

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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Inside this Issue:

New ADA Standards.....Pg. 1
New Deputy Secretary.....Pg. 1
Smart Rehab Program.....Pg. 2
HOPWA Award.....Pg. 2
Housing Ex-Offenders.....Pg. 2
Need for Section 8 Housing.....Pg. 3
Title VII & Section 504.....Pg. 3
Revised Notice on Infestations.....Pg. 3
High Cost Areas.....Pg. 3
Top Performing WV Projects.....Pg. 4
FY 12 AAFs.....Pg. 4
Top 5 Building Trends.....Pg. 4
DUNS Numbers.....Pg. 4
Conversion PA State Building.....Pg. 5
Section 202 Refinancing.....Pg. 5
"Green" Cleaning Products.....Pg. 6
Independent/Affordable Living.....Pg. 6
A Rescue Story.....Pg. 7
Loan Closings.....Pg. 7
Martha's Vineyard.....Pg. 7
Smoking Expense.....Pg. 7

New ADA Design Standards

On March 15, 2012, the 2010 Americans with Disabilities Act (ADA) Standards for Accessible Design went into effect. The standards set new requirements for fixed or built-in elements in facilities such as swimming pools and play areas. The rules also clarify and refine issues that have arisen over the past 20 years, including service animals, reach ranges, toilet room dimensions, and accessible routes.



Specifically:

- The definition of "service animal" is now limited to a dog that is individually trained to do work or perform tasks for an individual with a disability. The task(s) performed by the dog must be directly related to the person's disability.
- Access to parking, routes to the playground, playground equipment and amenities (picnic tables and restrooms) is addressed.
- Playground equipment is now required to be accessible.
- Swimming pools, wading pools, and spas (pools) must be accessible.
- Newly constructed or altered places of public accommodation, commercial facilities and state and local government facilities are required to comply with the ADA Standards.

The standards can be found at:

www.ada.gov/2010ADASTandards_index.htm

New Deputy Secretary

Maurice A. Jones was confirmed by the U.S. Senate, on March 29, 2012, as HUD's Deputy Secretary. Mr. Jones brings decades of public and private management experience to the Department.



His previous position was President of Pilot Media, and publisher of the *Virginian Pilot*, a position he has held since 2008. Previously, he served as Vice President of the Landmark Publishing Group within the Landmark Media Enterprises, where he coordinated strategic planning efforts of several Landmark newspapers. He also served as Commissioner for the Virginia Department of Social Services, Deputy Chief of Staff for the Office of the Governor of Virginia, and a Partner in Venture Philanthropy Partners. During the Clinton Administration, he served as Legal Counsel, Deputy Director for Policy and Programs, and Director of the Community Development Financial Institutions Fund at the Department of the Treasury.

The Virginia native holds a B.A. from Hampden-Sydney College, a Master of Philosophy in International Relations from St. John's College at Oxford University, and a J.D. from the University of Virginia School of Law.



Smart Rehab Program

For the last three years, PHFA has used the Preservation through Smart Rehab Program to preserve 8,300 units of Pennsylvania's affordable housing inventory.

A total of 5,918 HUD-assisted units will complete program-funded energy efficiency improvements totaling \$15,910,760. Of this amount, \$992,988 is for health and safety measures (i.e., improve indoor air quality, install CO detectors, and address combustible gas venting issues). After adding the energy audit fees, architecture and engineering fees, and other soft costs, total program eligible cost is \$17,458,026.

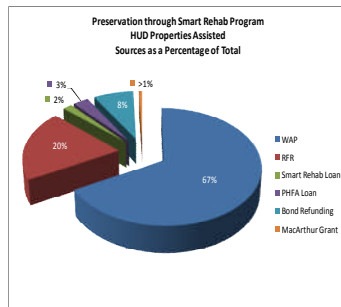
The program consists of a diverse source of funds. Weatherization Assistance Program ("WAP") and MacArthur Foundation funds are provided as grants. PHFA is also providing various types of loans depending on the project's need, with Replacement Reserve Funds being used to fulfill owner contribution requirements. While WAP is the single largest source, its regulations limit the amount that can be used for each measure and, as a result, places an equal level of importance on the availability of the other sources. Although WAP funding has been fully utilized; however PHFA is seeking to identify other sources of funds to continue the Program.

