

# PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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

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### Record New Endorsement Pace

The pace of new FHA endorsements continues at record levels. In FY 2009, \$3.043 billion in loans were endorsed. In FY 2010 and FY 2011, that total increased to \$10.27 billion and \$12.515 billion, respectively. As of January 2012, \$3.56 billion loans were endorsed.



Half of production from FY 2011 was Section 223(a)(7) refinancing. Endorsements under this program are expected to decline in FY 2012. During the prior 3-year period, Section 223(f) refinancing was about 30% of production. Endorsements under this program, as well as the Section 221(d)(4), are expected to increase in FY 2012. Overall, there has been more production in the "large loans" category.

In FY 2011, the Philadelphia Hub endorsed almost \$500 million in loans.

To maximize HUD field productivity, three measures have been taken:

1. Processing steps have been overhauled in HUD field offices based on the "Breaking Ground" Initiative, that implemented many time-saving process improvements.
2. Fewer loans are required to go to the National Loan Committee.
3. The *MAP Guide* has been revised to incorporate the latest revisions and policy clarifications.

### NAHMA Award

In its 19<sup>th</sup> Communities of Quality award ceremony, NAHMA has selected Mullen Manor, a 25-unit project for the disabled, located in Sicklerville, NJ, as "An Exemplary Development for Residents with Special Needs."

This award is in recognition of Mullen Manor being one of the best multifamily affordable housing communities for the quality of life it offers residents, the level of resident involvement in community life, its financial stability, the certified quality of its staff, and the nature of collaborations with other organizations and agencies.

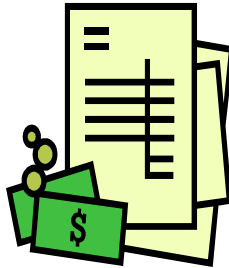
Mullen Manor was built in 1999 under the direction of the Multiple Sclerosis Association of America and with the assistance of PRD Management, Inc. of Merchantville, N.J. Many of Mullen Manor's residents are severely handicapped, and the staff affords them a sense of independence they would not otherwise have.

Mullen Manor is a barrier-free facility with amenities such as roll-in showers with built-in seats and grab bars, roll-under sinks and countertops for wheelchair accessibility, extra-wide doors and pull cords accessible for emergencies. There is a community room where numerous activities take place. A newly installed gazebo overlooks a county park where PRD had walkways installed for direct wheelchair accessibility into the park and to Camden County Community College. Several residents have received various degrees from the college. Residents have the use of a van and driver for monthly trips to local attractions. Because the property is relatively small, residents have a real sense of community and are treated by all with empathy and compassion.



### **Collection of Section 236 Excess Income**

It is the Department's policy that all confirmed delinquent Excess Income Receivables (EIR) and missing reports will be aggressively pursued, and all available enforcement remedies will be taken against those owners/management agents who fail to comply with the Department's requirements. To accomplish this task, Housing Notice H 2012-02 was issued on February 10, 2012. This Notice describes the processes that must be followed to collect these receivables and ensure that all required monthly reports are filed and any required payment is made.



Excess Income is the rent collected in excess of the Basic Rents for Section 236 projects. Owners and management agents of Section 236 projects are required to prepare and submit Form HUD 93104, Monthly Report of Excess Income, to HUD on a monthly basis, whether or not there is any Excess Income. Unless prior written authorization is given to retain the documented excess rental income, these funds must be remitted to HUD. On September 1, 2008, it became mandatory for owners/agents to use the [www.pay.gov](http://www.pay.gov) system, through which remittance of the required payment must be made. This notice provides guidance on pursuing unfiled reports and collection of additional monies due. All of the receivables were created prior to August 31, 2008, evidenced by owners'/management agents' submissions of reports to HUD reflecting amounts owed, without the required payment. Some of these receivables were converted to HUD-approved Repayment Agreements. Receivables that are current are except from this Notice.

