

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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HUD Receives Award

The Association of Government Accountants (AGA) has awarded the Certificate of Excellence in Accountability Reporting (CEAR) award to HUD for its FY 2010 annual reports that included performance and financial results.



This was the 5th consecutive year that HUD has received this prestigious award.

The CEAR program was established in 1997 in conjunction with the Chief Financial Officers Council and the Office of Management and Budget to improve financial and program accountability by preparing integrated and user-friendly financial and performance reports that provide transparency and accountability of an agency's accomplishments with taxpayer dollars and the challenges that remain.

New Closing Documents

On May 2, 2011, HUD published a final rule in the Federal Register regarding updated multifamily mortgage loan closing documents. The new rule requires that the new loan docu-



ments be utilized in multifamily loan closings for which HUD issues a firm commitment for mortgage insurance on or after September 1, 2011. However, in those cases where the borrower is able to demonstrate to the Commissioner's satisfaction that using the new documents would cause financial hardship for the borrower, HUD may allow use of the older approved versions.

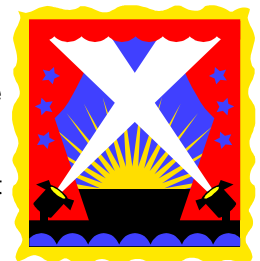
While many of the rules and documents contain familiar provisions, there have been important changes. For example, HUD is placing additional asset management burdens on lenders and providing them with more authority in determining whether and how to implement enforcement for alleged covenant or payment violations. HUD is also placing greater burdens on borrowers by effectively including certain principals within the definition of the borrower. This change makes the principals liable under the loan documents.

To view the notice and the new loan documents, visit the following web site:

http://portal.hud.gov/hudportal/HUDsrc=/program_offices/housing/mfh/mfhclosingdocuments

Reader Stories

In this issue, there is a great story (see page 3) about a tenant whose life was transformed by her project's Neighborhood Networks Center at West Popular Apartments.



Your project, too, can be highlighted in a future issue of Philadelphia Multifamily Hub News. Just send your Word document to:

thomas.langston@hud.gov.

Rental Housing Out of Reach?

The gap continues to grow between the nation's rents and what low-income renters can afford, according to the National Low Income Housing Coalition's recently released "Out of Reach" report.

The NLIHC study shows that American renters on average must earn at least \$18.46 an hour- \$0.02 more than in 2010- to afford a two-bedroom apartment at Fair Market Rent (FMR). However, the average renter only makes \$13.52 an hour- down from \$14.44 in 2010.



To afford a one-bedroom or studio apartment, renters would need to earn \$15.48 or 13.70, respectively. With the national minimum wage at \$7.25, a household can afford to only spend \$377 on rent each month.

The NLIHC report found that in 28 states, more than two full-time minimum-wage jobs are needed to afford a two-bedroom apartment at FMR. Across the nation, a minimum-wage worker needs to work 102 hours a week, on average, to afford this modest apartment.

Other statistics from the report include:

- NJ is one of the top 8 states in wages required for a two-bedroom apartment at \$20 per hour.
- NJ was also among the top 5 states with the most expensive housing wages for a two-bedroom apartment at FMR of \$24.54 per hour.

To read the full report, visit: <http://www.nlihc.org/oor/oor2011/>.

Focus on Pittsburgh

The formerly blighted East Liberty section of Pittsburgh, PA has been undergoing a transformation. After a decade of aggressive planning and work, the real estate market in East Liberty is bouncing back. This turnaround has been helped by the opening of the following businesses: Home Depot, Whole Foods, Mosites Co.'s Eastside Development, the Shadow Lounge, and several small, high-end restaurants. In July, a new Target will open on Penn Avenue.



The average sales price of a single-family home in that area, in 2008, was \$75,000. The average reached \$146,000 last year, when East Liberty Development, Inc. (ELDI) sold a house for \$315,000.

Andy Haines, a vice president at S&A Homes, which has built about 10 properties with the agency, said East Liberty's market has improved "but it took a while to sell some that may have been overpriced."

"Our goal is a stable, sustainable mixed-income neighborhood," said Nathan Cunningham, director of real estate development for ELDI. "We want to enhance the ability of the market to accomplish that." The agency's initial housing focus was to "replace dysfunctional affordable housing with the highest value, best managed affordable housing," said Rob Stephany, executive director of the Urban Redevelopment Authority. This was made possible by the demolition of three high rise buildings.

Since 2007, the agency has partnered with the URA and the Pennsylvania Housing Finance Agency to build 533 apartments and townhouses for low-income residents and has a waiting list of about 2,000 for the largest development, the Fairfield Apartments, a HUD Section 542(c) Risk-Sharing project between Penn Avenue and East Liberty Boulevard (the site of the former Liberty Towers).

