



# PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



Vol. 11 No. 5 Encarnacion Loukatos, Hub Director Thomas.Langston@hud.gov, Editor February 2012



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

## Inside this Issue:

Superior Projects.....Pg. 1

Loan Committees.....Pg. 1

Leaving Nursing Homes.....Pg. 2

HUD Language Line.....Pg. 2

Scholarship Grants.....Pg. 2

EIV Tenant Search.....Pg. 3

Choice Neighborhood Grants...Pg. 3

FY 12 Appropriations.....Pg. 3

Bedbugs- Part of Our Culture..Pg. 4

Quick Energy Fact.....Pg. 4

City of Newark.....Pg. 5

Crime Patterns.....Pg. 5

Perfect REAC Score.....Pg. 5

New Equal Access Policy.....Pg. 6

“Perfect Match”.....Pg. 6

Loan Closings.....Pg. 6

### Superior Projects

The Philadelphia Hub would like to congratulate NDC Real Estate Management for receiving a superior rating on its November 2011 management and occupancy review of Bates Street Apts. and for receiving REAC physical inspection scores of 95 or more for Williamson Towers and Market Manor.

Similarly, we would also like to congratulate the following management agents for receiving REAC scores of 95 or more on the following projects over the past four months: Colonial American Development Corp.– Twin Rivers Towers and River Bend Place; Interstate Realty Management Company– Valley Green Apts.; Newport Management Company– Beckley West Apts.; California Commercial Investment Group– Baughman Towers; Crossgates Management– River-view Towers; NHPMN Management– Lewis Terrace/Tabor Tower; Supportive Housing Management Services– Bessemer Terrace; and Humphrey Associates– Franklin Manor.

### Loan Committees

HUD has extended and revised Loan Committee Housing Notices H 2010-13 and H 2011-04.

In accordance with Notice H 2011-35, some of the significant changes are as follows:

- Section 223(a)(7) transactions, involving the refinancing of already-insured loans will no longer be reviewed by the National or Hub Loan Committees.

- No Loan Committee review is required for Section 221(d)(3)(4) new construction/substantial rehabilitation applications if the loan amount is less than \$5 million, or the unit count is less than 75 units.
- No Loan Committee review is required for Section 223(f) and 221(d)(4) rental assistance or tax credit projects, if the loan amount is less than \$20 million, or less than 200 units.
- Hub Loan Committee review is required for Section 221(d)(3)(4) new construction/substantial rehabilitation applications if the loan amount is from \$5 million to less than \$25 million, or the unit count is 75 to less than 250 units.
- Hub Loan Committee review is required for Section 223(f) and 221(d)(4) rental assistance or tax credit projects, if the loan amount is from \$20 million to less than \$50 million, or the unit count is from 200 to less than 350 units.
- National Loan Committee review is required for Section 221(d)(3)(4) new construction/substantial rehabilitation applications if the loan amount is greater than \$25 million, or the unit count is 250 units or more.
- National Loan Committee review is required for Section 223(f) and 221(d)(4) rental assistance or tax credit projects, if the loan amount is greater than \$50 million, or 350 units or more.
- National Loan Committee review is required for all Section 220, 231, and 221(d)(4) age-restricted applications, regardless of the loan amount or unit count.
- National Loan Committee review is not required for Section 223(f) refinancing or acquisition transactions for age-restricted housing, including former Section 202 projects.



- National Loan Committee reviews are not required for substantial rehabilitation projects previously financed under Section 202 or currently FHA-insured with project-based Section 8 assistance.

### **Transitioning from Nursing Homes**

The housing consulting firm of Diana T. Myers and Associates, Inc. has received funding from the State of PA to assist residents with disabilities who are transitioning from nursing homes to community-based settings.



The impetus of this work, is a Supreme Court decision *Olmstead v. LC* (based on Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act) in which the Court held that unjustified institutionalization of people with disabilities is a form of unlawful discrimination under Title II.

At the President's request, the Secretaries of HUD and the Department of Health and Human Services began a collaboration to further the integration of disabled persons into the community. HUD's Section 504 regulations impose an affirmative obligation on Public Housing Authorities to assess the housing needs of persons with disabilities in their local service area, which includes persons transitioning from institutional to community-based settings. Compliance will be monitored by HUD's FHEO Division.