Multifamily Hub Directors are now receiving a monthly Excess Income Receivables Report directly from the CFO's Accounting Center. Within 30 days of the date of this Notice, the Multifamily Hub/Program Center must send a Demand Letter (Attachment 1) by certified mail, return receipt requested, notifying the owner of the Excess Income Receivable. The Demand Letter instructs the owner to cure the receivable within 30 days, or to contact the Multifamily Hub/Program Center to discuss available options if this is not possible. The Demand Letter also informs the owner that any confirmed receivable that is not paid, or that does not have a signed Repayment Agreement within 90 days of the initial Demand Letter may be referred to the Departmental Enforcement Center (DEC) for further action. Enforcement actions such as Civil Money Penalties, Limited Denial of Participation, Debarment or Suspension from all Federal

programs may be considered.

Within six months of issuance of the Notice, it is anticipated that 100% of the Excess Income Receivables will either be collected, under a Repayment Agreement, or will have been referred to the DEC.

For further details, see:

<http://portal.hud.gov/hudportal/documents/huddoc?id=12-02hsgn.pdf>

### **Tenant Protection Vouchers**

Notice H 2012-13, "Guidance on Eligibility for Tenant Protection Vouchers Following Certain Housing Conversion Actions," was issued on February 24, 2012.



The Notice provides HUD staff with information for owners, tenants, and other stakeholders seeking guidance concerning the applicability of Tenant Protection Vouchers (TPVs) for residents of HUD-assisted or HUD-insured properties following Rent Supplement or Rental Assistance Payment (RAP) contract terminations and Section 202 Direct Loan prepayments.

For further details, see:

<http://portal.hud.gov/hudportal/documents/huddoc?id=12-03hsgn.pdf>

### **Longevity Calculator**

Researchers at the University of California-San Francisco have developed a prognosis calculator that can roughly predict the survival odds of older adults.



The calculator uses 16 questionnaires that predict the survival odds of older adults, over periods ranging from 6 months to 5 years. It considers such factors as illness, lifestyle, functional status, mobility, hospitalization, and weight. One beneficial outcome of the calculator, for seniors with many good years ahead, is to encourage treatments typically thought unwise for persons of advanced age.

The calculator can be accessed at:

[www.ePrognosis.org](http://www.ePrognosis.org).

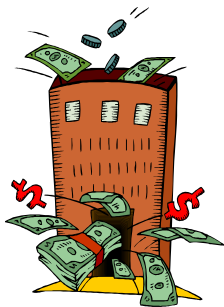
### New York ELA Conference

The Eastern Lenders Association (ELA) held its 7th Annual Conference in New York, NY on March 5-7, 2012. In attendance were 43 lenders, 5 consulting firms, 3 law firms, and HUD staff from 5 Hubs. Also, among the HUD Headquarters' staff providing presentations were: Dan Sullivan (Housing) and Millicent Potts (OGC).



Among the topics discussed were: The new *MAP Guide*, Capital Markets, LIHTC Pilot/Affordable Housing, PCNA/Reserves for Replacements, valuation/markets, Mortgage Credit, Closing Documents, LEAN Healthcare, as well as a Hub Directors' panel discussion on the Breaking Ground Initiative and Loan Committees.

### 2012 Income Limits



HUD has published the FY 2012 Median Family Income estimates, Section 8 Income Limits, and other HUD Income Limits.

They were posted to the HUD User website and can be found at:

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

### Annual Art/Calendar Contest

NAHMA's 26th annual art/calendar contest is here!

This year, 5,000 children, elderly/disabled and special needs residents nationwide are expected to participate this year. The theme for the 2012 contest is titled, *The Next Step is Yours: "Let's Take Care of Our World."*



Contest rules can be found at your local AHMA website:

[www.penndelahma.org/PennDeIAHMA2012Art-PosterRulesfor2013Calendar.pdf](http://www.penndelahma.org/PennDeIAHMA2012Art-PosterRulesfor2013Calendar.pdf)

<http://www.jahma.org/nahma.html#calendar>  
[http://www.pahma.org/whats\\_new.php](http://www.pahma.org/whats_new.php)

### Electronic Bedbug Detectors

Apartment owners may have a new tool to fight bedbugs- electronic detectors.

