

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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Notice Update

On June 12, 2012, the Office of Multifamily Housing and the Office of Public and Indian Housing published a joint notice titled State Registered Lifetime Sex Offenders in Federally Assisted Housing. This joint notice updates and supersedes Housing Notice 2009-11.



The revised Notice strengthens language relating to the statutory and regulatory-based responsibilities of owners and agents (O/As) to ensure that no lifetime registered sex offenders are admitted into federally assisted housing. The Notice provides, in part, the following:

- Applicants for admission into applicable HUD-assisted housing programs must provide a complete list of all states in which any household member has resided.
- PHAs and O/As must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime sex offender registration requirement in any state.
- PHAs and O/As are reminded of their obligations with respect to Limited English Proficiency when processing applications of families for admission and also at the time of recertification.

If an PHA or O/A discovers that a household member was erroneously admitted (the household member was subject to a lifetime registration requirement at admission and was admitted after June 25, 2001), the PHA

or O/A must immediately pursue eviction or termination of assistance for the household member.

Please review Housing Notice 2012-11 in its entirety located at:

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

3-Year Anniversary- Federal Partnership

Three years ago, HUD, the Dept. of Transportation, and the EPA announced that they were going to coordinate their community assistance programs to make them more effective in helping cities, towns and metropolitan regions position themselves for a more sustainable and resilient future.

Since 2009, the Partnership has provided over \$3.5 billion in assistance to more than 700 communities. Partnership grant and technical assistance recipients are located in 50 states, the District of Columbia, and Puerto Rico. Demand for partnership assistance far outstrips available resources. As of April 2012, Partnership agencies received more than 7,700 applications for assistance, requesting almost \$102 billion.

In recognition of the successful three-year anniversary of the federal partnership's formation, the three agencies have released a progress report, *Three Years of Helping Communities Achieve Their Visions for Growth and Prosperity*. The entire report can be read at:

www.sustainablecommunities.gov/pdf/partnership_accomplishments_report_508%20compliant_final_062112.pdf



New Smoke-Free Toolkit

HUD, HHS, the American Lung Association, and the American Academy of Pediatrics, have launched a new set of tools to encourage and guide private owners of federally assisted multifamily housing and public housing authorities to adopt smoke-free policies to protect residents from the dangers of second-hand smoke and to reduce property maintenance costs.



The new Smoke-Free Housing Toolkits can be used by residents, multifamily housing managers/owners, including public housing authorities, to promote healthier housing. The owner's toolkit includes HUD's guidance to public housing authorities and multifamily housing owners/managers, such as: a guide to implementing no-smoking policies, a sample resident survey, frequently asked questions, and other useful resources. The residents' kit includes a going smoke-free guide, a home smoke-free pledge kit, and additional education materials about second-hand smoke.

Additionally, the new toolkits advise private landlords and public housing authorities to:

- Advertise units as non-smoking to attract tenants who either don't smoke or only smoke outside.
- Talk to prospective tenants about their smoke-free policy when showing the property.
- Include no-smoking policies in lease agreements and read through the rule with tenants as they sign their lease.
- Display no-smoking signage in buildings and on the property.
- Consider partnering with organizations to offer smoking cessation support to residents.
- Inform tenants that if they smoke in their units, they will be financially responsible for the costs of restoring the unit. (see May 2012 *Phila. Hub News*).
- Use the same warning/enforcement methods for smoke-free rule violations used for any other lease infractions.
- Visit and inspect properties regularly.

The owner's and residents' toolkits can be found at:

<http://portal.hud.gov/hudportal/documents/huddoc?id=sмоkefreeowners.pdf>

<http://portal.hud.gov/hudportal/documents/huddoc?id=sмоkefreeowners.pdf>

Largest Cities Growing

According to the 2011 census, for the first time in a century, most of America's largest cities, like Philadelphia, are growing at a faster rate than their surrounding suburbs, as



young adults stay in bustling urban centers.

Driving the resurgence are young adults (ages 18-29) who are choosing shorter term, no-strings-attached apartment living, public transit, and proximity to potential jobs.

While economists tend to believe the city boom is temporary, that is not stopping many city planning agencies and apartment developers from seeking to boost their appeal to the this sizable demographic that make up, roughly, 1 in 6 Americans.

Strong Cities, Strong Communities



The White House has developed an interagency partnership, Strong Cities, Strong Communities, to strengthen the capacity of local governments to develop and execute their economic vision and strategies, break down federal silos, and ensure that federal funds are being used as effectively as possible.