Ms. Myers is available to provide free assistance to project owners to expand housing opportunities, to link housing providers to sources of subsidies, to enhance units with technology and accessible features, to conduct training (tenant and landlord rights, fair housing laws, safety/liability issues, disability awareness, available services, and housing assistance), as well as other services.

Her contact information is as follows:

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### **HUD Language Line**

In an effort to provide outstanding customer service to limited proficient (LEP) clients, HUD is now offering the HUD Language Line—a live telephone interpretation service that helps HUD employees communicate with the public in more than 175 languages.



Operational 24 hours a day, the language line enables HUD employees to better inform LEP individuals and families about HUD housing, programs, services, and activities.

Here is how it works:

- Someone from the public who doesn't speak English calls the local HUD office.
- The HUD employee then calls the HUD Language line.
- A live operator will answer the call to gather information from the HUD employee before connecting him/her with an interpreter. Once connected to the interpreter, a 3-way conference call will be established between the HUD employee, the caller, and the interpreter.

### **NAHMA Educational Fund**



The PennDel AHMA is to be applauded for donating \$16,000 to the NAHMA Educational Foundation.

All high school seniors, high school graduates, and adults holding a high school diploma or GED living at a PennDel AHMA "affiliated property" are invited by the Board of Directors of the National Affordable Housing Management Association (NAHMA) Educational Foundation to apply for \$1,000 scholarship grants for higher education to be awarded for the 2012/2013 school year.

The NAHMA Educational Foundation issues this invitation to distinguished residents who are pursuing some type of higher education in college, university, community college, trade/ professional school or institute. The application deadline is May 18, 2012. The scholarship's application can be found online at:

<http://nahma.indatus.com/application/>

### EIV Existing Tenant Search Clarification

Recently HUD has been asked to clarify what documentation is needed in an applicant's file if the applicant household is rejected for a reason identified in an owner's Tenant Selection Plan. The policies for rejecting applicants have not changed with the addition of the EIV Existing Tenant Search screening criteria.



HUD Handbook 4350.3 REV-1, paragraph 4-9 allows an owner to reject an applicant if the applicant is ineligible for occupancy in a particular unit or property. There are several program and project eligibility requirements that must be met by an applicant household. If an applicant fails to meet one of these eligibility requirements, the applicant is considered ineligible for occupancy and must not be housed from the waiting list. Accordingly, once the applicant is determined to be ineligible for occupancy, there is no need to continue screening the applicant household for any other eligibility factor, including the EIV Existing Tenant Search. The applicant file must contain documentation demonstrating ineligibility, but does not necessarily need to contain the EIV Existing Tenant Search.

If an applicant household is being housed from the waiting list, the EIV Existing Tenant Search, along with all other program and project eligibility requirements, must be performed and the documentation must be retained in the tenant file.

### Choice Neighborhoods Grants

A Notice of Funding Availability has been published for FY12 Choice Neighborhoods Implementation Grants. It is expected that 4-5 grants, up to \$30 million each, will be awarded. Applications are due on April 10, 2012.

The three goals of the program are to: 1. Transform distressed public and assisted housing into viable energy efficient, mixed-income housing, 2. Support positive outcomes for families who live in the target development(s) and the surrounding neighborhood, and 3. Transform neighborhoods of poverty into viable, mixed-income neighborhoods with access to well-functioning services, high quality public schools and education programs, high quality early learning programs and services, public assets, public transportation, and improved access to jobs.

More information is available at: [www.hud.gov/cn](http://www.hud.gov/cn).

### FY 2012 Appropriations

There have been no funds appropriated for Section 202 or 811 Capital Advances in FY 2012. However, NOFAs will be issued for the following programs:

*Section 202 SPRAC*- Estimated \$16 million (Note: not a floor or a cap); Notice is expected March 2012



- The Section 202 Act authorizes a new form of rental assistance, called Senior Preservation Rental Assistance Contracts (SPRACs), to be provided in the refinancing of certain Section 202 projects where no debt service savings is anticipated and where unassisted residents would otherwise face potential rent increases. See Section 204 of the Section 202 Act: <http://www.gpo.gov/fdsys/pkg/BILLS-111s118enr/pdf/BILLS-111s118enr.pdf>.