HUD appreciates the efforts that have been made by PHFA to assist its property owners and tenants.

HOPWA Award

The Ministry of Caring, Inc., a community-based, non-profit organization in Wilmington, has received a \$790,298 Housing Opportunities for Persons with AIDS (HOPWA) grant to continue its services to formerly homeless men and women with AIDS.

The Ministry of Caring's House of Joseph II allows single adults with advanced AIDS the opportunity to lead lives that are as full and independent as possible. Long-term and essential supportive services, including nursing care, are provided for those living at the 16-unit housing facility.



Housing Ex-Offenders

Each year, more than a half million people are released from prisons in the U.S., and an additional 7 million are released from jails. Research shows that ex-offenders who do not find stable housing in the community are more likely to recidivate than those who do, yet people returning to their communities from prison often face significant barriers to obtaining housing. Studies have also found that the majority of people released from prison intend to return to their families, some of whom may live in assisted housing.

The Department is asking owners of HUD-assisted properties to seek a balance between allowing ex-offenders to reunite with families that live in HUD subsidized housing, and ensuring the safety of all residents of its programs. Accordingly, the Department encourages owners of HUD-assisted properties to develop policies and procedures that allow ex-offenders to rejoin the community to the extent that this balance can be maintained. When screening family behavior and suitability for tenancy, owners may consider all relevant information, including factors that indicate a reasonable probability of favorable future conduct. For example, evidence of rehabilitation and evidence of the applicant family's participation in or willingness to participate in social services such as counseling programs.

Despite the fact that discretion is given to owners to set admission and termination policies for their properties, HUD statute and regulations require owners to prohibit admission to sex offenders, subject to lifetime registration requirement under a state government's sex offender registration program (24 CFR 5.856). Additionally, owners must establish standards that prohibit admission if the owner determines that any household member is currently engaged in illegal use of a drug, or the owner has reasonable cause to believe a household's member's illegal drug use, alcohol use, or pattern of drug or alcohol use may threaten the health, safety, or right of peaceful enjoyment of the premises by other residents (24 CFR 5.854, 24 CFR 5.857).

Owners must also prohibit admission of an applicant for 3 years from the date of eviction if a household member has been evicted from federally assisted housing for drug-related criminal activity.

Need for Section 8 Housing

In a study conducted by the National Low Income Housing Coalition, it was revealed that the majority of low-income tenants in Camden, Burlington, and Gloucester counties (NJ) cannot afford the rent for a two-bedroom apartment, which averages \$1,075.



The study stated that a household would need 2.9 minimum-wage jobs, each paying \$7.50 per hour, to meet the fair-market rent standard (i.e., \$43,000 per year).

This highlights the urgent need for more Section 8-assisted housing in the Philadelphia metropolitan area.

Title VIII & Section 504 Complaint Resolved



In October 2011, 23 residents of St. Mary's Villa, a 360-unit Section 8 Project-Based project, consisting of two five-story buildings, located in Newark, NJ, filed a fair housing complaint with the Office of Fair Housing and Equal Opportunity.

The complaint was resolved based on a Voluntary Compliance Agreement (VCA) with the owner and HUD. Walter Kreher, Director Newark Program Center, assisted Wanda Nieves, Director FHEO, with the development of the VCA.

The VCA contains 21 specific provisions to address accessibility of common areas, such as adjustment of door pressure for refuse rooms and other common areas, replacement of refuse chute handles where they do not conform with UFAS, reopening of short access routes to outdoor sitting areas to benefit people with mobility impairments, elimination of large rodents that frighten wheelchair bound residents when sitting outdoors, repair of cracked sidewalks, raising of the height of signs for the handicap parking spaces, widening of handicap parking spaces to 96 inches, installation of signage indicating handicap accessible entrance, revision of its Reasonable Accommodation policies and procedures, assessment of its Section 504 Needs Assessment and Transition Plan, and designation of an on-site Section 504 liaison/trainer.

