

# PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



Vol. 12 No. 3 Encarnacion Loukatos, Hub Director Thomas.Langston@hud.gov, Editor December 2012



[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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## Superstorm Sandy Update

Many projects in the Hub's portfolio in New Jersey were affected by the high winds and floods from Superstorm Sandy. Luckily, for most projects, the loss of operations was temporary. However, there still remain several severely damaged projects, some with displaced tenants.



HUD's goal is to restore operations to normal or improved operating levels as soon as possible. We are currently conducting a final assessment of the damages. Ultimately, the emergency will not be over until all displaced residents have returned to their apartments, and all projects are physically and financially sound.

To protect the interests of HUD and the tenants, as well as to facilitate recovery tasks, those projects that were severely damaged will be required to submit Recovery Plans within 30 business days of the final disaster assessment, in accordance with Chapter 38 of HUD Handbook 4350.1.

HUD will evaluate the recovery plans (using inspection reports, monthly accounting reports, etc.) for reasonableness and will monitor all required actions. Once the recovery plans have been completed, final inspections have been conducted, and residents have returned to their units, normal asset

management servicing will resume for the repaired property.

To assist tenants who have been displaced, on November 26, 2012, HUD allowed owners, with residents under project-based Section 8 contracts, to temporarily lease units in other buildings (i.e., pass-through payments). Also, housing regulations were waived to allow for the receipt of vacancy claims, for uninhabitable units, in the amount of 80% of the contract rent for up to 60 days (December 2012 and January 2013).

With climate changes and rising sea levels, the threat of future superstorms and coastal flooding is very real. This fact emphasizes the importance of being prepared.

This means that projects must have Disaster Plans in place that are clearly understood by all of the residents. Among other things, the Plans should include employee emergency contact numbers, evacuation procedures, disaster supply kits, back-up generator tests, stand-by contracts for generators, pumps, and supplies, etc. (See the September 2012 issue of *Philadelphia Multifamily Hub News*, for more details).

At this time, HUD would be remiss if it did not acknowledge the extraordinary dedication and hard work of its project owners, management agents, and on-site staff, in coping with this unprecedented emergency. As a result of their efforts, tenant safety was insured and their projects were returned to full operational status as quickly as possible.

A major accomplishment under the most trying of circumstances!

### NAHMA Scholarships

Three residents from Lebanon Village, a CRM-managed property were the recipients of \$750 NAHMA Education Scholarships.

The students were: Dana Aldride (attending University of Phoenix), Luis Velasquez Montoya (attending Harrisburg Community College), and Zania Walker (attending Lebanon Valley College).



### VA Aid & Attendance

HUD has received several requests to clarify how VA Aid & Attendance (A&A) payments are to be treated with respect to annual income and the regulation for medical expense exclusion [24 CFR 5.609(c)(4)]. According to the VA, Aid and Attendance (A&A) is an enhanced or special monthly pension benefit paid in addition to basic pension. An individual cannot be eligible for receiving A&A without first establishing eligibility for a basic VA pension. Below are the four instances the VA indicates a veteran may be eligible for A&A:



### Resident Scholarships



The Michaels Organization has awarded 124 educational grants, totaling \$315,000, to aspiring students who reside at rental communities that it owns or manages.

Kris Hilliard, a resident of Zephyr Apartments, was one of the scholars that received an award.

The grants can be used by the recipients to cover education expenses at any accredited college, university, or vocational training program in the nation.

- The Veteran requires the aid of another person in order to perform his or her activities of daily living, such as bathing, feeding, dressing, attending to the wants of nature, adjusting prosthetic devices, or protecting himself/herself from the hazards of his/her daily environment, or,
- The Veteran is bedridden, in that his/her disability or disabilities requires that he/she remain in bed apart from any prescribed course of convalescence or treatment, or,
- The Veteran is a patient in a nursing home due to mental or physical incapacity, or,
- The Veteran has corrected visual acuity of 5/200 or less, in both eyes, or concentric contraction of the visual field to 5 degrees or less.

### Smoke Free Housing

HUD has issued Housing Notice 2012-22, *Further Encouragement for O/As to Adopt Optional Smoke-Free Housing Policies*.



This Notice re-issues Housing Notice 2010-21 and further encourages owners and management agents participating in one of Multifamily Housing rental assistance programs to adopt smoke-free housing policies if they have not yet done so.

The Notice can be read in its entirety at:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/notices/hsg](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/hsg)

There is no statutory or regulatory exclusion for the A&A benefit. Because of this, the benefit must be included as income.

Owners are reminded, pursuant to 24 CFR 5.609(c)(4), any money received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member is excluded from annual income. Because of this, the owner must verify any amount provided for A&A which is used for medical expenses and exclude the verified amount. Any portion of the benefit not being used for medical expenses must be included as income.

### Loan Closings

The following insured loans, in PA, closed in November Bethany Tower, Haddington Elderly, Encore at Laurel, and Beacon Hill.



