

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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MetLife Award

Congratulations to Ingleside Homes, Inc. for being one of four winners of the 2011 Met-Life Award for Excellence in Affordable Housing.



The award lauds the best practices in green, service-enriched housing for low-income seniors. Ingleside Homes will receive \$50,000 in unrestricted grant funds to expand its exemplary work in affordable senior housing and will be recognized at various events around the country culminating with a final event at the LeadingAge conference in Washington, D.C. this fall.

In its press release, Ingleside Retirement Apartments was cited for providing "a sophisticated and energy-efficient living environment." The building, located in Wilmington, DE, is home to more than 200 low- and moderate-income seniors who are able to age in place with more than 30 on-site assistance and resident services.

Enterprise and MetLife Foundation started the program in 1996. Since then more than 40 organizations have been recognized with nearly \$2 million committed to community based organizations focused on senior housing.

Section 811 Dedication

Mother Teresa House, a 6-unit Section 811 project, located in Wilmington, DE, was dedicated on August 22, 2011.



The project will provide independent living for people with HIV/AIDS. Built by the non-profit Ministry of Caring, the project occupies three lots and blends into the East Side neighborhood, with an interior designed not only for comfort and peacefulness, but also for durability and accommodation of wheelchairs.

HUD provided a capital grant in the amount of \$652,100 to construct the 5,723 square-foot house. Additional funding, to cover the full one-million dollar cost, was provided by the Federal Home Loan Bank of Pittsburgh, with help from ING Direct, JPMorgan Chase, and the Bank of America.

The building was designed by architect David Dalby and built by CASALE construction.

EIV & You Brochure Notice Issued

Notice, H 2011-25, *Enterprise Income Verification (EIV) & You Brochure- Requirements for Distribution and Use*, was issued on September 20, 2011. This Notice revises Notice 2010-02, which was issued prior to EIV use becoming mandatory on January 31, 2010.

It is posted on HUDCLIPS at: <http://www.hud.gov/offices/adm/hudclips/notices/hsg/>.

Increased Popularity of HUD/FHA Loans

The *National Real Estate Investor* published an on-line article on August 24, 2011 concerning why HUD/FHA multi-family loans are gaining popularity, in this time of record-low interest rates.



The article gave the following five reasons:

1. HUD's below-market rates generate substantial debt-service savings.
2. Prepayment penalties don't have to stand in the way.
3. HUD allows the highest leverage available.
4. Refinancing can provide an opportunity to refurbish the property or boost replacement reserves.
5. Properties already in the HUD-insured portfolio can qualify for unique benefits.

The article can be read in its entirety at:

http://nreionline.com/finance/news/ HUD_fha_loans_popularity_0824/

Storm Preparedness

In August, projects had to cope with dealing with Hurricane Irene, a devastating Category 2 storm. This event stressed the importance of being prepared. Now, with winter storms on the horizon, you should review your emergency procedures to insure that they are adequate. The following is a brief list of the steps that you should take to insure the safety of your tenants, as well as the security of your building:



- Have your employee emergency contact numbers and call chain updated and in place for reference.
- If tenants are asked to evacuate, they should do so without delay. But unless the project is located in a coastal or low-lying area, or an area that floods frequently, it is unlikely that emergency managers will ask tenants to evacuate.
- You should have a written disaster plan and should share it with your staff and tenants. You should meet with the tenants before to discuss the storm, its impact, and possible scenarios.
- Tenants should be provided with disaster supply kits if they need to evacuate.
- Disaster prevention includes modifying your building to strengthen it against storms so that the tenants

can be as safe as possible. It also includes having the supplies on hand to weather the storm.

- Secure your building.
- Test your back-up generator to ensure it will operate if needed.

For more information, go to the National Hurricane Center Hurricane Preparedness at:

http://www.nhc.noaa.gov/HAW2/english/disaster_prevention.shtml

How to Get Food Help

The U.S. Department of Agriculture's Food and Nutrition Service has many programs to help needy people get food.



The following programs for low-income people, babies, children, and seniors, offer food vouchers and/or coupons:

- Supplemental Nutrition Assistance Program (SNAP) - see: www.fns.usda.gov/snap.
- The Emergency Food Assistance Program (TEFAP) - see: www.fns.usda.gov/fdd/programs/tefap.
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)- see: www.fns.usda.gov/wic/Contacts/statealpha.HTM.
- Farmers Market Nutrition Program (WIC FMNP)- see: www.fns.usda.gov/wic/Contacts/farm.HTM
- Commodity Supplemental Food Program (CSFP)- see: www.fns.usda.gov/fdd/contacts/sdacontacts.htm.
- School Meals Program- see: www.fns.usda.gov/cnd.
- Summer Food Service Program (SFSP)- see: www.fns.usda.gov/cnd/summer.
- Senior Farmers Market nutrition Program (SFMNP)- see: www.fns.usda.gov/wic/SeniorFMNP/SFMNPcontacts.htm.
- Commodity Supplemental Food Program (CSFP)- see: www.fns.usda.gov/fdd/contacts/sdacontacts.htm.