While only 23 individuals came forth to file complaints the outcome of the negotiation with the Respondent is far reaching and will positively impact the lives of the more that 360 people who reside at St. Mary's Villa.

Revised Notice on Infestations

HUD issued Notice H 2012-5, "Guidelines on Addressing Infestations in HUD-insured and Assisted Multifamily Housing, on April 23, 2012. It supersedes the previous bed bug guidance in Housing Notice 2011-20.



Consistent with the lease agreement, as well as state and local laws, the new guidance now affirms owners' rights to pursue damage claims and termination of tenancy as a result of bedbug infestations.

The new guidance distinguishes between provisions that are applicable only to assisted properties and those that are applicable portfolio-wide.

The Notice does not supersede existing lease provisions that comply with state and/or local landlord/tenant laws and that have been approved by HUD.

Owners are encouraged to develop an Integrated Pest control Plan to focus on preventing infestations.

Keys are staff training, education of existing and prospective tenants, and early detection.

Operating funds should be used for treatments. If funds are insufficient, HUD may approve releases from the project's Reserve for Replacement or residual receipts account.

Although infestations must be quickly addressed as a result of REAC inspections, no points will be deducted from the overall score.

The notice can be downloaded at:

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

High Cost Areas

For the 2012 FHA multifamily statutory mortgage programs, HUD has designated a high cost percentage of 270% for the following areas: Philadelphia, PA, Pittsburgh, PA; Wilmington, DE; Newark, NJ; Camden (Trenton), NJ; and Charleston, WV.



Top Performing Projects in WV

For fiscal 2011, the Charleston Program Center named 3 projects in Wheeling, WV among its "Top Performing Multifamily Properties."

Montani Towers, managed by NDC Real Estate Management of Pittsburgh, earned the honor for the third consecutive year. The George W. Petroplus, under the management of Crossgates Management, Inc., of McMurray, Pa., gained its second honor - first earning it in 2009. Brookpark Place, a branch of Forest City Resident Management of Cleveland, was named a top property for the first time.

Michael Torreyson, Supervisory Project Manager, said all 228 buildings are rated on three criteria scored from 1-100— physical inspection, financial review, and management assessment. A score of 90 or above makes a "superior" rating. A top performer makes the list by scoring superior on all three.

Montani Manager Linda Stiles said "It takes teamwork and cooperation from the residents. They take pride in where they live, and they always do their part."

Managers Brenda Hetzel of Petroplus and Laurie Thomas of Brookpark agreed "pride is key" to a building's success, both from their staff and residents. "It's a lot of hard work, a lot of patience and you need a good team to work with," Thomas said, noting a staff must be on-call all day and night and be prepared to handle any problem. "Nothing is routine about this job." Hetzel added the staff must also successfully handle behind-the-scenes work, such as mounds of legal paperwork and organized filings.

All three agreed that their parent management companies contribute greatly to their success. Montani Manager Linda Stiles said need is placed above dollar amounts when a building requires some sort of work.

Montani has 100 housing units and is geared to elderly residents. Petroplus has 160 units and also supports the elderly. Brookpark has 152 units, wherein 30 are HUD-approved, for seniors.

FY 12 Annual Rent Adjustment Factors

On April 13, 2012, the *Notice of the Revised Contract Rent Annual Adjustment Factors (AAFs) for 2012* was published. The tables can be found at:

www.huduser.org/portal/datasets/aaf/FY2012_tables.pdf

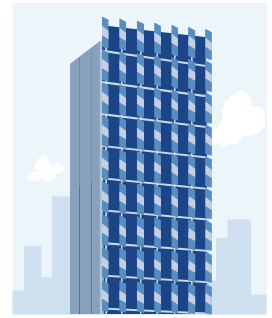


Top Five Building Trends

The February 2012 issues of *Buildings* discussed 2012's top five building trends. These trends focus on creating smarter buildings that use energy resources more efficiently.