### **Neighborhood Networks Week**

The Shirley Futch Plaza's Computer Learning Center recognized Neighborhood Networks Week by hosting the 2nd Annual Talent Show & Tell.



Over 20 participants displayed their talents by performing skits, instrumental sing-a-longs, plant demonstrations, baking (cookies and cakes), artwork, needlework, and photography.

This 101-unit, Section 231/223(a)(7) project, located in Stroudsburg, PA, is managed by Interstate Realty Management Company.

### **In Time of Need**

The American Furniture Rental, in association with the NJ Affordable Housing Management Association (JAHMA), installed a new living room, dining room, and bedroom furniture in the apartment of Luisa Rodriguez, a tenant at Barlinvis Apartments, a 68-unit, Section 8-assisted project in Atlantic City, NJ. The project is managed by Interstate Realty Management Company.



The In Time of Need Program has now completed 34 such furniture installations, with a combined retail value of \$600,000, since May 2006.

Site personnel at any JAHMA affiliated property can submit an application for a needy family that is in need of furniture. Further details about this worthwhile program can be found at:

[www.jahma.org](http://www.jahma.org), or by calling Dr. Bruce Johnson at: 215-262-4230.

### **Fast Housing Fact**



A 74% jump in real estate value for multifamily residential buildings has occurred in Philadelphia since a low point in 2008.

This is the third highest climb among cities, behind only Miami and Baltimore. (Source: Real Capital Analytics, Inc.).

### **Energy Saving Ideas**

The General Services Administration is currently testing the following energy-saving technologies on federal buildings:



- **Electrochromic Windows:** These are windows that switch from a clear to a dark state based on light sensors.
- **Glazing Retrofit Coating:** Clear water-based spray-on window coating is designed to reduce heat without significantly reducing light.
- **Vacuum-sealed Roof Insulation:** A thin insulation material can provide thermal resistance up to 5 times greater per unit of thickness than polystyrene or polyurethane insulation, and up to 10 times greater than glass wool.
- **Central Plant Optimization:** Chillers, cooling towers and associated pumps act as a single system to reduce pumping energy and runtime.
- **Wireless Lighting Control Systems:** Enables switches, fixtures, and sensors, from a variety of manufacturers, to communicate as a single system by using wireless area controllers.
- **LED Retrofit Luminaire:** Replaces fluorescent fixtures that consume 90 watts with an identically-sized light-emitting diode (LED) that consumes 44 watts.

### **Community of Quality Designations**

PRD Management, located in Pennsauken, NJ, has become the first and only management company in the nation to achieve a Community of Quality Designation from the National Affordable Housing Management Association (NAHMA) for all of the 16 properties that it manages.



Also noteworthy, Community Realty Management (CRM), located in Pleasantville, NJ, has 18 projects with this designation.

The Community of Quality (COQ) Recognition Program was created to recognize those affordable housing properties throughout the nation that meet NAHMA's high standards of physical maintenance, financial management, programs/services, & employee credentials. ia

Congratulations on this achievement!

## The Money School

The Delaware Financial Literacy Institute (DFLI), a nonprofit organization, is offering free financial seminars and counseling to help individuals, especially those of low to moderate income, to become equipped with the tools to get their financial lives in order.



To fulfill its objective to be a “community of learners in a school without walls,” DFLI has created The Money School. Through a series of seminars throughout the State of Delaware, it seeks to educate individuals so that they can become self-sufficient and enjoy financial well-being over time. Current topics include: Strategic Ways to Get out of Debt, A Special Seminar on Social Security, Downsizing Your Debt, Keys to Homeownership, and much more.

To learn more about DFLI and the availability of its programs for your residents, see: [www.dfli.org](http://www.dfli.org).

## Rental Housing’s Community Impact



In October, the Delaware Housing Coalition released a report, *Community Impact: The Effects of Assisted Rental Housing in Delaware*. The report looked at the impact of subsidized housing projects on neighborhood property values.

The report concluded that although the design, size, ownership/management and neighborhood context of projects can have an effect on property values, in two-thirds of the cases, the effect was either nonexistent or positive. This provides significant evidence against the misconception that the presence of assisted housing in a community is likely to have an adverse effect on property values.

The complete report can be read at:

[www.housingforall.org/Joomla\\_2.5.4/images/documents/2012-10-10-dhc\\_community\\_impact\\_online.pdf](http://www.housingforall.org/Joomla_2.5.4/images/documents/2012-10-10-dhc_community_impact_online.pdf)

## FY 13 Income Limits

The FY2013 Median Family Income estimates and FY2013 Income Limits, effective December 4, 2012, can be found at:

[www.huduser.org/portal/datasets/il/il13/index.html](http://www.huduser.org/portal/datasets/il/il13/index.html).

