

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



Vol. 11 No. 10 Encarnacion Loukatos, Hub Director Thomas.Langston@hud.gov, Editor July 2012



www.hud.gov/local/shared/working/r3/mfhsq.cfm?state=pa

Inside this Issue:

Tenant Resource Network Grant.....Pg. 1

DUNS Compliance.....Pg. 1

New Employee.....Pg. 1

Fast Energy Fact.....Pg. 1

New Bedbug Device.....Pg. 2

Common Danger Zones.....Pg. 2

Green Technologies.....Pg. 2

Health Worker Screening.....Pg. 2

Lead Exposure Standards.....Pg. 3

Refinancing Section 202 Loans.....Pg. 3

EIV Update.....Pg. 4

Loan Closings.....Pg. 4

Vertical Garden.....Pg. 4

Revision Section 8 Renewal Guide.....Pg. 4

Insulation of Floors.....Pg. 5

America Housing Survey.....Pg. 5

Fire Extinguishers.....Pg. 5

Tenant Turn-offs.....Pg. 5

Housing Crisis in Boomtowns.....Pg. 6

Focus on Hudson County.....Pg. 6



Tenant Resource Network Grant

In an effort to help low-income tenants receiving Section 8 project-based rental assistance and to preserve affordable housing, HUD has awarded nearly \$5 million to 15 nonprofit organizations through HUD's new *Tenant Resource Network (TRN)*. In the Philadelphia Hub, the Housing Alliance of Pennsylvania was the recipient of a \$200,000 grant.



The purpose of TRN is to make grants to qualified nonprofit organizations to assist, inform, educate and engage tenants living in certain Section 8-assisted properties at risk of losing affordability protections or project-based rental assistance.

"The Tenant Resource Network is designed to help working families who are at greatest risk of being priced out of their rental market," said Carol Galante, Acting Assistant Secretary for Housing. "The whole purpose of this program is to empower families living in HUD-assisted housing, giving them the information and options they need to stay in their homes."

One goal of the TRN program is to assist tenants living in project-based Section 8 housing regarding their rights, responsibilities, and options when a property owner "opts-out" of the program, pre-pays his mortgage, or repeatedly fails to meet HUD's housing standards. The second purpose of the program is preservation of HUD-assisted affordable

housing by engaging tenants in efforts to preserve eligible properties as affordable housing.

DUNS Compliance

We are pleased to advise that 99.9% of all projects in the Philadelphia Hub are in compliance with the requirements in H 2012-6, Notice Requiring Owners with Project-Based Section 8 Rental Assistance Contracts or Section 202 or 811 Project Rental Assistance Contracts or Rental Assistance Payments or Rent Supplement Contracts to Obtain Dun and Bradstreet Number System (DUNS) Numbers and to register in the Central Contractor Registration (CCR), issued on April 25, 2012.



As a result, please discontinue remitting the Certification Form to your local HUD Program Center.

New Employee



The Philadelphia Hub welcomes a new employee, Peggy Verenna-Doebbeling.

Ms. Verenna-Doebbeling started work in the Newark Program Center, on June 4, 2012, as a Project Manager in the Asset Development Branch.

Fast Energy Fact

Six in ten people cite a lack of knowledge about energy-saving products as a major reason they don't do more to conserve."

(Source: AP-NORC Center poll)

New Preventative Bedbug Device

A new bedbug protective device, Bed Defense has been developed that purports to repel and prevent infestations. The product looks similar to an ant trap and is, based on naturally derived ingredients (lactic acid, glycerin, hops flower oil, rosemary, and silicone dioxide). It simply slips under a mattress or near a mattress to provide 24-hour coverage.



While HUD cannot endorse this or any other product or service, we feel that it is important to bring this information to your attention.