Last month, city and agency officials cut a ribbon at the Boulevard Apartments, a new conventional six-unit building on East Liberty Boulevard and Euclid Avenue. It is solid brick, has hardwood floors, balconies with hand-crafted iron work and energy efficiency that exceeds Energy Star standards.

Three other buildings are part of the Boulevard Apartments. One on the boulevard and two are on North St. Clair Street- 14 units in all for families whose income is at or below 60% of the area median. It has a waiting list of 60.

For balance, the agency is working with developers to turn three existing buildings into 234 market-rate apartments. They include the Highland and Wallace Buildings, a future 129-unit HUD Section 221(d)(4) project, and a former YMCA, both in the business district.

East Liberty's new residents include those who moved to Pittsburgh from out of state- some to work for Google and American Eagle, and people who have relocated from other neighborhoods and area suburbs.

The economic turnaround of the East Liberty area has come about by the hard work of many individuals and organizations, both private and public. It is a true testament of what can be accomplished when everyone pulls together for a common purpose.

Personal Success Story

"My name is Rosemary Brown; I have been unemployed for the past year and diligently looking for a job. Not just any job but one with benefits. I enrolled into the West Poplar Neighborhood Networks Computer and Job Readiness Training where you can obtain free training on basic computer operations.



My instructor Mr. Kevin Cox taught us Microsoft Word, Excel and resume writing. After class I would stay and Mr. Cox would teach me how to search for jobs online. We had many discussions on how to conduct ourselves in an interview, answering challenging questions, and what to do thereafter. Within a month of being persistent and the help of Mr. Cox I've landed a job with the Horizon House with benefits.

When I walked through those doors at West Poplar, I knew that my life was about to change. Mr. Cox had so much belief in me. I learned so much from him, his hard training paid off. Through his networking efforts I am now back in the work force. I encourage anyone who is willing to learn, to take full advantage of this wonderful program. You'll be amazed of what you can accomplish.

Thanks so much West Poplar Neighborhood Networks Business Center and most of all Mr. Kevin Cox."

(Submitted by Olivette Beaton, Interstate Realty Management Company).

New EIV 9.2 Release



The following changes have been incorporated into EIV (Enterprise Income Verification) Release 9.2:

Income Report- Contract Number and Project Number fields are no longer case sensitive; Contact/Project radio buttons now populate automatically once the Contract Number and Project Number are entered; and A Certification Page has been created to be used as an option by owners/agents.

ers/agents.

SSN will appear on a report pop-up when there is no income discrepancy condition for the household; and when printing the report, the current date will be printed at the bottom of the page.

All Verification Reports- Provided a drop-down list for contracts and projects for HUD Field Office and external users; Contract Number and Project Number fields are no longer case sensitive; and Contact/Project radio buttons now populate automatically once the Contract Number and Project Number are entered.

Deceased Tenants Report- Developed recognition of TRACS Move Outs to eliminate those tenants from this report; and Next Recertification Date has been removed from report

Multiple Subsidy Report- Combined reporting of individuals receiving multiple subsidies from both the Search within MF only and the Search within MF and PIH reports; System now differentiates between Active Tenants and Inactive Tenants in TRACS to eliminate false reporting; and Lists contracts and projects with households receiving multiple subsidies for selected HUD Offices (HFU role) for month or calendar year in alphabetic order.

Affordable Green Housing Award



Senator Robert Casey presented to South Hills Retirement Residence, a 212-unit Section 231 project, located in Pittsburgh, PA, the 2011 Charles L. Edson Tax Credit Excellence Award (Honorable Mention). The award is given to a project in recognition of its outstanding effort in providing affordable green housing.

Inner-City Peace Rally

Sharswood Townhouses I & II are holding The First Annual Summer Festival Peace Rally on July 30, 2011. The location of the rally is N. 22nd Street (between Master and Jefferson Streets), from 10 AM to 4 PM.

The rally will consist of a peace walk around the community in an effort to "come together as a family and make this community a safe place to live and play."



Worst Case Housing Needs Study

HUD's Office of Policy Development & Research recently released national estimates of the number and characteristics of worst case needs (WCN) households that include people with disabilities in [Worst Case Housing Needs of People with Disabilities- Supplemental Findings of the Worst Case Housing Needs 2009: Report to Congress](#).



These unassisted renter households have incomes below 50% of the area median income (very low incomes) and live in severely inadequate housing, pay more than half their income for rent, or both. The recent estimates, compiled from new questions on disability in the 2009 American Housing Survey, show there were approximately 1 million worst case households with nonelderly disabled members in that year. The income proxy measure of households with disabilities used in past analyses (to allow for comparison) estimated that WCN households with disabilities increased by 140,000 between 2007 and 2009, affecting 1.1 million households.

In 2009, 2.6 million very low-income renter households included nonelderly people reporting at least one of the six measures of disabilities- 38% experienced WCNs.