## Home Safety Checklist

Rebuilding Together, an organization that works in partnership with Area Agencies on Aging, AARP, American Occupational Therapy Association, National Association of Home Builders, National Council on Aging, and others, helps to address the housing needs of our elderly population.



In recognition that greater attention be given to the elderly population so they may safely age-in-place in their homes, rebuilding together has developed a checklist to identify home safety, fall hazards and accessibility issues for the homeowner and family members.

The checklist can be downloaded at:

<http://rebuildingtogether.org/resource/age-in-place-checklist/>

## Fair Market Rents and Income Limits

HUD now has available a *PD&R FMR/IL Lookup* app for Android and Apple iOS powered smartphones!

This map-based app allows users to search Fair Market Rents and Income Limits by current location or other units of geography.



Download the following app today and stay connected to PD&R through your mobile device:

[http://www.huduser.org/portal/pdr\\_mobile.html](http://www.huduser.org/portal/pdr_mobile.html)

## Property Management Award

Interstate Realty Management Company has been named the 2012 Property Management Firm of the Year by The National Association of Home Builders (NAHB), the country’s leading trade group for the housing industry. This prestigious national award recognizes superior leadership in multifamily housing management and property operations.



NAHB cited several specific achievements accomplished over the past year. This includes IRM’s unrivalled leadership in the management of Section 8 housing, as well as mixed-income, tax credit and public housing and the company’s extraordinary success, including strong financial returns, across a portfolio that encompasses more than 300 properties in 25 states, DC, & the US Virgin Islands.

### City Prosperity Index

The current and future economic health of cities was a primary focus of the September 2012 World Urban Forum in Naples, Italy. Recent research by UN-Habitat, however, suggests that development actors need to explore a more inclusive approach to prosperity and development. The organization's data and conclusions are presented in a new report, "*State of the World's Cities 2012/2013: Prosperity of Cities.*"



According to the report, policymakers worldwide need to take a broader, more robust approach to development—one that looks beyond the narrow focus on economic growth that has dominated the poorly balanced policy agendas of recent decades and includes other vital dimensions, such as quality of life, adequate infrastructure, equity, and environmental sustainability.

The report presents findings from more than 50 cities, individual scientists and institutions (including the European Commission's Directorate-General for Regional Policy), and other partner organizations around the world. The report suggests that cities need to improve their ability to respond to modern challenges, optimize resources, and harness their potential.

To measure cities' progress toward prosperity, UN-Habitat introduces a new tool- the City Prosperity Index (CPI)- together with a conceptual matrix, the Wheel of Prosperity, to help decision makers design clear policy interventions. The CPI is unique for two reasons: it focuses on individual cities rather than countries, and it measures prosperity across five dimensions of prosperity- productivity, infrastructure, quality of life, equity, and environmental sustainability- rather than focusing solely on the business environment of the local economy.

To read more about this topic, see:

[www.unhabitat.org/pmss/listItemDetails.aspx?publicationID=3387](http://www.unhabitat.org/pmss/listItemDetails.aspx?publicationID=3387)

### JTC Developments of Distinction Award

Founders Landing a 66-unit, Section 223(a)(7) project, located in West Huntington, WV, was nominated for the Novogradac 2012 Journal of Tax Credit Developments of Distinction Award. The award recognizes excellence and honors outstanding achievement in the development of projects using the low-income housing tax credit (LIHTC), historic tax credit (HTC), renewable energy tax credit (RETC) and/or tax credit projects using HUD financing. To qualify, tax credit projects must have been placed in service in 2011/2012 and either have had a meaningful and major impact on their community, demonstrated financial innovation, or overcome significant obstacles in their development.



Prior to its rehabilitation, Founders Landing had the unfortunate distinction of having the highest default risk of the FHA-insured multifamily properties in West Virginia. This was a property that was in physical and financial disarray. As four management agents over a five year period tried to operate this troubled asset, the Charleston Program Center witnessed an alarming number of units removed from the income stream so they could be cannibalized for parts to repair other units. Drug and criminal activity was at an alarmingly high level, and the project received some of the lowest REAC physical inspection scores ever recorded in WV. HUD was extremely concerned that this vital source of affordable housing in West Huntington would be lost.

Millennia Housing Management, through the use of Low Income Housing Tax Credits, coupled with the HUD Green Mark to Market Debt Restructuring, transformed this troubled project into a model property. The rehabilitation that accompanied the new financing not only preserved this asset for many generations, but served as a model for a highly successful mixed-financing deal. Also impressive were some of the groundbreaking energy conservation strategies that are currently being implemented.

### Affordable Housing Hall of Fame

Congratulations to Michael Levitt, Chief Executive Officer of The Michaels Organization, who was inducted into the Affordable Housing Hall of Fame in November. Mr. Levitt joined an impressive group of inspirational leaders who have made major contributions to the advancement of affordable housing opportunities in the United States.



# Happy Holidays and Season's Greetings to All of our Readers!