In addition, the following websites are recommended to help residents eat right, prepare a food budget, and stay active:

www.mypyramid.gov
<http://snap.nal.usda.gov>
<http://teammnutrition.usda.gov/team/.html>

Green on Top

Building owners who want to lower their energy costs, while being a good steward of the environment, should consider “green” roofs. Rooftop vegetation has sprouted up among businesses and college campuses around the country. The trend, rooted in 1960s Germany and inspired by sod roofs in Iceland and Scandinavia, involves covering all or part of a roof with vegetative mats or lightweight soil and small plants to absorb rainwater and act as a natural heat shield.



A building's roof can get very hot in the summer, transmitting that heat to the interior. Also, during a storm, water cascades into downspouts, gathering pollutants that often end up in neighboring waterways. Plants act as a natural heat shield, absorbing and deflecting the sun's radiation. On a hot day, a green roof can lower the temperature inside a building by 5-6 degrees and delay the peak roof temperature until early evening hours. However, despite these benefits, only 25% of new roof construction in the U.S. is vegetated, compared to 40% in Germany. The cost of installing a green roof on large commercial buildings may be only \$7 a square foot. The following are some examples of living roofs on commercial buildings:

PECO Energy Building (Philadelphia, PA)
 Rutgers University (New Brunswick, NJ)
 Princeton University (Princeton, NJ)
 Millennium Park Garage (Chicago, IL)
 U.S. Postal Service's Morgan Processing and Distribution Center (New York, NY)
 Ford's River Rouge Assembly Plant (Dearborn, MI)

Revised EIV Notice 2011-21 Issued



Housing Notice 2011-21, Enterprise Income Verification (EIV) System, was issued on August 19, 2011. This Notice supersedes Notices H 2008-03, H 2009-20, and H 2010-10.

The revised Notice:

- Clarifies that IPAs may use printed EIV documents

when auditing an owner's compliance (An IPA is an Independent Public Auditor hired to audit a property's financial statements).

- Clarifies the requirement on resolving discrepancies between TRACS and the current form HUD-50059
- Indicates the following reports must be run by selecting the “All” recertification month: No Income Report, New Hires Report, Identity Verification Report, and Deceased Tenant Report.
- States the Owner/Agent (O/A) must make sure that the income appearing on the EIV Income Report does not meet a regulatory income exclusion.
- Clarifies that a tenant's monthly repayment agreement payment may exceed 40% of the family's monthly adjusted income if the family agrees to the amount stated in the repayment agreement.
- Recommends that an O/A require the head of household and, if applicable, the family member who had the unreported income sign a repayment agreement.
- Requires that the comment field on the voucher must be completed when explaining payment and costs retained even if no costs were retained.
- Identifies an updated penalty for not using the EIV system. The O/A will now incur a penalty of a 5% decrease in the voucher payment for the month following the date the violation was found, and each subsequent voucher payment, until the MOR finding is cured.
- Requires new security training. EIV users are now required to complete the online Federal ISS Awareness training program. The most recent HUD EIV webcast will no longer satisfy the security training requirement.
- Clarifies that when mailing EIV data, data must be sent to an office of the O/A and must not be mailed to an Independent Auditor's office.
- New Attachment 9: Assessing the Five Percent Penalty in Voucher Payment has been added
- New Attachment 10: Sample Tenant Consent to Disclose EIV Income Information has been added.

The Notice is posted on HUDCLIPS at:

<http://portal.hud.gov/hudportal/documents/huddoc?id=11-21hsgn.pdf>

Energy “Fast Fact”

Multifamily housing stock can feasibly become 28.6% more energy-efficient by 2020. This increased efficiency would translate into a savings of 51,000 gigawatt hours of electricity and more than 2,800 million therms of natural gas, which amounts to \$9.2 billion at today's energy prices. (Source: The Benningfield Group).

Guidelines on Bed Bug Control

On August 16, 2011, HUD issued Notice H2011-20, Guidelines on Bed bug Control and Prevention in HUD Insured and Assisted Multifamily Housing.