Some facts contained in the report are as follows:

- Ambulatory, cognitive, and independent living limitations were the most prevalent type of disabilities among WCN households.
- In WCN households with disabilities, 86% had nonelderly adults with disabilities, 18% had children with disabilities, and 4% included both.
- About half (55%) of WCN households with disabilities were non-Hispanic white, 22% were non-Hispanic black, 19% were Hispanic, and 4% were other.
- Renter households with disabilities were more likely than those without disabled members to have very low incomes, experience WCNs, pay more than 50% of their income for rents, and have other housing problems such as living in inadequate or overcrowded housing.
- Renter households with disabilities were twice as likely to receive housing assistance as those with no disabilities.

The report can be downloaded and read in its entirety at:

www.huduser.org/portal/publications/affhsg/wcn_disability.html

Bedbug Problem to Worsen

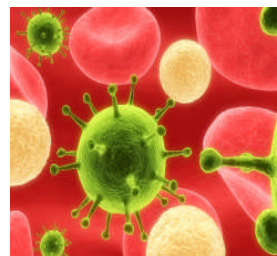
Entomologists and pest control experts are predicting that the Northeast's bedbug problem will worsen this summer as temperatures rise and vacationers increase traffic in hotels.



The recent spread of bedbugs may be boosted this spring and summer as temperatures rise, potentially increasing challenges that have already been faced by businesses in recent years. At 65 degrees, it takes three months for bedbugs to become adults. At 85 degrees, it only takes three weeks for them to go from eggs to adults. One pregnant female bedbug can produce up to 300 bugs in about six weeks.

There are many sites on the web where you can learn about this national problem. One of the most comprehensive ones can be found at: www.bedbugcentral.com An educational component of the site is "Bedbug 101" where the following topics are discussed: history, biology/behavior, disease and bite symptoms, early detection, avoiding infestations, control/tools, sanitation, individual protection, and effective products.

Bedbugs & Staph Infections



Researchers discovered, last month, that a sample of 5 bedbugs collected from three hospital patients in Vancouver, Canada, were carrying two types of drug-resistant bacteria, methicillin-resistant staphylococcus aureus and vancomycin-resistant enterococci. These dangerous strains

are often referred to as superbugs because of their resistance to many standard antibiotics.

The finding was surprising since bedbugs have not been associated with blood-borne diseases, such as hepatitis or HIV.

This finding highlights the importance of having a formal plan that can address this problem quickly and decisively when these pests are found in residential buildings.

State of Center City Phila.

The population of Center City Philadelphia has increased by 10,735, and its residential units and hotel rooms by 98%, from 2000 to 2010- primarily through the reuse of vacant and historical buildings.



This population and construction boom has been tempered with a 700,000 square foot decline in office space over the past 20 years-despite the building of the 58-story Comcast Center.

In his “State of Center City” presentation, Center City District CEO, Paul Levy, stated there are many plans for the future of Center City, such as a \$50 million in renovations to Dilworth Plaza, as well as streetscape and transit improvements.

“We need to move quickly to the next cycle of growth,” Levy said.

Mill Creek Neighborhood



The 17-block Mill Creek neighborhood in west Philadelphia has been undergoing a transformation over the past eight years. With the recent addition of 23 energy efficient units, as part of Lucien E. Blackwell Homes, a total of \$7.1 million has been invested in this

700-unit, former crime-ridden area of the city.

Revitalization of Downtown Atlantic City

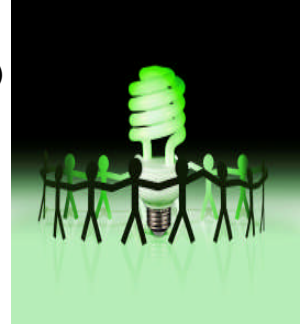
Plans have been formed to revitalize the downtown area of Atlantic City, NJ. These plans include the following:

- The Atlantic Village project- A block of Mississippi Avenue, near Boardwalk Hall, will be converted into a plaza with retail, restaurants, and housing.
- The Arts District- Artist-related shops, such as galleries, and housing will be created on Mississippi Avenue, between Fairmount and Atlantic Avenues.
- Mixed-use student housing.
- Multi-story housing with retail shops between The Walk shopping outlet and the arts district.



Hidden Danger– CFLs

It is now a well known fact that compact fluorescent bulbs (CFLs) are more efficient than wasteful incandescent bulbs that convert only 10% of the energy they consume into light.



This efficiency, however, comes at a price. Each bulb contains up to 5 milligrams of mercury– a potent neurotoxin. In addition, only about 2% of residential consumers and 33% of businesses recycle them. As a result of discarded fluorescent lights, including CFLs, U.S. landfills release into the atmosphere and storm water runoff, upwards of 4 tons of mercury annually, according to a study in the Journal of the Air and Waste Management Association.