A mechanical engineer and former product developer from Wilmington, NC, has invented a cheap and effective way to detect bedbugs. His award-winning electronic detector, the Electronic Dog Nose (while not endorsed by HUD), replicates the way dogs pick up scents, enabling it to sniff out bedbug pheromones. By detecting a unique concoction of methane, CO<sub>2</sub>, and bedbug pheromones, his device is able to locate and pinpoint bedbugs to within one square inch, from a distance three times as far away as a dog. The device can also identify egg-laying female bugs.



Exactly how it works is proprietary, but basically, it detects two bedbug-specific pheromones at concentrations as small as 200 parts per million in the air. When the device "sniffs" those pheromones through its air intake, its flat-panel display lights up with alarms. A typical room can be screened in 15 minutes.

A basic hand-held device sells for \$200, while a longer-range (6' detection) version can be purchased for \$500. For more information see:

[www.theelectronicdognose.com](http://www.theelectronicdognose.com)

### PBCA NOFA

The application deadline for the long-awaited Performance-Based Contract Administration (PBCA) Notice of Funding Availability, that was published on March 9, has been extended to June 11, 2012. See:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/grants/fundsavail/nofa12/pbcaSec8](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail/nofa12/pbcaSec8)

### Statutory Mortgage Limits

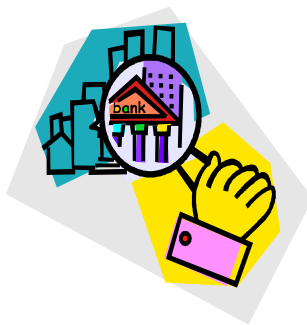
Basic statutory mortgage limits for multifamily housing programs were published in the December 22, 2011 *Federal Register*, Vol. 76, No. 245. The *Federal Register* can be viewed at:

[www.federalregister.gov/articles/2011/12/22/2011-32811/annual-indexing-of-basic-statutory-mortgage-limits-for-multifamily-housing-programs](http://www.federalregister.gov/articles/2011/12/22/2011-32811/annual-indexing-of-basic-statutory-mortgage-limits-for-multifamily-housing-programs)



### **New Pilot LIHTC Program**

Last month, HUD unveiled a new pilot program to test an accelerated approval process for the purchase or refinancing of multi-family rental properties assisted through the Low-Income Housing Tax Credit (LIHTC) Program.



In launching this pilot program in four Hubs, Chicago, Detroit, Boston, and Los Angeles, FHA's Office of Multifamily Housing Programs believes it can cut the time needed to review and approve financing applications for LIHTC-assisted transactions from approximately one year to just 90-120 days. The Hub Offices will process LIHTC loans for all of their related program centers. Reducing the time required to review and approve applications under FHA's Section 223(f) program helps align FHA-insured financing with the LIHTC Program standards, including the need to meet strict time deadlines. Expediting FHA review and approval is needed since failure to meet bond closing or other LIHTC performance deadlines may result in the forfeiture of the credit allocation or bond reservation, and may impair the borrower's ability to secure tax credits for future transactions.

FHA's Acting Commissioner Carol Galante, remarked that "It has become clear that we need to rethink our process at FHA if we hope to leverage LIHTC to the maximum degree possible. This pilot program will test our ability to significantly cut our review process so we can put people in affordable homes and provide unique financing options for developers."

Marie Head, Deputy Assistant Secretary for Multifamily Housing also said, "If we can successfully cut the time it takes to approve these lower risk LIHTC projects in these four cities, we have the potential to dramatically increase the production of affordable rental projects nationwide."

The *Housing and Economic Recovery Act of 2008 (HERA)* required FHA to streamline mortgage insurance applications for projects with equity from the Low Income Housing Tax Credit (LIHTC) program. Last year, FHA endorsed approximately \$561 million in firm commitments for LIHTC projects, a 35% increase over FY 2010. This new pilot should help to increase those numbers even more.