The following are some key guidelines contained in the notice:

Prevention

Owners and management agents (O/A) are strongly encouraged to develop an Integrated Pest Management (IPM) Plan. Such plans describe the ongoing efforts the property management will take to prevent and respond to pests. According to the EPA, principles of IPM for bed bugs include:

Raising awareness through education on prevention of bed bugs; inspecting infested areas, plus surrounding living spaces; checking for bed bugs on luggage and clothes when returning home from a trip; looking for bed bugs or signs of infestation on secondhand items before bringing the items home; correctly identifying the pest; keeping records – including dates when and locations where pests are found; cleaning all items within a bed bug infested living area; reducing clutter where bed bugs can hide; eliminating bed bug habitats; physically removing bed bugs through cleaning; using pesticides carefully according to the label directions; and, following up on inspections and possible treatments.

In addition or as part of an IPM, O/As are strongly encouraged to take the following preventive steps:

Provide training for staff to identify bed bugs, and to perform ongoing prevention actions as outlined in the IPM.

Actively engage residents in efforts to prevent bed bugs. Education and involvement of project residents is a critical component of IPM for bed bugs.

Provide orientation for new tenants and staff, and post signs and handouts.

Addressing Infestations

The O/A should respond with urgency to any tenant report of bed bugs. Within 24 hours of the tenant report, the O/A should make contact with the tenant, provide the tenant with information about bed bugs, and discuss measures the tenant may be able to take in the unit before the inspection is performed. Following a report of bed bugs, the O/A or a qualified third party trained in bed bug detection should inspect the dwelling unit,

within three days, to determine if bed bugs are present. It is critical that inspections be conducted by trained staff or third party professionals.

The O/A is required to retain documentation of the efforts to obtain qualified services. If an infestation is suspected but cannot be verified using the methods described, above, the O/A should re-inspect the unit(s) periodically over the next several months.

When an infestation is identified, the unit and surrounding units should be treated for bed bugs according to the IPM Plan. Chemical treatments may be necessary, but are not reliable. Therefore, encasement, interception devices, vacuuming, steaming, freezing, and building heat treatments may also be utilized.

An O/A may contact HUD to request financial resources for bed bug control. The Hub/PC Director may honor requests for releases from the Reserve for Replacement or Residual Receipts accounts to reimburse an owner for bed bug treatment.

Recurring Infestations

O/As may offer protective tools to residents to help safeguard properties from recurrences. For example, the O/A may offer residents bed covers, climb-up interceptors, or other detection or protection devices that may become available.

O/As may voluntarily offer to inspect tenants' furniture before move-in.

O/As may require the non-chemical treatment of furniture upon tenant move-in, and may offer, but may not require, non-chemical treatment or inspection of used furniture and/or non-chemical treatment of luggage before it is unpacked when a tenant returns from a trip.

An O/A may not deny tenancy to a potential resident on the basis of the tenant having experienced a prior bed bug infestation, nor may an owner give residential preference to any tenant based on a response to a question regarding prior exposure to bed bugs.

An O/A may not charge a tenant to cover the cost of bed bug treatment. Such costs should be covered by the Owner or from project funds authorized by HUD. HUD reserves the right to approve Lease Addenda.

To read the notice in its entirety, see:

<http://portal.hud.gov/hudportal/documents/huddoc?id=11-20hsgn.pdf>

Location, Efficiency & Housing Type

A recent study prepared by Jonathan Rose Companies and funded by the EPA, *Location Efficiency and Housing Type: Boiling it Down to BTUs*, supports the goal of the Partnership for Sustainable Communities- an interagency partnership between HUD, DOT, and the EPA- to help establish healthy, transit-rich, thriving, and affordable neighborhoods for American families. For many families, transportation costs are the second largest expense after housing. Combined, the two have a significant impact on a household's economic resilience and overall affordability. To lower transportation and housing costs, the Partnership advocates expanding location-efficient housing choices or housing that is located near public transit, jobs, and other services.



In *Location Efficiency and Housing Type*, the authors demonstrate the impact that housing location and type have on household energy consumption. They compare the amount of energy used annually by households in three different housing types (single-family detached, single-family attached, and multifamily homes) within two types of development patterns: auto-dependant, low-density suburban developments, and compact, transit-oriented developments. To calculate total energy usage, residential energy consumption figures and vehicle miles traveled are converted into British Thermal Units (BTUs). Energy-efficiency features in homes and automobiles are also factored into the analysis. The results show that households residing in higher-density, transit-accessible developments consume substantially less energy, resulting in both lower transportation and energy costs and reduced greenhouse gas emissions.