The top trends likely to emerge this year, according to IBM's Smarter Building Initiative are as follows:

1. Use of smart grid technology to monitor, analyze, and minimize group-wide power consumption and emissions.
2. Use of metering to allow for real-time monitoring and analysis of energy consumption in order to optimize performance.
3. Use of mobile apps to allow people to act as "living sensors" to provide feedback on buildings and cities to management.
4. Use more opportunities to choose how energy is purchased, as well as its source and cost.
5. Treat real estate management as a science, by creating building management teams of finance and real estate professionals who find ways to cut energy costs and reduce their carbon footprint.



DUNS Numbers

HUD has issued Notice H 2012-6, "Notice Requiring Owners to Obtain DUNS Numbers and to Register in the Central Contractor Registration (CCR), dated April 25, 2012.

This notice reiterates the requirement that all owners of project-based Section 8 contracts or Section 202/811 project rental assistance contracts, or rental assistance payments, or rent supplement contracts, must be in compliance in order to continue to receive housing assistance payments or rental assistance payments.

Covered entities **MUST** obtain a DUNS number and have an active, valid registration in CCR by June 24, 2012 and must submit a certification to the local HUD office to demonstrate compliance. Contracts may be suspended after this deadline expires.

For projects that still do not have a DUNS number, an online web-form is available at: <http://fedgov.dnb.com/webform>. For assistance registrants should call: 866-705-5711, Option 4, Grantee. Also, a *User's Guide* can be accessed at: <https://www.bpn.gov/ccr/help.aspx>

The Notice can be accessed at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/hsg

Conversion of PA State Office Building

Washington County developer Millcraft Industries is close to completing the first phase of the \$45 million conversion of the former State Office Building into the River Vue Apartments, a 220-unit Section 220 substantial rehabilitation project, located in Pittsburgh, PA.



The first 50 units on floors two, three and four of the 16-story former government building were ready for occupancy last month. All 220 apartments and townhouses should be done by the middle of September. Lucas Piatt, Millcraft's chief operating officer, said 30 apartments have been rented in the month since Lincoln Property Co. began leasing units from a trailer outside the building. The models have been available to show for less than two weeks. "I think we're pretty happy with where we are," he said. "Two weeks ago we just finished the model. Now almost every person that looks at it rents."

Contractors are hoping to complete at least two additional floors each month before finishing the project in September. Rents start at \$1,050 a month for a studio unit and climb as high as \$5,500 a month for a 2,806-square-foot townhouse with three bedrooms on the top floor with prime views of Point State Park and the confluence of the city's three rivers. Standard one-bedroom units range in size from 687 square feet to 1,204 square feet and rent for \$1,235 to \$1,975 a month. Two-bedroom apartments measuring 1,145 square feet to 1,590 square feet go for \$1,895 to \$2,659 a month. The lower priced units typically are on the lower floors. For example, a 900-square-foot one-bedroom model on the third floor is renting for \$1,655. A two bedroom with two bathrooms on the same floor leases for \$2,050.

All apartments feature nine-foot ceilings and six-foot high windows. They are equipped with a refrigerator, a stove, a dishwasher, and an all-in-one washer/dryer machine. Tenants are required to pay for their own electricity. Valet parking is available for \$190 a month. River Vue also allows up to two pets, each one costing an additional \$35 a month. Certain dog breeds- Pit Bull, Rottweiler, Chow Chow, and Doberman- are not permitted.

Krissy Presutti, business manager for Lincoln, said all but one of the seven townhouses have been rented. She said there's been strong demand for the units in part because of the high occupancy rate in the Downtown area.

According to the Pittsburgh Downtown Partnership, the

occupancy rate for apartments in Downtown, the lower Hill, the Strip District and the North and South shores was a combined 95.8% in the third quarter of 2011, the most recent quarter available. "There's a lot of excitement about something new and different. We're definitely getting a lot of interest," Ms. Presutti said.