You can subscribe to this and other HUD periodicals by using the following link:

www.huduser.org/portal/subscribe/subscribe.html#sc2

Floods

Floods are the most frequent and costly natural disaster in the United States. FEMA Region III encourages citizens in Virginia, West Virginia, Pennsylvania, Delaware, Maryland and the District of Columbia to know their flood hazards.

FEMA has created a one-stop flood awareness information tool available at:

www.Ready.gov



Green Way to Revitalization

Jonathan Rose Companies and Asociación Puertorriqueños en Marcha (APM), a local community development organization, has developed Paseo Verde, a 206,000 square foot project consisting of 120 rental units (67 market-rate and 53 affordable units) in North Philadelphia.



The project provides sustainable, low to moderate income housing and much needed community services to residents of neighborhoods around Temple University. Its strategic location, in close proximity to one of the area's busiest SEPTA stations, ensures that its low-income residents will benefit from lower transportation costs. Cities and regions with existing transit assets can look to Paseo Verde as a useful model for developing mixed-use, mixed income transit-oriented developments.

Onsite community services include a primary care facility operated by Public Health Management Corporation, a pharmacy, and supportive services provided by APM. The building also includes approximately 30,000 square feet of ground floor retail, second floor office space, and community service space.

The green features of Paseo Verde include landscaped terraces, permeable pavement, and a series of green and blue roofs (blue roofs are designed to retain and slowly release rainfall, but unlike green roofs, they are not vegetated). The building design includes an energy-efficient envelope and mechanical systems, photovoltaic solar panels, and the use of local, recyclable, and renewable materials. The development team is seeking a LEED for Homes and Neighborhood Development Certification for the project.

By providing mixed-income housing, the Paseo Verde development serves both the Temple University community and long-time neighborhood residents. The interior design focuses on flexible living arrangements. The combination of affordable and market-rate housing and commercial development for the \$47 million project required an array of financing programs through the Philadelphia Redevelopment Authority (PRA), the Federal Home Loan Bank Affordable Housing Program, and other state and local sources. The PRA approved a \$4 million loan using HOME funds to finance the affordable units. For the market-rate units, the project relied in part

on the New Market Tax Credit (NMTC), a federal program established in 2000 to spur business and real estate projects located in low-income communities. The program permits investors to receive a tax credit against their federal income tax return in exchange for equity investments in organizations that serve low-income communities known as Community Development Entities.

Best Practice- Housing First Strategy

HUD USER publishes a series of best practice examples based on federal, state, and local strategies that increase affordable housing opportunities, integrate sustainable features and practices, and improve access to public transportation. The projects featured in these reports have demonstrated innovation through a multitude of partnerships and initiatives.



The most recent Best Practice is the historic rehabilitation of Minvilla Manor in Knoxville, Tennessee. The 57-unit, Energy Star®-certified permanent supportive housing project unites the goals of historic preservation and community development in leveraging a "housing first" strategy to create housing opportunities for chronically homeless persons. The development team utilized Community Development Block Grant funds, as well as historic and low-income housing tax credits, to transform a derelict motel while honoring its early 20th century architectural traditions. The quality of the rehabilitation earned the project the 2011 National Trust/HUD Secretary's Award for Excellence in Historic Preservation.

Resident retention rates exceed 90% at Minvilla Manor, demonstrating the potential that "housing first" programs have as a sustainable housing solution for chronically homeless persons. The resulting housing stability is a source of empowerment for the formerly homeless residents and the larger community has realized benefits of the project. The project also demonstrates the importance of the role of local leadership in garnering resources and providing critical leverage with which to address the housing needs of a most vulnerable population.

More information about this project can be found on HUD USER's Best Practices Resource page at:

<http://www.huduser.org/portal/bestpractices/home.html>

Submetering-Tracking Energy Expenditures

The following article appeared in Sustainable Communities e-News:



In recent years, the federal government has encouraged developers to reduce energy consumption in commercial and residential buildings. In October 2009, President Obama signed Executive Order 13514, which outlines 23 goals for minimizing energy use, reducing greenhouse gases, and increasing the use of renewable resources.

In its recent report, "Submetering of Building Energy and Water Usage," the National Science and Technology Council Committee on Technology offers an innovative and nuanced way to address and assess buildings' energy consumption: submetering, or installing devices that take nearly continuous measurements at the smallest levels- even down to the amount of energy used by a single plug. Although submetering by itself does not reduce energy expenditures, it can be a useful way to analyze the effectiveness of conservation technologies and identify opportunities for saving energy.