*Section 202 ALCP*- Approximately \$25 million

- The Section 202 Act also authorizes an expansion of the Assisted Living Conversion Program to facilitate delivery of long term supports and services to frail elderly through "service-enriched housing", which does not require licensure as an assisted living facility. For more details, see: <http://www.gpo.gov/fdsys/pkg/BILLS-111s118enr/pdf/BILLS-111s118enr.pdf>.

*Section 811 PRAD*- Approximately \$75 million

- The Frank Melville Supportive Housing Investment Act of 2010 authorized new Project Rental Assistance funding under Section 811. Under this authority, state Housing Finance Agencies that have entered into partnerships with state health and human services/Medicaid agencies can apply for Section 811 Project Rental Assistance for new or existing affordable housing developments funded by LIHTC, HOME, etc. In FY 2012, these funds will be issued through a Project Rental Assistance Demonstration Project (PRAD). For more details, see:

[http://811resourcecenter.tacinc.org/policy-programs/section-811-project-rental-assistance-\(pra\)-option-for-state-housing-agencies](http://811resourcecenter.tacinc.org/policy-programs/section-811-project-rental-assistance-(pra)-option-for-state-housing-agencies) for a brief description of the program.

## **Bedbugs- A Part of Our Culture?**

The war on bedbugs was winnable, experts say. When the pesky insects were brought into U.S. airports and hotels by international travelers, in the late 1990s and early 2000s, a focused attack could have eradicated them. But no one talked about bedbugs then. And by the time the widening epidemic was noticed by the general population, in the late 2000s, it was too late.



At that point, heightened awareness could have helped stop bedbugs from gaining a new foothold in the United States. But bedbugs carry with them a stigma- they're "dirty." People and places with bedbugs are labeled unclean, messy, and unsanitary. So hotels- the ground zero for early bedbug issues- handled their problems quietly. It wasn't until the problem grew so quickly that it made news reports in the mid-2000s that awareness and attention to the problem began to increase. By then, it was too late, Cooper said.

It's no small irony that a problem, commonly associated with poverty and unsanitary conditions, actually was brought to the U.S. by the middle and upper class international travelers who picked up the insects in South America, Africa and Asia, and brought them back to American shores in luggage and clothing. And it was the swankier New York hotels where the bedbugs were first spotted a decade ago. Today, however, it is poorer communities where bedbugs have found their foothold. But it's not a matter of cleanliness, Cooper said. It's a matter of money.

The last time the U.S. experienced a bedbug problem of this magnitude was the 1940s and 1950s, experts say. That infestation was handled effectively with pesticides, primarily DDT- now a banned chemical. Because the modern bedbug is resistant to most modern pesticides, ridding a home of bedbugs is a months-long, multi-layered process. It's time-consuming and expensive, ranging anywhere from a few hundred dollars to more than \$1,000, depending on the extent of the infestation, the exterminator and the specific eradication program. Poorer families might not be able to afford an extensive treatment program, however. That means an in-home bedbug problem might be temporarily stifled, but not fully eliminated, because families can't afford additional treatments. Renters might choose to move rather than pay for treatments- leaving the bedbugs for the landlord and new tenants to deal with, and perhaps carrying some of the bugs with them to a new home.

According to Richard Cooper, an entomologist and

technical director of Cooper Pest Solutions in Lawrenceville, NJ, humans are in for a long, entrenched war whose progress will be measured in years. New Jersey is in the heart of the Northeast's bedbug outbreak. Located between two major urban infestations- New York City is No. 1 (according to a 2011 Terminix ranking of the most infested U.S. cities) and Philadelphia is No. 5- reports of bedbug problems are increasing in the Garden State as the pest makes its way from city centers into the suburbs and their public spaces, like public buildings, theaters, jails, hospitals, and schools.

