.
- Secretary Donovan agreed to meet with the industry groups on a quarterly basis to discuss progress and problems regarding the speed and efficiency of HUD's application processing.

Available Grants

Project owners and management agents should be aware of the following Notices of Funding Availability:



- Assisted Living Conversion Program—FR-5415-N-33; (Posted: 1/24/11, Closes: 3/29/11); Total Funding: \$30,000,000.
- Service Coordinators in MF Program—FR5415-N-29; (Posted: 1/25/11, Closes: 3/24/11); Total Funding: 31,000,000.

To read the synopsis on each program, see: www.grants.gov

Emergency Capital Repair Grants



Effective February 3, 2011, applications submitted pursuant to the Emergency Capital Repair Grant Program will no longer be accepted in Grants.gov. Grant funding is no longer available for this program.

HUD/HHS Partnership

Secretary Shaun Donovan and Health and Human Services (HHS) Secretary Kathleen Sebelius announced, on January 6, 2011, a joint partnership between the two agencies to help nearly



1,000 non-elderly Americans with disabilities leave nursing homes or other healthcare facilities to live independently. This is the first time two federal agencies are offering a combination of rental assistance, health care and other supportive services targeted to this population.

HUD is providing \$7.5 million in rental assistance vouchers that will help nearly 1,000 individuals with disabilities rent private apartments. Public housing authorities in 15 states will administer the rental subsidies and will work with state human service agencies to identify eligible individuals who could benefit from the program.

Individuals receiving rental assistance through the program will also receive health and social supports that will enable them to live independently. These supports are provided through the HHS Centers for Medicare and Medicaid's "Money Follows the Person" (MFP) grant program, which allows individuals who qualify for Medicaid-funded nursing home or other institutional care to receive supports – such as in-home nursing and personal care services – while living in the community instead.

In places that are not MFP the services will not be provided through this program. Instead, they will be provided by a state-sponsored institutional transitional program comparable to MFP that includes dedicated supportive services.

As part of President Obama's *Year of Community Living* initiative, HUD and HHS launched a joint effort to provide housing support for non-elderly persons with disabilities who are currently receiving long-term care in institutional settings. The interagency collaboration is intended to allow persons with disabilities to live productive independent lives in their communities rather than in institutions.

"The Obama administration is committed to helping Americans with disabilities live independent lives. Housing is a critical piece of the equation when it comes to transitioning out of institutions," said Secretary Donovan. "Coordinating this effort with HHS is an important

step in ensuring that more Americans with disabilities will have the housing and support they need to fully participate in community life."

"Through our collaboration with HUD, I know that we will be able to dramatically change peoples' lives," said Sebelius. "Individuals with disabilities can have a life in the community that serves their needs and supports them in leading productive, meaningful lives."

The funding is being provided through HUD's Rental Assistance for Non-Elderly Persons with Disabilities Program. It is part of the \$40 million HUD made available April 2010 to public housing authorities across the U.S. to fund approximately 5,300 rental assistance vouchers for non-elderly persons with disabilities to promote independent living for this community. Public housing authorities applied for funding under two categories.

Last October, HUD awarded \$33 million to support a first round of 4,300 vouchers, making it possible for non-elderly individuals with disabilities and their families to access affordable housing in communities that meet their housing needs and so avoid potential institutionalization. Today's announcement is for the second round funding to provide 948 vouchers targeted for non-elderly individuals with disabilities currently living in institutional settings, such as nursing homes, but who could move into a community with assistance.

New Apartment Locator

The Pennsylvania Housing Finance Agency (PFHA) will be rolling out its enhanced on-line apartment locator. This excellent tool links consumers to affordable housing options throughout PA. It is intended to be an aid for consumers who are searching for affordable apartments and for property managers and developers who wish to market their affordable vacant units.



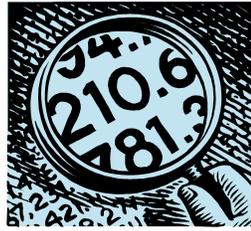
This web site offers information about apartment locations, rental prices, accessibility features, development amenities, current vacancies, and the status of the waiting list.

The new web site address is as follows:

<http://palhousingsearch.com>

DUNS Number & CCR Registration

As you were advised in last month's issue of this newsletter, Notice H 2011-01-11 was issued on January 5, 2011, providing the regulatory reporting requirements and guidance for legal entities receiving federal assistance. Rental assistance payments made under Project-Based Section 8 or Section 202 or 811 Project Rental Assistance Contracts are covered under these requirements.



Owners must obtain a DUNS (Data Universal Numbering System) number and have an active, valid registration in the Central Contractor Registration System (CCR) within 60 days of the publication date of this Notice. An owner's failure to obtain a DUNS number and CCR registration within the timeframe allotted may result in the suspension of housing assistance payments or rental assistance payments.