The project joins a flurry of new retail, residential and office development and investment activity that has made Pittsburgh the envy of other Rust Belt cities. The city's Market Square has turned into a European-style plaza, and PNC Financial Services Group Inc. has just broken ground on a 33-story office tower. The city's downtown residential population has doubled to 7,200 since 2000, according to the Pittsburgh Downtown Partnership.

The conversions also reflect a national trend: rental apartments are performing better than office space, demand for apartments is strong thanks largely to the continuing troubles in the single family homeownership market, and jobs are not being added fast enough in most parts of the country to absorb the glut of office space left over from the downturn.

Pittsburgh's office market is outperforming those in many other U.S. office markets. Still, its apartment sector is doing better, with rents expected to rise over 3% this year compared with a 1.4% increase in office rents, according to Reis Inc. More office-to-apartment conversions are expected to continue adding residents to the area. "It's still much more expensive to build than to convert," says Jeremy Waldrup, president of the Pittsburgh Downtown Partnership.

Prepayment & Refinancing of Section 202 Loans

Notice H 2012-8, *Updated Requirements for Prepayment and Refinance of Section 202 Direct Loans*, was issued on May 4, 2012.

The 23-page notice applies to the prepayment and refinancing of all Section 202 Direct Loans for which HUD approval of the mortgage prepayment is required.

The comprehensive notice covers such things as Use Agreements, financial reporting requirements, HAP contract renewals, repair/rehabilitation using ENERGY STAR appliances/components, unit conversions, additions, accessibility, acceptable project ownership, residual receipts, tenant involvement, environmental review, temporary relocation of tenants, and use of loan proceeds.

The notice can be read in its entirety at:

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

“Green” Cleaning Products

One of the new environmentally-friendly ways to clean a residence is to use “green” cleaning products. These products cause no harm to the environment, do not cause allergic reactions to users or building occupants, and are cheaper to use.

The Environmental Protection Agency suggests that users interested in such products read the labels for these factors:



- Minimizes exposure to concentrates.
- No ozone-depleting substances.
- Recycled-content in packaging.
- Recyclable packaging.
- Reduced bio-concentration factor.
- Reduced flammability.
- Reduced or no added dyes (except when added for safety).
- Reduced or no added fragrances.
- Reduced or no skin irritants.
- Reduced or no volatile organic compounds.
- Reduced packaging.

In addition, there are old-fashioned “home recipes” that still work today. Some examples are as follows:

- Baking soda as a scouring agent for ovens, bathtubs, sinks, and countertops.
- Baking soda as a deodorizer for laundry and carpets.
- Washing soda for cleaning stains from floors, as well as cutting grease, neutralizing odors, and getting stains, like lipstick, out of clothing.
- Lemon juice to dissolve dirt and build-up on wood and tarnish on silverware.
- White vinegar, cornstarch, and newspapers to clean mirrors and windows.
- Grapefruit seed extract and essential oils (e.g., lavender, clove, and tea tree oil) to disinfect.
- Coarse salt to clean pans and baking dishes.
- Borax to disinfect.

For more “green” ideas, see:

www.greencleaning.ny.gov; www.soundearth.com;
www.green-living.com

Independent, Affordable, and Accessible Living

To preserve the independence of people with Multiple Sclerosis (MS), a special needs housing community opened its doors in Freehold Township, NJ in October 2011. Kershaw Commons, a low-income housing tax credit project, provides 30 affordable and accessible housing units targeted to people with MS; it is the first development of its kind in New Jersey and only the fourth such project nationwide.



Because accessibility is critical for independent living among people with MS, the 25 one-bedroom and 6 two-bedroom units include a number of accessible features, such as roll-in showers and grab bars in bathrooms, roll-out pantry shelves, roll-under sinks and counters, railings in common areas, and oversized elevators to accommodate scooters. Amenities and supportive services also play important roles. Kershaw Commons includes a walking trail, a bio-retention basin, and a wellness center supported by the National Multiple Sclerosis Society. The housing community is less than a mile away from the Multiple Sclerosis Center at the CentraState Medical Center, a provider of supportive services. Applicants must meet income requirements to be eligible for residency- one-person households may earn no more than \$30,900 annually, and two-person households may earn no more than \$35,300.