Earlier this year, Cooper was awarded a \$100,000 education and outreach grant by the U.S. Environmental Protection Agency. He's using the money to develop a plan that will educate low-income and multifamily housing dwellers about bedbug resistance, as well as develop a pest management program aimed at apartment buildings and other places where bedbugs can take root. In addition, there are also 12 to 14 universities with urban entomology studies that look at all aspects of bedbugs, from molecular to behavioral to chemical, to applied sciences such as pesticides.

Moreover, exterminators now have accumulated more than a decade's worth of data and experience on the best way to handle bedbugs. Considering that more than a generation of exterminators never saw a bedbug, they have achieved significant field experience in a relatively short period of time. Today, extermination programs use a combination of not only pesticides, but also natural methods that kills bedbugs with extreme heat or extreme cold, as well as eliminating their habitats.

"In 2011, everyone is aware that bedbugs are real, but the average person doesn't believe it's something that will affect them," Cooper said. "It's a lot like health. You know eating right and physical fitness is good for you, but we don't engage in it because we don't think anything bad will happen to us. Bedbugs are like that. While we hear and read it's not about hygiene or housekeeping and it can happen to anyone, it doesn't register. Now they're going to be a part of the culture."

## **Quick Energy Fact**



New Jersey ranks second nationwide in the number of solar installations, with more than 11,000, behind only sunny California.

### **City of Newark- On the Way Up**

In Newark there are approximately 25 active development projects throughout its downtown and neighborhoods. While the city will never have the profile of a New York City or Chicago, it is back from the precipice and is on the way up.



Newark's upward trend can be seen in major projects like the Prudential Center, the New Jersey Performing Arts Center, accompanying development downtown, and concentrated efforts to provide housing options for large African, Haitian and Latino immigrant populations.

Investment of \$700 million in either projects that are under way or recently completed have meant more bricks being stacked for "Brick City." Newark Deputy Mayor of Economic and Housing Development Adam Zipkin said 2,500 construction jobs have resulted from efforts city-wide. "I think we're going to see that trend continue. Our downtown will continue to become a vibrant 24/7 downtown. We'll continue to build our port."

Several development efforts are responsible for the influx of jobs. Marriott is planning a hotel for a lot adjacent to the arena, giving Newark its first new downtown hotel in almost 40 years, while an Indigo Hotel is expected to open in a renovated space nearby. Wakefern, owner of an 180,000-square-foot, temperature-controlled food distribution center, is set to open in the East Ward this year, bringing 100 jobs. Damascus Bakery plans to move from Brooklyn to the South Ward next year, as well to expand and create as many as 200 new full-time jobs.

The city has "first source" agreements in place with new companies to provide commitments for permanent jobs to local residents. "We're trying to connect residents to opportunities and jobs that are coming here," Zipkin said. "In the neighborhoods, we have affordable mixed income housing happening around the city."

Expanding affordable housing to Newark's distressed neighborhoods received a boost in early December when nonprofit community building lender New Jersey Community Capital received a \$4 million grant from Chase. That's Newark's share of a \$20 million grant the banking firm split among seven towns nationwide. More than 250 homes in Newark are in the process of being renovated or are newly constructed through the investment of \$14 million in public dollars. That leverages more than \$41 million of neighborhood reinvestment.

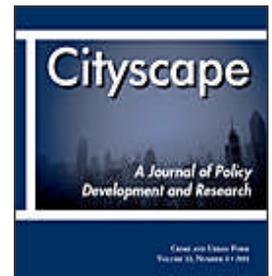
Census data shows Newark's population grew for the first time in 30 years and the city is busy ensuring housing

downtown and Ironbound. It's hard to channel them to go to the neighborhoods where they're not focused. What we can do is go after abandoned properties and create conditions where private investment potential can follow," Zipkin said.

A pilot project in the West Ward resulted in the acquiring of dozens of abandoned and foreclosed homes and transferred them to local minority developers, transforming them from blighted eyesores to affordable housing units. The Chase grant could acquire another 250 properties citywide.

### **Crime and Urban Development Patterns**

The final issue of *Cityscape* for 2011 featured a symposium that examined crime and urban form. Guest editor Ronald E. Wilson presented a small sample of research illustrating the use of geographic analysis as a means of better understanding crime in relation to urban development patterns.