The notice includes guidance for the following:

- Background on Public Law 109-282, The Federal Funding Accountability and Transparency Act of 2006
- Deadline for obtaining DUNS Numbers and Registration in CCR
- Process for Obtaining a DUNS Number and Registration in CCR
- Utilization of CCR and DUNS information

The Notice is posted at:

<http://www.hud.gov/offices/adm/hudclips/notices/hsg/>

Rural Innovation Fund

HUD's new \$25 million Rural Innovation Fund offers grants of up to \$2 million to support innovative housing and economic development activities. Eligible applicants include federally recognized Indian tribes, state housing finance agencies (HFAs), state community development agencies, local rural non-profit organizations, community development corporations, or consortia of these groups.



Grantees can use their grant funding to support a variety of housing and economic development activities

including construction, preparation of plans, land acquisition, demolition, homeownership counseling, and financial assistance.

Two of the grant types that applicants may apply for are as follows:

- **Single Purpose Grants-** At least \$7.5 million will be awarded to certain applicants that identify a specific area of need, with maximum individual grants of up to \$300,000. HUD is encouraging, though not requiring, applicants to address both housing and economic development needs within the defined project area.
- **Comprehensive Grants-** HUD will award up to \$2 million to certain applicants that comprehensively examine the social, housing and economic needs of a target area and address those needs through activities that leverage other sources of public and private financing. Eligible activities under this category of grant are broader than those outlined in the Single Purpose Grant category. Highly ranked applicants can also be expected to work closely and leverage resources with regional entities in order to promote economic competitiveness beyond the local level.

To help applicants target their strategies to areas of particular need, HUD is creating a new Rural Fund mapping tool that offers a wealth of data on poverty, employment and certain measures of housing distress

The NOFA was published on Grants.gov on December 22 2010. The application deadline date is February 23, 2011.

New Neighborhood Network Center

On January 28, 2011, Haven Peniel became the Hub's 269th neighborhood network center to open (169th in PA).

Haven Peniel is a 55-unit Section 202 project, located in Philadelphia, PA, that has been in operation since November 2009. It is managed by Community Property Management, Inc.



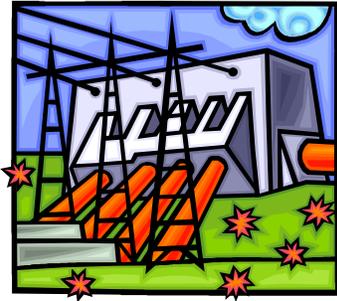
Ohio Bed Bug Workgroup



An informative report, containing recommendations to control bed bugs, was presented to the Governor of Ohio and the General Assembly, on January 5, 2011. The "final report" can be read at: www.odh.ohio.gov/

Electrical Deregulation in PA

In the two weeks since Peco Energy Co.'s territory has been open to competition, (since January 1), nearly 148,000 of Peco's 1.6 million customers, including 96,000 residential clients, (approximately 10%) have switched to discount suppliers.



Most of Peco's biggest commercial customers in PA have signed up with alternative generators that can supply electricity at less cost. All told, 40% of the utility's load - the kilowatt-hours transmitted over its lines- is now sold by other suppliers. But Peco is not losing any business. It still makes money off every customer who gets power through its wires, much as a turnpike collects a toll from every vehicle because it owns the road. Robert F. Powelson, a member of the Pennsylvania Public Utility Commission, said that the PUC was "encouraged by the number of people who have chosen to save money by shopping for their electricity."

Under the state's Electric Choice Act, the power industry was basically broken into two parts - companies that generate electricity and traditional utilities, such as Peco, that distribute power on their networks of wires. After more than a decade of transition, the law went into full effect for Peco customers on January 1, 2011. Customers are free to shop around for a company that generates electricity; that power-supply charge accounts for about two-thirds of a typical bill. Utilities such as Peco still do the billing and customer service, but they make a profit only from a distribution charge, not from generating the power.

No one is obligated to switch. The PUC requires Peco to buy power from generators on behalf of customers who don't choose an alternative supplier, and to supply the electricity at cost. The default rate is known as the price-to-compare. More than 20 suppliers have entered the retail market, and some are aggressively marketing discounts of up to 10% off Peco's default rate of 9.92 cents per kilowatt-hour. A typical residential customer would save about \$90 a year. Customers can choose from fixed or variable rates, which change monthly according to market conditions. Some suppliers are offering "green" power that is partly or entirely derived from renewable sources.

Irwin A. "Sonny" Popowski, Pennsylvania's consumer advocate, said he believed that customers who locked

in during the winter with a low-cost, fixed-rate supplier might multiply their savings in the cooling season. "I think the savings will be even greater in the summer because Peco's price is expected to go up," he said.