Housing Notice, H 2012-1, issued on February 3, 2012,

launches the first phase of the Tax Credit Pilot by providing permanent financing on transactions that are low risk, to allow FHA to significantly streamline the review process and create efficiencies without increasing risk.

The first phase of the pilot will permit applications for Section 223(f) financing for properties that are recently constructed and occupied, for preservation and moderate rehabilitation of properties with Section 8 rental assistance, or for older, stabilized tax credit properties through the syndication of new credits.

The notice can be read and downloaded at the following website:

<http://portal.hud.gov/hudportal/documents/huddoc?id=12-01hsgn.pdf>

### **Radio/Public Service Fair Housing Announcements**

HUD and the National Fair Housing Alliance (NFHA) recently announced the launch of a new series of radio and print public service advertisements (PSAs). The advertisements are designed to teach individuals and families how to recognize and report discrimination in housing because of race, color, sex, religion, national origin, familial status and disability, including discrimination in mortgage lending because of issues related to pregnancy and/or parental leave.



The campaign includes print ads in English, Spanish, and Chinese. One print ad features a veteran who fought to defend our freedom, yet faced discrimination because housing units were not accessible to people using wheelchairs. A second ad shows a doormat with the phrase "Not Welcome" which is designed to capture the attention of consumers so they can identify and report possible acts of housing discrimination. Another ad portrays an expectant mother who qualified for a mortgage but was illegally turned down for a loan because she was on maternity leave.

The campaign also includes two sets of radio PSAs, in both English and Spanish. The PSAs portray people who experienced housing discrimination and encourage those who suspect discrimination to report it to HUD, and promote the Fair Housing Act's goal of inclusive neighborhoods. The PSAs are available at:

[HUD.gov/fairhousing](http://HUD.gov/fairhousing) and [www.nationalfairhousing.org](http://www.nationalfairhousing.org).



## “Tech-Savvy” Tenants

Today’s tech-savvy tenants expect an online option to interact with building management. You should assume all of your market-rate tenants are online, and that is where they like to do their research and get things done. Tenant expectations have changed. They expect property management to provide them with modern communication tools that mirror the way they do business- online and in real-time.



To accomplish this, you should keep the following things in mind:

- Control your online brand- Maintain an up-to-date website containing reviews and a services listing, and provide status updates and group discussions through LinkedIn and Twitter. Also, blogging is a powerful tool to get in front of prospects, demonstrate your knowledge and build your “brand.”
- Provide tenants with real-time access to information and service on-demand- Be visible, transparent, and informative. Tenants also expect the option to interact with building management in real-time. The elements and tools you should have in place to help influence those judgments include: corporate and property websites; online resource scheduling (e.g., conference rooms, elevators, and loading docks); tenant handbook; real-time connection to the security guard check-in station in the lobby; online work order requests; social media presence (LinkedIn, Twitter, etc); and YouTube.
- Establish a master system for communication- You need a way for tenants to communicate their issues, including a Tenant Service Request Work Order System. You also need a way to share building information, emergency notifications, and new initiatives or changes.
- Stay Connected – Give your tenants a reason to renew their leases. Proactively Monitor Tenant Satisfaction. Schedule, document and capture all visits and calls with the tenant, both on site and via the lease renewal decision maker.

## Neighborhood Foods Program

The Neighborhood Foods Community Supported Agriculture (CSA) Program, a joint venture between The Urban Tree Connection and The Enterprise Center, will be offering vegetables from urban farms in West Philadelphia, as well as fruit from local farms surrounding Philadelphia. It will also be offering a bread share through Four Worlds Bakery.



Neighborhood Foods leverages the expertise and experience of two organizations at the forefront of youth and food economy development in high-need Philadelphia communities. Neighborhood Foods focuses on providing employment neighbors surrounding its farm and all profits go directly back into community development programs.