You can learn more about this innovative product at:

www.beddefense.com

Common “Danger Zones”

Fire and water damage are the costliest disasters that can strike a building. Here are a few simple precautions that you can take to keep trouble at bay:



- Remind tenants to never leave burners unattended when in use and to store combustibles, such as paper towels or pot holders a safe distance away.
- Change the batteries of smoke detectors at least once a year. Replace models more than 10 years old.
- Remove leaves and debris from gutters every spring and fall to prevent water from pooling around the foundation.
- Replace old circuit breakers with arc-fault circuit interrupters, which cut electricity when they sense danger.
- Insulate exposed water pipes with foam sleeves. Before winter, turn off the water supply to outdoor spigots and leave the taps open to relieve internal pressure.
- Brush or vacuum lint buildup around the dryer lint filter after every use.
- Replace washing machine rubber hoses with braided steel ones (to prevent bursting), and check them regularly for leaks and loose connections.
- Store portable gas grills at least 10 feet away from the building and not in an enclosed area. Check the gas-supply hose for cracks regularly and replace it when worn.

10 Proven Green Technologies

HUD has identified 10 proven and affordable green building technologies. They are organized into a matrix composed of four categories: Building Envelope, HVAC, Management and Use, and Water.



Each product features a brief description for general reference; technical overviews are addressed by the resources highlighted in the “Additional Information” section. These entries have a track record of providing savings, are affordable across building types and scales, and are viable in diverse climates. This document is not intended to be a comprehensive exercise in quantifying green building strategies or elevating every high-return-on-investment (ROI) product. Instead, it is a simple, accessible, cogent tool to educate and motivate owners and builders about the economics of green building.

This information can be viewed at:

http://www.huduser.org/portal/sustainability/ten_tech.html

New Health Worker Screening Process

Effective June 4, 2012, the PA Department of Aging began an electronic fingerprinting process to screen people applying to work in long-term care facilities or home health care agencies.



The Older Adults Protective Services Act requires applicants and employees of long-term care facilities, home health care agencies, and other agencies to undergo a criminal history background check. They must also obtain criminal history record reports through the Pennsylvania State Police (PSP).

Applicants who have not been a Pennsylvania resident for at least two years must obtain criminal history record reports from both PSP and the Federal Bureau of Investigation (FBI). Previously, the department processed fingerprints manually. It is moving toward a more efficient and effective method that will be compatible with law enforcement and other screening processes.

Cogent Systems, a company that provides services for several other state departments, will handle the fingerprinting.

New Lead Exposure Standards

In an important shift, the Center for Disease Control (CDC) cut in half the amount of lead that will trigger medical monitoring and other actions in children ages 1 to 5. Now any child with more than 5 micrograms per deciliter of lead in their blood will be considered at risk. The new guidelines increase the patient population nationwide to about 442,000 from about 77,000 using the latest available data. (The CDC had previously said about 250,000 were affected under the current standard.)



"It's about time," says John Rosen, a professor of pediatrics at Children's Hospital at Montefiore in New York City. Pediatricians will be on alert about the "enormous impact that a blood lead level of 5 can have, forever, on a child's life and future academic success." Children can be exposed to lead from a variety of sources. While lead-based paint is the best-known source, a recent *USA TODAY* investigation revealed the overlooked danger posed by lead-contaminated soil around forgotten factory sites that spewed lead particles into neighborhoods for decades before closing in the 1960s or 1970s. Other sources of exposure include soil contaminated from years of leaded gasoline emissions.

Lead exposure is especially dangerous in children 6 years old and younger because their brains are developing. It can cause cognitive and behavioral problems, learning disabilities and at high levels seizures and even death. Multiple studies have shown impairment at levels below 10. A report by the National Toxicology Program found that blood-lead levels lower than 5 can lead to "losses in IQ, cognitive and academic impairment as well as ADHD," Rosen says.

The new guidelines are based on recommendations made by the CDC's Advisory Committee on Childhood Lead Poisoning Prevention work group that called for the replacement of the 20-year-old standard of 10 micrograms per decilite. "Until now, almost all laboratories would have told parents that if a child's blood-lead levels are less than 10, they're fine," says Perry Gottesfeld, who co-chaired the CDC advisers' work group.