What makes submetering especially attractive is that it can benefit a wide range of stakeholders. For example, with the detailed information provided by submetering, building owners can better and more efficiently control a building's water and energy use, thereby creating a more comfortable environment for all tenants. Submetering shows facility managers exactly where utilities need to be better controlled, and identifies sources of atypical energy use. Submetering a building in the University of California school system, for example, showed that overnight lighting and natural gas systems were operating at unnecessarily high levels. With that information, facility managers were able to make changes that reduced energy expenditures.

Submetering can also detect systemic problems within energy or water systems that might otherwise go undetected until the utility bills arrive. For example, Adobe Systems installed water meters in three of its buildings to track the amount of water lost to evaporation and leaks. Installing the submeters cost \$43,000; the company reduced its water use and saved \$12,000 on its sewage treatment bill in the first year alone, because sewage treatment bills are often calculated based on water use.

When installed at the individual unit level, submetering demonstrates to tenants how they use energy and water. With that knowledge, tenants can then make behavioral

changes aimed at reducing energy expenditures. For instance, the New York State Energy Research and Development Authority showed that submetering in rent-stabilized housing resulted in utility savings of 18 to 26 percent.

Finally, submetering is an effective way to assess where to install energy-saving technologies and to track whether these new technologies are producing the promised savings. One way of paying for the initial costs of installing submeters is to enter into a contract with an Energy Services Company (ESCO). Through these contracts, the ESCO pays for the installation of green technologies, including submeters. The customer then pays for the cost of the installation over time, out of the the savings in energy costs that have been realized.

Although it does not save energy on its own, submetering is an effective way to track energy use and to implement programs and technologies that conserve resources and lower utility bills. Working with ESCOs is one way to manage the up-front costs of installing submetering technology.

Section 8 Renewal Policy Guide Change

On May 18, 2012, HUD issued page changes to the *Section 8 Renewal Policy Guide*. Two of those changes have an impact on budget-based rent adjustment requests in Option Four. The first requires the use of current debt service in an Owner's budget-based rent increase request, and the other permits a budget-based rent increase at the annual anniversary date only if the proposed rents do not exceed comparable market rents.



The effective date of these page changes was May 18, 2012. Any budget-based rent increase request post-marked prior to May 18, 2012 can be processed under the previous guidance. Any budget-based rent increase post-marked May 18, 2012 or thereafter must abide by the new guidance. This new requirement applies to all Option Four contracts, even multiyear contracts signed prior to May 18, 2012.

The effective dates for the other changes remain the same.

The complete *Guide* can be viewed or downloaded at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/mfhsec8

Data Inventoried for Subsidized Properties

A new data set that inventories subsidized multifamily buildings is available on HUD USER.

The Unique Building Identifier File contains information on all multifamily units subsidized by either the HOME Investment Partnerships program (HOME) or Low-Income Housing Tax Credits (LIHTC), without duplication. The HOME property data covers the period from the program's inception in 1992 to 2012. Data on LIHTC properties cover the years 1987 to 2010, when the last roster of properties became available. The file will be updated periodically to include properties from other subsidy programs.

The buildings in the file are unique according to their address and are identified by a key variable based on the building's location, the programs under which the building has received a subsidy, and the date on which the subsidy began.

This new data set will be valuable to researchers, affordable housing organizations, and the public sector. Because errors in the underlying data are expected and can only be identified by people with local knowledge, feedback is essential to improving the quality and utility of the data.

The dataset can be viewed or downloaded at:

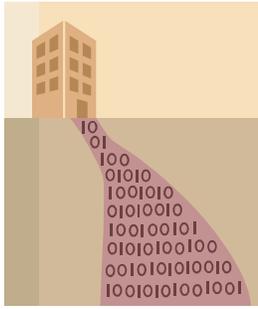
http://www.huduser.org/portal/datasets/identifier_data_file.html

Lighting Phase-Outs

Manufacturing for 100W incandescent bulbs and T12 florescent lamps ends this year. This represents another step by the federal government to gradually remove inefficient lighting technologies from the marketplace.

The phase-out began in January 2012. It will be followed by the phase-out of 75W bulbs in 2013, and 60W and 40W bulbs in 2014.

You may want to stock up on replacement tubes and bulbs in the short term, but upgrading/retrofitting is inevitable.



Low-Income Housing Tax Credit Census Tracts

The Internal Revenue Service has allocated low income housing tax credits, for 2013, to state agencies for their award to affordable housing developers.