The highest reduction in overall energy use is seen in multifamily homes located along transit lines. While mechanisms that improve energy-efficiency did reduce energy usage, they were not as significant as housing location and type. The authors hope this information will help planners and local government officials in their efforts to create sustainable communities.

For additional details and a link to the study, please visit:

[http:// www.huduser.org/rbc/search/rbcdetails.asp?DocId=2168](http://www.huduser.org/rbc/search/rbcdetails.asp?DocId=2168)

Green Building Health Hazards

As buildings become more "green" and energy efficient, they may produce unwanted health hazards.

According to a report by the Institute of Medicine, some green projects and materials can limit or alter air flow. As a result, indoor pollutants may build up. These pollutants include the following: chemical emissions, tobacco smoke, indoor combustion (cooking, generators and space heaters), radon, semivolatile organic compounds, carbon dioxide, outdoor pollutants (ozone, pollen, and algal blooms), indoor dampness, and excessive temperatures.

Owners should be cautioned that efforts to save energy, by improving building performance, must be accompanied by a plan to increase air flow/ventilation in buildings.



Update on LED Lighting

As prices begin to fall and performance rises, LED (light emitting diode) lighting is becoming increasingly attractive.

The energy efficient technology has made great strides in price, lifecycle, and color quality in recent years. It's quick paybacks, adaptable components, and greater indoor applicability are making LEDs grow in popularity.



Current innovation is focusing on optimizing the whole design around the LEDs thermally, optically, mechanically, and aesthetically. Specifically, work is being done to increase lumens per watt, better control brightness and intensity, manage heat, provide more consistent color quality, and utilize computer-based applications.

Section 202 & 811 Interest Rate

The FY 2012 interest rate for Section 202 and Section 811 projects has been set at 4.0 percent.

Industry Quote

In discussing HUD's new *MAP Guide*, in the October 2011 issue of *Affordable Housing Finance*, Phil Melton, director, Centerline Capital Group, was quoted as saying, "In the long run, the new guide is positioning FHA to be a more relevant player in the affordable housing space."

Tenant Resource Network

Last month, HUD published a Notice of Funding Availability (NOFA), in which \$10 million is being made available for the Tenant Resource Network Program (TRN), a new program to facilitate the preservation of projects with Section 8 Project Based Rental Assistance at-risk of loss.



TRN is designed to inform, educate and engage tenants regarding their rights, responsibilities and options in the event their housing is impacted by one of these events. The program is intended to be one more tool to assist both owners and the Department in identifying potential preservation strategies or, in the event preservation is not feasible, to ensure that tenants are fully informed regarding available protections, such as the provision of tenant protection Housing Choice Vouchers. The program will enhance HUD's partnership with owners by providing an additional perspective on how preservation may be achieved, and will allow owners to make more fully informed decisions regarding continued participation in multifamily programs.

TRN considers projects at-risk upon occurrence of one of the following events: an FHA-insured or direct mortgage maturity date within 24 months of the publication of the NOFA; an owner election to opt-out filed no more than 12 months prior to publication of the NOFA; a notice of prepayment filed no more than 12 months prior to publication of the NOFA; or the receipt of two consecutive below 60 REAC physical inspection scores (not yet under abatement), with the most recent score issued no more than 12 months prior to the publication of the NOFA.

There are three types of activities under TRN: required outreach; property assessments; and intensive outreach. A limited amount of the TRN award may also be used for administrative activities. TRN Awardees will conduct required outreach activities at all identified properties. Required outreach includes preparation and distribution of brochures appropriate to the needs of project residents, conducting a minimum of two meetings at each property, and creating a contact mechanism such as a hotline or e-mail address. Awardees will also perform intensive outreach activities in at least 35% of identified properties. Intensive outreach may include: one-on-one or small group trainings; workshops on Tenant Protection Vouchers, energy efficient rehab, owner options for renewing Section 8 assistance, or establishing a tenant association; preparing tenants for and holding discussions with the property owner; and other activities as described in the NOFA. In addition to outreach, awardees may also use TRN funds for administrative

activities and for conducting property assessments to determine where to perform intensive outreach. Multifamily owners should be aware of this program, particularly if their properties appear on the list of properties eligible for TRN activity. Owners should note that their property may become "newly eligible" for TRN activity during the grant term, with HUD approval, due to one or more of the following specific triggering event(s): receipt of a 2nd consecutive "Below 60" REAC Score; the owner filing a Notice of Intent to Prepay the FHA mortgage; selection of opt-out ("Option 6") on the Section 8 Contract Renewal Form; or receipt by the awardee of specific, credible written evidence that the owner has filed a Notice of Intent to sell the property (under applicable state or local law), or that the owner has listed the property for sale. Owners should be advised that the presence of a property on the TRN-eligible property list does not necessarily mean that it will be selected by an applicant for activity, or that that application will be funded. If an award is made and a property is selected for activity, the owner and management agent should be aware that, as a requirement of the award, the awardee is expected to make contact with residents of the property, to distribute information, and to hold workshops with project residents. The awardee may also conduct intensive outreach activities at the property as described in the NOFA.