See how your project can save money by comparing the kilowatt-hour rates, from 22 electricity providers in PA (varying from \$8.4 cents to \$9.81 cents):

<http://www.oca.state.pa.us/Industry/Electric/elecomp/ElecGuide.pdf>

(Note: Portions of this excerpted article appeared in the January 14, 2011 edition of the Philadelphia Inquirer).

Lead-Based Paint Awards

Last month, HUD awarded nearly \$127 million in grants to 48 local projects to conduct a wide range of activities intended to protect children and families from potentially dangerous lead-based paint and other home health and safety hazards. The grant funding will clean up lead and other health hazards in more than 11,000 homes, train workers in lead safety methods, and increase public awareness about childhood lead poisoning.



The funding includes more than \$114 million to cities, counties and states to eliminate dangerous lead paint hazards in thousands of privately-owned, low-income housing units. These funds are provided through HUD's Lead-Based Paint Hazard Control and Lead Hazard Reduction Demonstration grant programs. To expand the reach of HUD's Lead Hazard Control Program, more than \$13 million of this funding will support new grantees. HUD is also providing nearly \$2.3 million to help communities transform their lead hazard control programs to address multiple housing-related hazards. In our Hub, the City of Newark (NJ) received \$5.5 million and the City of Harrisburg (PA) received \$2.2 million.

Finally, HUD will award \$10 million in Healthy Homes Production grant funds to address housing-related health hazards, such as accidental injury, mold and moisture, and carbon monoxide poisoning, through direct improvements that affect the health of children and elderly adults.

FHA Fast Facts

- FHA's share of originations has increased from 1.7% in 2008 (370 loans) to 4.6% in 2009 (379 loans), and to 20.8% (902 loans) in 2010.
- FHA financing supported 156,000 apartment units in FY 10.

Goals for Repair Documents

When your building needs professional repairs, you need to obtain competitive bids based on clear and concise documents.

The goals for developing a good set of repair documents are:

- Clearly define the scope of the repairs.
- Include flexible alternate bids items (for non-critical repairs) so that you can increase or decrease the scope of the work based on available funds.
- Provide simple, cost-effective solutions that solve the root cause of the problem and minimize the impact on the project's ongoing operations.
- Provide bidders with all of the information necessary to provide a fair and equitable price (i.e., establish quantities and eliminate guesswork).



eBookstore

With the wide variety of eBooks and media tablets like the Kindle, iPad, Sony Reader, and Nook now on the market, Americans are increasingly relying on

these devices to lighten their briefcases and book bags, making it much easier to take both work and play with them wherever they go.

Recognizing the game-changing nature of e-readers and tablets, HUD has stepped up to be the **first** federal agency to offer publications free of charge in eBook-specific formats. Thanks to the newly launched HUD User eBookstore, Hud's constituents will now be able to download its latest reports onto any of the leading tablets now available. Visit the eBookstore at: <http://www.huduser.org/portal/eBookStore.html#2>, and check back often, as new titles will be added on a regular basis.

2010 PA Supportive Housing Award

Chris Gulotta, Executive Director of the Cumberland Housing and Redevelopment Authorities was the winner of the PA Housing Alliance's 2010 Supportive Housing Award.

The award was based on his leadership in transforming the Molly Pitcher Hotel in Carlisle, PA into the Molly Pitcher Hotel Senior Apartments, a PHFA project, in 2007.