The amount of tax credits available to a project depends on the development cost (excluding land), the proportion of affordable units set aside, and the credit rate (which varies based on the development method and whether other federal subsidies are used). Credits provide benefits with a present value equal to either 30 or 70% of a property's qualifying basis. The 30% tax credit is for acquisition or for federally financed rehabilitation and new construction. The 70% tax credit is for non-federally financed rehabilitation or construction.

In 1989, Congress added provisions to the program to encourage production of affordable housing units in hard-to-serve areas. Specifically, the act permits projects located in Difficult Development Areas (DDAs) or Qualified Census Tracts (QCTs) to claim 30% more in tax credits than identical projects outside of these areas. Designated by HUD, DDAs are metropolitan or nonmetropolitan areas in which construction, land, and utility costs are high relative to incomes; QCTs are census tracts in which at least half of the households have incomes that are less than 60% of the area median income or have a poverty rate of at least 25%.

More information on the QCTs is available at the following web sites:

<http://www.huduser.org/portal/datasets/qct.html>
<http://qct.huduser.org/index.html>
<http://www.huduser.org/QCT2013/qctmap.html>

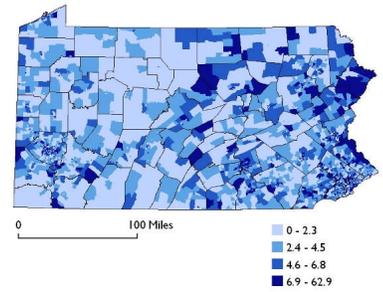
<http://www.huduser.org/portal/datasets/lihtc.html>

Quick Housing Fact

According to the New Jersey Apartment Association (NJAA), 2011 was the second straight year that saw consistent growth in rentals and improvements in rental vacancy rates.



Rentals in the third quarter of 2011 returned to 2008's peak level. NJAA reports that investors and developers are being attracted to the low risk attached with luxury multifamily units, instead of riskier ventures, like office buildings.



How to Make a Sample Unit Attractive

The following are some decorating tips to make a furnished sample apartment unit more attractive to prospective tenants:

- Use two or three artificial light sources per room.
- Use vibrant colors that “pop.”
- Use different textures for accent pieces.
- Avoid knick-knacks smaller than a grapefruit and don’t overdo it.
- Find a balance with the right fabrics for window treatments, couch upholstery, pillows, etc.
- Mix up prints to create a unique look and “tell a nice story.”
- Make sure that colors play well with each other (i.e., two prints next to each other should have the same shades of color).
- Keep things simple but elegant.



Neighborhood Conditions



HUD has published a research report, *The Moving to Opportunity for Fair Housing Demonstration Program (MTO)*.

It is one of the most significant research efforts to study the effect of neighborhood conditions on the lives of very low-income families. Through an experimental research design, the demonstration program ex-

amined the effect of neighborhood conditions on a variety of outcomes thought to influence the life chances of adults and children, including mobility, housing, neighborhoods, and social networks; mental and physical health; economic self-sufficiency; risky and criminal behavior; and educational achievement.

The researchers followed more than 4,600 very low income families in five U.S. cities over a 10- to 15-year period to examine the short- and long-term effects of moving to low-poverty neighborhoods

The report can be read or downloaded at:

www.huduser.org/portal/publications/pubasst/MTOFHD_summary.html

Reuse or New Construction?

The Brookings Institute has estimated that there are 82 billion square feet of existing commercial and residential space that will likely be demolished and replaced between 2005-2030. This represents about 25% of the building stock in the U.S.

The Brookings’ study compared the environmental impact of building reuse vs. new construction over 75-year useful life, in the cities of Portland, Phoenix, Chicago, and Atlanta. Surprisingly, reusing buildings and renovating them for higher efficiency— especially with renovations requiring fewer material inputs— has the potential to realize the greatest short term carbon savings.

According to the study, a new building that is 30% more efficient than the average building takes 10-80 years to overcome the negative climate change impacts resulting from construction.

So, an older building may be “the greenest one of all.”

For additional information, see:

http://switchboard.nrdc.org/blogs/kbenfield/the_green_dividend_from_reusin.html

Security Cameras

The following things should be considered in installing a surveillance camera system:

- Analog or Internet Protocol (IP) network connectivity.
- Weatherized or dust-proof enclosures for outside use.
- Tamper-proof, if easily accessible.
- 30-day (standard) video storage option.
- Proper signage. (To avoid legal problems, do not state “surveillance in progress” unless the camera is being actively monitored by a person).