The Owner/Agent (O/A) is encouraged to participate in TRN activities that give voice to residents in the Owner's planning for the property's future. The O/A is expected to cooperate with awardee activities supported under the NOFA, which includes allowing the awardee entry into the property for the purpose of performing eligible activities. The O/A is not required to cooperate with awardee activities or requests that are not specified in the NOFA. The O/A is not required to release sensitive, proprietary information to awardees or tenants; nor is the O/A required to expend project resources to aid TRN activity.

The awardee and project residents may seek to involve the O/A in discussions over the long-term preservation of the property as affordable housing, or to discuss the Owner's planned repairs, prepayments or contract renewal decisions. The O/A is strongly encouraged to participate in such meetings, but is not required to do so.

A total of \$10 million is being made available under the authority of Section 514 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA) for tenant outreach at projects defined by HUD as TRN-eligible. Eligible applicants are non-profits with a minimum of five years of tenant outreach and organizing activities.

The NOFA can be read at: <http://www.grants.gov/>

Model Green Building Code



Many states and cities are developing green or sustainable design requirements for buildings.

In New Jersey, the state is considering a novel approach by funding the construction of a model high performance green demonstration building, designed to demonstrate the effectiveness of high performance building science to achieve up to 90% energy efficiency, as compared to utilizing conventional building construction and technologies.

Cityscape- Rental Housing

A new issue of *Cityscape* features a symposium that examines rental housing policy in the United States from a variety of forward-looking perspectives.



Eight housing experts comment on the following topics: use of federal incentives to encourage friendly land use regulations; federal benefits for homeowners and local zoning restrictions that are not especially friendly to renters; federal housing policy in light of market risks to homeowners and renters; policies that provides a safety net for renters experiencing financial hardship and offers low-income housing assistance that rewards good neighborhood choices; the rationale for and the means of delivering renter assistance programs; a nuanced picture of housing trends and needs using data on rental housing market dynamics at national and metropolitan levels; and a perspective on rental housing policy in the U.S. and the Netherlands.

To read the report in its entirety, see:
<http://www.huduser.org/portal/periodicals/cityscpe/vol13num2/index.html>

HUD Blog in Spanish

Earlier this year, HUD was very excited to roll out a new interactive blog, The HUDdle. Many posts later, we continue to reach out directly to the public like never before. And now we've gone bilingual!

Like its English counterpart, the Spanish-language HUD blog will provide a platform for new dialogue about housing related information and act as an interactive source of information for our Spanish speaking audiences. See:

<http://blog.hud.gov/es/>

False Alarms

False alarms in a building are more than a nuisance- they indicate that your building's life safety system has been compromised.



To avoid false alarms, the following actions are recommended:

- Test the system on a regular basis.
- Insure that the detectors are clean, receive routine maintenance, and are set at the proper sensitivity rating.
- Program alarms to send "trouble" and "tamper" alerts before fully activating the system.
- Program tiered alerts (i.e., activate only for combinations of smoke, light, heat, or carbon monoxide) for added control.
- Verify the terms and fees of system maintenance contracts.

Top 10 Neighborhood

Collingswood, NJ has been named to *Forbes* magazine's list of America's Top 10 Transformed Neighborhoods. The recognition for Collingswood is unique, because most of the communities cited by *Forbes* are neighborhoods were in large or mid-sized cities. The award is based on the local economy, housing, transportation, infrastructure, green space, entertainment options, development projects, and unique local attributes.

The town of 14,326 people, was first recognized by *Forbes* APA in 2009, when Haddon Avenue, the borough's main commerce thoroughfare, was named one of the Best Streets in America. The APA noted that Collingswood began gaining traction on its revitalization efforts in the 1990s. The borough enjoys a pedestrian-friendly core of independent businesses and restaurants. Among the town's attributes it its access to the PATCO rail station and a campaign that was launched in 1996 to clean to and rehabilitate residential properties.

Loan Closings

The following loans closed during the month of October 2011:
 Insured- Heritage Hills, Pittsburgh, PA; and Section 202 Final: North East Manor, Pittsburgh, PA.