Another major shift is that the CDC says the goal is no longer testing and treating, but instead making sure kids aren't exposed in the first place. There's no good treatment. Prevention is the only way to make sure kids are growing up to their fullest abilities, so they're not impaired from a neurological standpoint," Gottesfeld

says. To help minimize lead exposure, the CDC recommends the following:

Keep surfaces clean: Household dust can be a major source of lead exposure for children. It can come from deteriorating lead-based paint in older homes, but also from lead-contaminated soil that is tracked into homes or picked up on the wind and blown through windows. Leave shoes at the door to avoid tracking contaminated soil inside. Wet-mop floors and wet-wipe surfaces, especially window ledges, regularly.

Create a barrier: Avoid letting children play in bare soil, especially in a city. Laying down a thick layer of sod, mulch or even a blanket can reduce their exposure to lead dust in soil. Consider replacing contaminated soil with clean dirt. Keep children's play areas and vegetable gardens away from the "drip-line" around the base of homes or garages, where soil is more likely to be contaminated from airborne lead particles and flaking paint.

Wash up: Children are exposed to lead dust by putting dirty hands or toys in their mouths. Wash hands and toys frequently.

Eat well: Good nutrition can protect children from the effects of lead exposure. Children who don't get enough calcium and iron absorb more lead.

Because it's a moving target, the exposure standard is likely to slowly fall as environmental levels of lead decrease, given lowered pollution and the fact that lead is no longer allowed in paint. The advisory panel suggested that the CDC reset the trigger level every four years, Gottesfeld says.

Prepayment & Refinance of Section 202 Loans

HUD has issued Notice H 2012-8, *Updated Requirements for Prepayment and Refinance of Section 202 Direct Loans*.

The 23-page Notice covers the following topics:

The types of prepayments that require or do not require HUD approval, refinancing resulting in reduction of debt service, allowable uses of loan proceeds, HUD monitoring of loan proceeds, physical needs of projects, structure of the transaction, tenant involvement, and owner submission requirements/process to request prepayment approval.

The notice can be read or downloaded at:

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



EIV System Update

The Enterpriser Income Verification (EIV) system has been updated. Below are the new functionalities that have been added to version EIV 9.3:



User Certification

- Removed the step to certify the user after approval of CAAF or UAAF. User Certification now happens when a CAAF or UAAF is approved.

Income Reports Income Reports By Head of Household/Contract No./Project No.

- Fixed the discrepancy in decimal amount between the income by head of household and the income by contract and project detail reports.

Verification Reports

- Deceased Tenant Report- Individual month options have been removed leaving only the ability to choose "All" months.
- Identity Verification Reports- Individual month options have been removed leaving only the ability to choose "All" months.
- Number of households represented as Not-Verified (verification in process) is now a clickable link which identifies individuals who have not yet been verified by SSA. The report is arranged by head of household.

System Functionality

- Java Errors- Fixed Java error when displaying Dual Entitlement payment history by head of household, or by the SSN link from the summary page.
- Fixed the Java error when printing the Existing Tenant Search report.

Loan Closings

The following FHA-insured loans closed during the month of June 2012: NJ- Warren J. Lockwood Village and Winteringham Apts.; PA- 2400 Chestnut Street and Cherry Hill Apts.; DE- Maryland Park Apts.; and WV- Summersville Place.



Vertical Pallet Garden

It is a known fact that community gardens not only increase access to affordable, healthy food for residents, but create an opportunity to engage residents in taking a hands-on approach to improve their community.



HUD promotes the use of gardens to help residents in low-income areas make their neighborhoods safer, to create more green space, and as beautification projects. Such gardens also help to engage residents in physical activity through maintaining the gardens and to promote healthful eating.

Despite these beneficial effects, garden plots are sometimes not practical, due to limited space, especially in inner-city areas. As an alternative, managers might want to consider a space-saving vertical pallet garden.

With vertical pallet gardening, you plant on a wooden pallet or metal panel, then attach it to a wall or prop it up against a deck or balcony railing.