This \$11.3 million project is a good example of a public-private partnership. The New Jersey Housing Mortgage Finance Agency made available more than \$1 million in taxable bond financing and offered low-income housing tax credits that generated about \$7 million in private equity. More than \$2.5 million was allocated from the state’s Special Needs Housing Trust Fund, and to help keep the units affordable, residents received Section 8 vouchers from the Monmouth County Division of Social Services. Finally, Medicaid waivers from the New Jersey Department of Health and Senior Services allowed residents to transition from institutions to independent living at Kershaw Commons.

This new and unique development is affordable, accessible, and a welcome addition for people with MS living in New Jersey. According to 29-year old Marisa Manfredy, who lived in a nursing home before coming to Kershaw Commons, “This place is just amazing. It’s everything you could possibly imagine. No matter what happens, what stages of MS you’re in, this place can accommodate it.”

A “Rescue” Story

This humorous story was submitted to us by Webster Towers, a 86-unit Section 236 project located in Scranton, PA:

“While Webster Tower’s building engineer, John, was performing a task outdoors in late March of this year, he spotted a groundhog running along the backside of the building and ramming its little head into the bricks. Was it inebriated? Rabid? Poisoned? Not at all.



The groundhog had gotten his head and neck stuck in a peanut butter jar! It couldn’t see and was desperate to get it off.

John, being the outdoorsman that he is, decided that if he didn’t do something the woodchuck would certainly die. At that moment he looked across the court and saw some men working on the apartment house next door. He yelled over to them, explained the problem and asked if they had a drop cloth handy. They did and immediately ran over to help.

It was life or death with only minutes or seconds to spare, because they had no way of knowing how long it had been running in that rather curious state. The drop cloth was thrown over the little animal and one of the workmen grabbed hold of the groundhog’s body while John began to pull, and pull, and twist until it suddenly popped off. They then all ran from the angry groundhog!

However, instead of attacking them, the exhausted groundhog lay in the grass long enough to make them think that it was dead. Suddenly, after regaining its strength, it scampered away. And, no, it did not see its shadow.”

All in a day’s work for the Webster Towers’ building engineer!

Loan Closings



Two FHA-insured Section 223(f) loans closed in April 2012: Maplewood Senior Citizens, Maplewood, NJ (113 units), Ashby Glen-Tremont Apartments, Parksburg, WV (76 units).

First Affordable Housing in Martha’s Vineyard

In October 2011, the first six units of affordable housing were constructed in exclusive Martha’s Vineyard, MA. The Middle Line Road project is part of a 12-unit \$3.5 million complex. It contains three duplexes, with rents ranging from \$812 to \$1,312, based on a household earning 65-70% of the area medium income, and six leased home sites for residential construction.



The complex was designed to meet the housing needs of working people who have been priced out of the Martha’s Vineyard housing market. The development aims to bolster the population of year-round residents in an area where the population swells from 15,000 to more than 75,000 during the summer months and rents skyrocket.

The Expense of Smoking

Everyone knows, by now, the health hazards of cigarette smoking. In fact, owners and management agents were encouraged, in Notice H 2010-21 (issued September 15, 2010), to implement smoke-free housing policies in their projects.



But, have you also considered the financial impact of increased turnover costs when units are vacated by smokers? Additional paint to cover smoke stains, cleaning of ducts, replacing stained window blinds, or replacing carpets that have been damaged by cigarettes can increase the cost necessary to make a unit occupant ready.

The following data reflects surveys from housing authorities and subsidized housing facilities in New England:

Expense	Non-Smoking	Light Smoking	Heavy Smoking
General Cleaning	\$240	\$ 500	\$ 720
Paint	\$170	\$ 225	\$ 480
Flooring	\$ 50	\$ 950	\$1,425
Appliances	\$ 60	\$ 75	\$ 490
Bathroom	\$ 40	\$ 60	\$ 400
TOTAL	\$560	\$1,810	\$3,515