Loan Closings

The following loan closings occurred during the month of July 2012: Insured - NJ: Luther Acres and Architects Housing; and Section 811- DE: Garrett House; and NJ: CPNJ Plainfield.



Coping with an Emergency

The following edited article was submitted by Kathy Rapi, property manager of Chapmanville Towers, a 88-unit Section 221(d)(4) project located in Chapmanville, West Virginia, regarding how her project coped with a major power outage that occurred on June 29, 2012. It is a good illustration of the need to be prepared for any emergency.

"Here is a timeline I sent to my supervisors. We discovered although we rely on emergency services, they themselves were not prepared for such a massive power outage. We are fortunate that our emergency systems are run off a generator. We could make announcements through our annunciation panel. We are having our annual loss prevention meeting next month, and I am going to include planning for emergency as well as putting it in the next newsletter. I am fortunate belonging to a large company with resources. One of our properties in Ohio lost their generator, and our company was able to have an emergency portable delivered. We have people we can call on if needed.

6/29/2012 7:25 PM: Power went off due to storm. The residents said it had only took a minute for the generator to come on.

6/30/2012 8:30 AM: The power was still off in Chapmanville. I started making phone calls and got in touch with Ray at emergency services. I told him the building had no power and since it was going to be 101°, we needed to find a way to shelter the people who needed it. He said the power could be out for days. He put a plan together and I headed to the building. We made an announcement about the shelter and asked people to call family members if they could not stay in the heat. A volunteer firefighter showed up to help go door to door.

06/30/2012 12:30 PM: The bus taking the people to shelter came. There were only 13 people who wanted to go to shelter. I called 911 to meet them here with stair chairs to help those in wheelchairs, or those who could not walk down the stairs. They took them to Logan Middle School, which was one of the few places in the county that had power. The residents who stayed at the building decided to do a community cookout. I bought charcoal, bread, buns, hotdogs, ice, and things like potato salad. They cooked and took food to people they knew could not walk down. While I was gone, single-phase power kicked in and the water went off. I bought bottled water so the residents would have a few bottles to do overnight. The residents were brought back from the shelter at 8:30 PM. They did not have facilities for overnight shelter. I called 911 to be here to assist those who needed it up the stairs. Several decided to stay down in the lobby. The residents were complaining that

their oxygen tanks did not work without electricity. I told them they had to have an emergency plan in place just as if they would in their own home. Many of the medical supply companies will bring out the old time oxygen tanks to supply them while they were without power, I told them to call and ask if they provided this emergency service.

6/30/2012 11:00 PM: The single-phase power went in and out and we lost the stairwell and some of the hall lights, so at Janet's advice we called Ron Crum. He talked Roger through to get the lights back on in the halls and stairwells. He also helped him shut down systems that would burn up since they were not getting full power. We had the lights going at 1:20 AM. The units had partial power. Some of them the living room had lights but not the bedroom. I talked to the people in the lobby and told them I was going home. I asked did they want to stay down or did they need assistance upstairs. I called 911 again and had them send people with stair chairs to help. I left around 2:30 AM.

07/01/2012 9:30 AM: I called emergency services about the water situation. They told me they did not realize the town of Chapmanville was out until the morning and expected it to be restored by the afternoon. They said they would put a backup plan in place in case they needed to bring water.

I walked in the building at 12:45 PM and the fire alarm immediately went off. It had a trouble of brownout. I knew if we did not get it up, I would have to order a fire watch. NG&G called back and said the technician would be here at 2:00 PM. About the time he came in the power was restored completely. He then made sure all the systems were running. We had water back at the same time as power. The city pumps came back on at that time. We had calls of air conditioners not working. We are not sure if they burnt up because of the single-phase power or a power surge. We lost 3 ptacs in common areas and 6 unit air conditioners. We replaced the unit a/c's with ones from the empty units and will replace those upon delivery.

Post Emergency Issues: I had numerous complaints. One of them was they paid too much rent to have their power out and Forest City should reimburse them for food lost. n. The county passed out bottled water at the high school as we were on a boil water notice. Residents with cars took other residents and got water for those who could not go out. On Thursday afternoon, the City of Chapmanville brought me 20 cases of water for the residents who did not get out or have someone to bring it. Some of the residents are going to the next Town Hall meeting to find out if they are making plans for emergency shelter for the town in case this happens again. They have a plan in place to use the High School for flood or fire but not for power outages as it has no generator. We are going to ask if a switch can be put on the new generator to prevent the building from running on single-phase power.