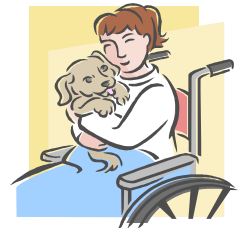
Residents, however, can mitigate this problem by turning in used bulbs at stores such as Home Depot, Lowe’s, some Walmarts, and at county recycling events. A complete listing for your area can be found at:

www.earth911.com

In the future, it is expected that CFLs will be replaced by LEDs (light emitting diodes) which contain no mercury, are 85% more efficient than incandescent bulbs, and burn for 25 years. The main drawback is cost at \$30 per bulb. Prices for LEDs, however, are expected to plunge in coming years as demand and production increase.

Therapy Dogs

It is a well known fact that dogs, in HUD projects can provide invaluable assistance and support to persons with disabilities.



But did you know that they are also used as therapy dogs for hospice patients? One organization that provides dogs is Hounds of Hospice. Providing therapy dogs is among the most popular services that hospices provide nationwide for patients who have shunned high-tech medical intervention in favor of palliative services to control pain and reduce stress during terminal illnesses.

Dogs seem naturally to connect with clients in ways that persons cannot. The breed of the dog does not matter. They just have to be friendly, follow commands well, and be able to stand agitation. There is a growing need for this type of service since more than 1.5 million patients received hospice services in 2009.

Choice Neighborhood Grants

HUD has available \$3.6 million in Choice Neighborhoods Planning Grants, for FY 11, to assist in the transformation, rehabilitation and preservation of privately owned HUD-assisted housing and public housing.



As part of HUD's overall plan to revitalize areas of concentrated poverty, the grants are intended to help transform distressed public and assisted housing into sustainable, mixed-income housing that connects to key services, such as education and transportation, and supports positive outcomes for the neighborhood's families. Eligible applicants are public housing authorities, local governments, nonprofit organizations, and for-profit developers that apply jointly with a public entity. Applicants must demonstrate their plan to revitalize the neighborhood through public-private partnerships that seek to develop high-quality public schools and early learning programs, public transportation, and improved access to jobs and well-functioning services.

These grants will enable communities to create a comprehensive "transformation plan," or road map, to transform public and/or assisted housing within a distressed community to create a *choice neighborhood*. This Federal support provides a significant incentive and catalyst for the local community to take critical steps toward neighborhood transformation.

Choice Neighborhoods is focused on directing resources to address three core goals – housing, people and neighborhoods. It is a centerpiece of the White House Neighborhood Revitalization Initiative (NRI). HUD partners with the Departments of Treasury, Justice, Education, and Health and Human Services on the NRI, an interagency effort to align federal housing, education, justice, and health programs to transform distressed, high-poverty neighborhoods into neighborhoods of opportunity.

Applicants have until August 8, 2011 to apply for the Choice Neighborhoods Planning Grants. HUD anticipates awarding approximately 12 grants with a maximum award of \$300,000 each.

For more information, see: www.grants.gov.

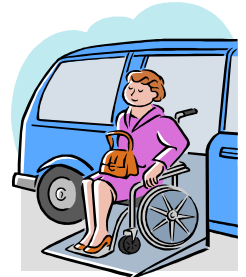
Ten Ways to Prevent Insect Infestations

1. Keep the building's envelope and roof in good repair.
2. Fix sources of moisture (leaks, ventilation, & drains).
3. Seal/screen doors & windows.
4. Control access to food and garbage.
5. Store food properly.
6. Use sodium pressure or cool light bulbs.
7. Eliminate internal/external clutter.
8. Limit or regulate internal greenery.
9. Practice proper trash management.
10. Avoid heavy landscaping that provides insects with a habitat.



ADA Accessibility Guidelines

In September 2010, new accessibility guidelines were passed. These guidelines updated the original Americans for Disabilities Act (ADA) standards dating back to 1991, including parking requirements that affect new construction on or after March 15, 2012.



One of the biggest changes is that the number of van-accessible stalls increases to 1 in 6, from 1 in 8. Other notable changes include the layout of spaces for van stalls and other modifications for loading zones.

The new guidelines can be viewed, in their entirety, at:

http://www.ada.gov/2010ADAstandards_index.htm

Loan Closings

The following loans closed in the Philadelphia Hub during the month of May: *Insured-PA*: Conway Towers and Etna Commons; *NJ*: East Hampton, Daughters of Israel, J. Allen Nimmo, Westmoor Garden Apts.; and *WV*: Westwood Acres; and *Section 811*: West Bergen Mental Healthcare.



Correction

The article, "9 Steps Toward Green" in last month's newsletter had a non-working link to the report. The correct link is as follows: <http://www.huduser.org/rbc/search/rbcdetails.asp?DocId=2136>