Over the last 20 years, Community Supported Agriculture (CSA) has become a popular way for consumers to buy local, seasonal food directly from a farmer. Basically, a farmer offers a certain number of “shares” to the public (typically the share consists of a box of vegetables, but other farm products may be included) and interested consumers purchase them (aka a “membership” or a “subscription”). In return, they receive a box (bag, basket) of seasonal produce each week throughout the farming season.

For more information about CSA program, see:

<http://www.localharvest.org/csa/>

## Notices of Funding Availability

The following two FY12 NOFAs were issued on March 13, 2012:

### *Service Coordinators In Multifamily Housing*

- Closing Date: May 14, 2012
- \$15 million available.

### *Assisted Living Conversion Program*

- Closing Date: May 15, 2012
- \$25 million available.

Details about the funding can be obtained at:

<http://www.grants.gov>

## Integrated Pest Management

Integrated pest management (IPM) is a common-sense method used to eliminate and manage pests in a manner that minimizes the harm to people, property and the environment through multiple strategies: inspection and monitoring, exclusion, housekeeping, landscaping, grounds and trash management and use of low toxicity/low risk pesticides. Effective IPM requires the partnership of all residents, staff and contractors.



The goal of an IPM policy is to cost-effectively prevent and address pest problems while minimizing the harm to people, property and the environment. Its pro-active methods rely on a range of strategies beyond the application of pesticides to prevent and control pest issues.

The key elements of the policy include: modifications to vendor contracts, changes in internal procedures and purchases, enhanced education for residents, lease addenda and evaluation of IPM practices and results.

In 2007, HUD started a Green Initiative pilot for Section 8 properties participating in the Office of Affordable Housing Preservation's (OAHP) "Market-to-Market" program (M2M). The goal of this program is to ensure that new construction and renovations are performed according to healthy housing and green building principles. Reducing exposure to pests and pesticides is an important component; hence, the OAHP made Integrated Pest Management (IPM) a major part in the Green Initiative program. This IPM element is non-negotiable and demonstrates OAHP's commitment to promoting healthy homes through IPM. It also represents a significant transformation in the pest control practices at multifamily properties.

You can read about two projects that have successfully implemented IPM at:

[www.nchh.org/Portals/0/Contents/IPM\\_rockefeller\\_park.pdf](http://www.nchh.org/Portals/0/Contents/IPM_rockefeller_park.pdf)

[www.nchh.org/Portals/0/Contents/IPM\\_washington\\_columbia.pdf](http://www.nchh.org/Portals/0/Contents/IPM_washington_columbia.pdf)

## U.S. Market Report

HUD recently released the 4th Quarter report of *U.S. Housing Market Conditions for 2011*. The report contains a comparative analysis of the multifamily housing sector with previous quarters, updated national data, overviews of economic and housing market, and historical trends.



A comparison of the 2010 and 2011 statistics concerning the Philadelphia Hub, for the 12 months ending December 2011 are as follows:

- Multifamily building activity, as measured by the number of units permitted, increased 10% in NJ (6,525 units), 19% (2,675 units) in PA, 19% (200 units) in WV, and 23% (500 units) in DE.
- Vacancy rates increased from 3.2% to 3.3% in the Philadelphia metro area, and declined from 4.0% to 2.3% in Center City Philadelphia.
- Vacancy rates decreased from 4.9% to 4.1% in Northern NJ, and from 7.3% to 5.5% in Atlantic City, NJ.
- Avg. monthly rents increased 2% to \$1,600 in the Philadelphia metro area and remained constant at \$2,150 for Center City Philadelphia.
- Apt. rents increased nearly 3%, to \$1,550 Northern NJ.

To read the entire report, see:

<http://www.huduser.org/portal/periodicals/ushmc/winter11/index.html>

## Loan Closings

The following loans closed during the month of March:

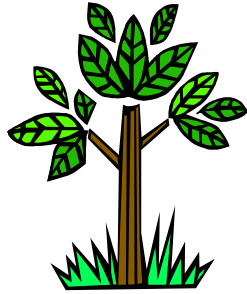
Insured– PA: Towne North Tower Apartments (134 units/Township of Ross) and Liberty Tower (104 units/California Borough); and NJ: Baxter Terrace (89 units/Newark).