Here are the "how-to-do" instructions:

- Obtain a pallet from any retail or industrial space.
- Staple landscape fabric to the back of the pallet.
- Snake a soaker hose along the back of the pallet.
- Lay the pallet down and fill the spaces 2/3 full with soil.
- Plant your plants or vegetables (32 per pallet).
- Arrange the plants so that they get enough light.
- Leave the pallet flat for 2 weeks to establish the plants.
- Stand the pallet up and attach it to a wall or balcony railing.

You will be amazed how this patch of green living plants, will change the daily outlook of your tenants!

Revision to Section 8 Renewal Policy Guide

A revision was issued, on May 19, 2012, to the *Section 8 Renewal Policy Guide Book*. The revisions cover the termination and renewal of Section 8 contracts, the use of current debt service in a budget-based rent increase, and procedures when rents in a Rent Comparability study are above 110% of Fair Market Rent.



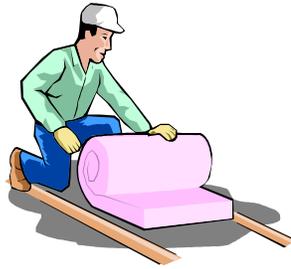
The revisions can be downloaded at:

<http://www.hud.gov/offices/hsg/mfh/mfhsec8.cfm>.

Insulation of Floors

Not all insulation is the same. In a building, it will vary by location. Here is a brief description of insulation types by floor:

- Basement/Below Grade– Rigid foam board or fiberglass batts covered with drywall.
- Main floors/above grade– Loose fill or spray foam for frame construction. Rigid foam board, blankets, or batts for masonry with a surface installed on top.
- Envelope– Cladding over rigid panels applied to existing substrate.
- Spaces Below Roof– Spray foam or loose fill in attics.
- Roof– Spray foam, blanket, or rigid foam for flat roofs. (Oriented strand board can be added over rigid foam for an extra layer).



America Housing Survey Report

A new report based on American Housing Survey data, "*Housing Units that Serve Both the Renter and Owner Markets*," is available on the HUD USER web site.

This study uses linked American Housing Survey data over the period 1985-2009 to examine the characteristics of units that change tenure between owner occupied and renter-occupied, in either direction. It finds that the most important distinguishing characteristics are structure type and size.

Single-family attached units have a higher incidence of tenure change than do single-family detached units or units in multi-unit structures. Smaller units, as measured by number of bedrooms, have a higher incidence of tenure change than larger units. Units tend to maintain the same tenure for long periods of time.

As one might expect, there's a higher incidence of units that change tenure, as well as a higher incidence of renter occupied units in general, in metropolitan areas that are undergoing rapid population growth. Rapid growth puts pressure on the renter market, as in-movers frequently rent before buying, and are often younger and more likely to rent than to own.

The report can be read in its entirety at:

http://www.huduser.org/portal/datasets/ahs/ahs_renter_and_owned_markets.pdf



Monitoring Fire Extinguishers

Digital sensors are a new way for a property manager to monitor a building's fire extinguishers. By being connected to a fire alarm or security system, they can be a big saver of time and labor.

Electronic monitoring systems use smart gauges to continuously check for pressure fluctuations and charge status. When equipped with an obstruction sensor, it can also detect if the fire extinguisher is blocked, has been tampered with, or is missing from its mount. Such systems are of great value in large buildings, multiple properties, or where vandalism is a problem..



Prospective Tenant turn-Offs

As the saying goes, "image is everything." Keeping projects neat and clean is not only easy to do; it is generally an inexpensive way to attract customers and create a pleasant property atmosphere.



Owners and management agents should take a look around their projects. Do any of the following situations exist? Here are some ways that you may be turning off prospects:

- Poor Signage
- Lackluster Curb Appeal
- Unkempt Parking Areas
- Abhorrent Amenities
- Messy Models
- Handwritten/Unprofessional Notices
- Burned-out Bulbs or Poor Lighting
- Offensive Odors
- Disorganized Desks or Work Areas

One way to avoid these situations is to create a daily checklist and use it religiously. It is easy to overlook seemingly small details when you work in the same spaces day after day.