Superior Projects

Congratulations to the following management agents whose projects received superior management review ratings and REAC inspection scores of 90 or more since November 2010: Interstate Realty Management- Atlantic Villas, Barlinvis Apartments, Hokendauqua Apts., Orchard Apts. and Strawberry Patch; Mountain CAP of WV- Hunter Ridge Unity II, Rainelle I, and Rupert II; Moderate Income Management- Ridgefield Park Senior Citizen Housing and Alvin E. Gershen Apartments; National Church Residences- Ceredo Manor, Derry Station, Neshannock Woods, and Shaler Oaks; Community Realty Management- Bright's Villa South, New York Avenue Apts. and Wrightstown Arms; Urban Innovations, LTD- Perry Manor and Sullivan Place; Huling Cove Housing Corp.- Huling Cove & Annex; The Applied Companies- South Village I and South Village II; Dock Woods Community- Dock Manor and Dock Village; Jersey City Management- Van Wagenen Avenue Apartments I & II; Newport Management- Beckley Woods; Resource Consultants and Developers- Cardinal Gardens; Humphrey Associates- Franklin Manor; Crossgate Management- G.W. Petroplus Towers; Cortland Acres Association- Pineview Apts.; Belmont Properties- Smithfield Apts.; Human Resource Development and Employment- Unity Housing; Alexa Management- Bridgeton Villas II; Presbyterian Homes of New Jersey Foundation- Butler Senior Housing; Realty Management Associates- Center City Co, 3; Essex Plaza Management Associates- Essex Plaza I; Hillcrest Management- Forest Hill House; Hunterton Housing Partners- Hampton Manor; 100 Chadwick Avenue, LLC- Mount Calvary I; Kreigman and Smith- Nutley Parkside Apartments; Integrated Management Services- Plainfield Tower West; PCH Development Corporation- Princeton Community Village; Association for Retarded Citizens- Shrewsbury; Sharp Management Corporation- Walnut Villas; Apartment Investment and Management Company - Allentown House; Sisters of Saint Joseph- Bethlehem Village; GN Associates- Boiling Springs Apartments; GN Management, Inc.- Episcopal Square Apartments; PK Management LLC- Hillside Village; Diakon Lutheran Social Ministries- Luther Meadows; Housing Development Corp. Midatlantic- Market House; HAPI Management- Norristown Elderly Housing; PresbyHomes & Services- On Lok House; Carbon County Housing Authority- Palmer House; The Boston Land Company- Quaker Hill Place; NHPMN Management- Sencit Townhouses; Grosse and Quade Management- Valley Manor; NDC Real Estate Management- Bates Street Apts.; Improved Dwellings for Altoona- Blair Tower; DEVELOPAC- Elk Towers; Housing Authority of Clarion County- Medardo Estates; Senior Care Network- Sunbury Fields; and Lincroft Senior Citizens Housing Corp.- Luftman Towers.



Energy Pledge

The Dept. of Energy has been running a campaign for the past two years to encourage individuals to take action to reduce their energy use. Here is an update.



Nationally, 2,752,818 individuals have made pledges. This has resulted in a reduction of 8,842,303,899 lbs. of greenhouse gas emissions and a savings of 5,431,349,489 kWh.

The pledges of individuals, within our Hub's four-state area, are as follows:

NJ

130,560 individuals
554,986,938 lbs. of greenhouse gas emissions
\$41,119,121 savings
343,917,186 kWh
574,339 CFC light bulbs

PA

46,417 individuals
258,853,326 lbs. of greenhouse gas emissions
\$20,080,520 savings
154,173,138 kWh
243,240 CFC light bulbs

DE

77,675 individuals
86,812,307 lbs. of greenhouse gas emissions
\$6,288,710 savings
55,432,616 kWh
165,907 CFC light bulbs

WV

6,951 individuals
29,082,273 lbs. of greenhouse gas emissions
\$2,233,190 savings
17,496,514 kWh
32,895 CFC light bulbs

You, too, can do your part to stop global warming. Take the pledge! See:

www.energystar.gov/index.cfm?fuseaction=globalwarming.showPledge

Preservation of Affordable Housing

Research Now, a periodical found in huduser.org had a recent article entitled, "Time to Preserve Affordable Rental Housing is Now." In the article, it states that a 2009 survey of 20 metropolitan areas identified 250,000 privately owned, assisted apartments within walking distance of public transportation. Such access is crucial for low-income families, who spend an average of 57% of their income on housing and transportation. Low-income households who must use a car spend nearly three times more on transportation than those with access to public transit.

Two-thirds of the surveyed apartments were under federal housing contracts due to expire within five years. If property owners choose to stop participating in assisted housing programs, possibly for greater opportunity in the open market, the nation's affordable housing stock will suffer even greater losses than it has already experienced. The Joint Center for Housing Studies at Harvard University reports that between 1997 and 2007, the loss of low-cost housing stock escalated dramatically. Demolition, disaster, abandonment, conversion to nonresidential use, owner occupancy, and upgrades to higher rent ranges are among the reasons for the loss of affordable rental units.

Researchers who studied the cities of Atlanta, Denver, Seattle, and Washington, DC, found similarities in the basic community initiatives that all four areas employed, beginning with an inventory of the properties and locations of assisted, subsidized, and unsubsidized housing that would be appropriate to target. The necessary and available resources for acquiring targeted properties, such as financing tools and partnerships, had to be identified. Finally, resources and opportunities to develop or redevelop distressed properties were paired to be consistent with regional transit planning and project funding strategies.

Although new challenges accompany transit-oriented development, these case studies demonstrate that communities can strategically meet the critical need for affordable housing near accessible transportation, while curtailing the loss of rental units available to low-income families.

Loan Closings

The following loans closed in January 2011 in the Philadelphia Hub: Insured— PA: Rutherdale Park TH, Goggleworks, Brockerhoff House, York Towne, Carlisle, Sharpsburg Towers, and Twin Towers; and WV: Senior Towers; and Section 202 Initials— PA: St. Catherine Senior Housing.