Section 202– NJ: Jack and Margaret Myers Senior Residence (51 units/Rahway).

### TreePhilly Initiative

Philadelphia has announced a new initiative, TreePhilly, to provide sidewalk and yard trees to any Philadelphian who wants one. TreePhilly, financed by a \$75,000 Wells Fargo grant, hopes to plant 15,000 new trees in 2012.



This initiative is part of Mayor Michael Nutter's strategic and comprehensive Greenworks Plan, which aims to plant 300,00 trees by 2015 and increase the city's tree coverage 30% by 2023.

With funds from the U.S. Forest Service, the City is conducting an urban tree canopy assessment. Using satellite imagery that is accurate to within one meter and LiDAR technology that can measure tree height, the survey will include virtually every tree in Philadelphia and identify the best opportunities for planting. In the meantime, the City is working to find nursery stock for the ambitious planting schedule and to revise the City's zoning code to encourage tree planting.

Anyone interested in obtaining a free tree should contact the city's Parks & Recreation Department.

### Horizon Heights Ribbon Cutting

On December 12, 2011, Newark CPD Director Annemarie Uebbing participated in a ribbon cutting ceremony for Horizon Heights, a 52-unit project located in Hudson County, NJ.



Funding was provided, in part, by \$4.2 million in HOME Program funds. It created sustainable, transit-oriented rental housing featuring "green", energy-efficient units, as well as jobs for local residents on a site shared by both West New York and Union City.

The complex will provide 38 units of new workforce family rentals and 14 units dedicated to individuals and families with developmental disabilities and other special needs. Local Hudson County not-for-profits are providing case management for each of the special needs clients in the development.

Retail, public transportation and services are all within walking distance of the property. The development utilizes the latest in green building technologies and participated in both the EPA's Energy Star Home Program

### GLBT Affordable Housing

Developers in Philadelphia have secured a site and initial funding for what would be one of the nation's few GLBT-friendly (Gay, Lesbian, Bi-sexual, & Transgender) affordable housing facilities. They hope to break ground on a 52-unit, \$17 million building in 2013.



Anti-discrimination laws prohibit gay-only housing, but projects can be made GLBT-friendly through marketing and location. And, while private retirement facilities targeted at the gay community exist, such residences are often out of reach for all but the wealthiest seniors. The Philadelphia group has been trying to get its project off the ground for about eight years but has been stymied by location problems, a tough economy and stiff competition for federal housing tax credits. Rejected once for the credits, developers recently reapplied and hope for a different answer this spring, said Mark Segal, director of the Dr. Magnus Hirschfeld Fund, which is spearheading the project.

Cities including San Francisco and Chicago, also have projects on the drawing board. But the first and, so far, only affordable housing complex for gay elders to be built in the United States is Triangle Square-Hollywood in Los Angeles- a \$22 million 104-unit facility that is available to any low-income senior 62 and over, gay or straight applicant. Residents pay monthly rent on a sliding scale, from \$200 to \$800, depending on their income. The Triangle's population is about 90% GLBT and it has a waiting list of about 200 people- about 35 units are set aside for seniors with HIV/AIDS and for those at risk of becoming homeless. The project's developer, Gay & Lesbian Elder Housing, plans to build a second facility in Southern California in the next 18 months.

While HIV and AIDS remains a priority, Bartlett said, the crisis mentality has passed and allowed the community to focus on other things. The Way Center, at the planned Philadelphia senior housing facility, is expected to provide a variety of social services, in a sense repaying those who led the gay liberation movement.

### NAHB Award

Congratulations to developer a.m. Rodriguez Associates, inc, for winning the National Association of Home Builder's Best of 50+ Housing Award (Gold) and a Platinum Award for Best in American Living, for the conversion of South Hills High School into South Hills Residence, a 106-unit project for the elderly, located in Pittsburgh, PA..