Housing Crisis in PA Boomtowns

The production of natural gas since 2005 from the Marcellus Shale formation- a formation buried deep beneath the surface that contains untapped natural gas reserves- is proving to be an economic boon for the state of Pennsylvania. The natural gas fields can be found beneath 60% of Pennsylvania's total land mass, stretching from the southwestern portion of the state to the northeast corner. In many parts of the state, the rapidly expanding natural gas industry has created jobs as well as royalties for property owners with wells developed on their land, spurring the first substantive economic development in years. However, this rapid expansion challenges local governments to deal with a lack of affordable housing.



Counties with the highest drilling activity in southwestern and north central Pennsylvania are facing an affordability crisis as an influx of workers caused housing demand to spike amid an already inadequate housing supply. In some of the most supply-constrained areas, rents have tripled over the last few years. And although the effects of the housing shortage have rippled throughout the market, they disproportionately affect low-income residents faced with limited housing options. In response to these growing challenges, the State of Pennsylvania passed legislation, in February 2012, that allows local governments to assess impact fees on developers of natural gas wells within their jurisdiction.

Act 13 creates two funding streams for housing: one for local and county governments that adopt the fee and the other for the Pennsylvania Housing Affordability and Rehabilitation Enhancement (PHARE) fund, which was created in 2010 but not funded. The local share is not exclusive to housing and can be used for various community needs, whereas the money allocated to the PHARE fund will be devoted entirely to housing.

In the impact fee's first year, \$50,000 will be assessed for each nontraditional gas well in the Marcellus region drilled before 2012. A portion of the total revenue generated (\$5 million a year) will be directed to the PHARE fund. The Housing Alliance of Pennsylvania estimates that with a steady revenue source the Pennsylvania Housing Finance Agency (PHFA)- which administers the housing fund- could generate up to \$70 million by financing a bond.

In addition to its financial benefits, Act 13 has helped draw attention to the affordable housing crisis, fostering innovative strategies and expanding public-private

partnerships across the state. At a housing summit held at Lycoming College in Williamsport, local governments, nonprofit organizations, and developers exchanged ideas about creating housing solutions.

Thinking critically and creatively about the use of the PHARE Fund is essential to informing how the PHFA allocates its resources. The agency is currently asking the public for input about how to allocate Act 13 funds. Because of the complexity of the issue and the diverse challenges facing communities and regions, a one-size-fits-all approach is unlikely. Brian Hudson, Executive Director of the state's housing finance agency, highlights the responsive role the PHARE fund will play in meeting the needs of local governments. "We are considering numerous strategies, from rental assistance to helping establish community development and faith-based organizations in regions that lack capacity and technical expertise. At this point, nothing that fits within the parameters of the legislation is off the table, and the public comment process is allowing (the PHFA) to vet ideas."

Focus on Hudson County, NJ

Hudson County is the smallest of New Jersey's 21 counties at 62 square miles. However, its population of 634,266 makes it the 6th most densely populated county in the U.S. at 13,495 people per square mile. Despite its small size, it rules the rental market in New Jersey. One of reasons for this is its close proximity to the hot rental market in New York. It has the largest supply of Class A units- around 13,000- and commands the highest average rental rates of any part of the state. Developers are already at work on, or have recently announced, projects that would add several thousand more units in waterfront communities, like Hoboken, Jersey City, and Weehawken, and hundreds of other units elsewhere.

Developers have stated that Hudson County is one part of the state where the economics still work. Rentals have increased 7-8% in the county, and as much as 10% at some waterfront buildings, while vacancy rates have decreased steadily since early last year. The average monthly rent was more than \$2,600.

Builders with projects in the development stage are: The Manhattan Company- Jersey City (20 story tower); Fields Development Corp.- Paulus Hook (131 units); Advance Realty Group- Hoboken (140 units); Mack-Cali Realty Corp./Ironsides- Jersey City (500 units); Hartz Mountain Industries/Roseland Property Company- Weehawken (589 units); Ironstate/Kushner Real Estate Group- Jersey City (422 units); Roseland Property Company- West New York (316 units); and LeFrak- Jersey City.