Related articles, by other authors, covered the following topics: the effects of place-based policies that restrict where sex offenders live; the interaction between juveniles, the neighborhoods where they live, and the recidivism programs they participate in; the geographic factors that link crime with nearby crimes; the effects of resident relocation as a result of a HOPE VI program in Lexington, Kentucky; the displacement of crime as a result of a HOPE VI redevelopment in Milwaukee, Wisconsin and Washington, DC; whether Housing Choice Voucher program participants move to safer neighborhoods; and how to mathematically model urban geography to understand how urban structure affects criminal behavior.

The issue also features short analytical works, including "Graphic Detail: Visualizing Racial Segregation Differently: Exploring Geographic Patterns in Context," "A Beginner's Guide To Creating Small-Area Cross-Tabulations," and "The Impact of Home Energy Retrofit Loan Insurance: A Pilot Program."

The articles can be read, in their entirety, at:

[www.huduser.org/portal/periodicals/cityscpe/vol13num3/index.html](http://www.huduser.org/portal/periodicals/cityscpe/vol13num3/index.html)

### **Perfect REAC Score– Section 811 Project**

Congratulations to Co-Mans Supported Housing II for receiving a perfect 100 REAC physical inspection score.

## **New Equal Access Policy**

HUD published its final rule "Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity" in the *Federal Register*. The rule has an effective date of March 5, 2012.



The following are the main components of the rule:

- Requires owners and operators of HUD-assisted housing, or housing whose financing is insured by HUD, to make housing available without regard to the sexual orientation or gender identity of an applicant for, or occupant of, the dwelling, whether renter- or owner-occupied. HUD will institute this policy in its rental assistance and homeownership programs, which include the Federal Housing Administration (FHA) mortgage insurance programs, community development programs, and public and assisted housing programs.
- Prohibits lenders from using sexual orientation or gender identity as a basis to determine a borrower's eligibility for FHA-insured mortgage financing.
- Clarifies that all otherwise eligible families, regardless of marital status, sexual orientation, or gender identity, will have the opportunity to participate in HUD programs. HUD's rule clarifies that otherwise eligible families may not be excluded because one or more members of the family may be an LGBT individual, have an LGBT relationship, or be perceived to be such an individual or in such relationship.
- Prohibits owners and operators of HUD-assisted housing or housing insured by HUD from asking about an applicant or occupant's sexual orientation and gender identity for the purpose of determining eligibility or otherwise making housing available. However, this provision does not prohibit voluntary and anonymous reporting of sexual orientation or gender identity pursuant to state, local, or federal data collection requirements.

A copy of the final rule can be found at:

<http://www.gpo.gov/fdsys/pkg/FR-2012-02-03/pdf/2012-2343.pdf>

## **"Perfect Match"**

There is a new rental website, Inhabi, that leverages technology to create a more efficient way to match renters up with landlords.



Inhabi follows an eHarmony-style online dating platform. Renters create a free Inhabi account, fill out a profile about who they are and what they're looking for— whether its hardwood floors or a quick commute to work— and get "matched" with potential landlords. Landlords get notified when a renter matches one of their properties and responds through Inhabi, which makes money by supplying the renter's contact information.

The following website is expected to be expanded to other cities in the future: <http://inhabi.com/>

## **Tune-Up Your HVAC System**



All HVAC (heating, ventilation, and air conditioning) systems are tested, adjusted, balanced, and commissioned when they are installed in buildings, but modifications and age take their toll. Trunk lines may have been changed or broken, vents may have been turned off during repair work, or ducts and air registers may not be

connected.

The following tests should be performed to test your HVAC system, in order to insure the comfort of your tenants:

- Duct Leakage Assessment— to determine if air is being delivered to the occupants or is being by-passed.
- Performance Assessment— to understand how the air conditioning and heating apparatus actually handles its entering and leaving air conditions.
- Mechanical Failures Assessment— to identify failures of motors, thermostats, or valves.
- Balancing Assessment— to insure that the building's dampers are properly balanced.

## **Loan Closings**

The following FHA-insured loans closed during the month of January: PA— Heritage House and Coatesville Towers; and NJ— Village Apartments of Cherry Hill.

