

# PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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[www.hud.gov/local/shared/working/13/mfhsg.cfm?state=pa](http://www.hud.gov/local/shared/working/13/mfhsg.cfm?state=pa)

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### Superstorm Sandy

Superstorm Sandy, one of the largest hurricanes in decades, slammed into the northeast late last month, causing severe property damage, power outages, and 110 deaths in NJ and NY. Its devastating effects were especially hard felt in New Jersey, where entire neighborhoods were destroyed by high winds, flooding, and fires. Officials have estimated that the state suffered many billions of dollars in property and infrastructure damage. At one time, 2.76 million residences were without power and 6,000 people were in shelters. Equecat, Inc., a disaster modeling firm, has estimated \$30-50 billion in losses. In addition, 317,000 residents have registered with FEMA for financial help and more than \$300 million in emergency aid has been approved.



Before the storm arrived, the Philadelphia Hub, proactively, sent out an e-mail alert, on October 26, advising project owners and management agents to implement their disaster plans. Projects without such plans must develop them to deal with future emergency situations.

After the storm had passed, the federal government moved into action to begin the long recovery process. HUD immediately took steps to safeguard the welfare of tenants in FHA-insured and subsidized housing, as well as the physical security for its mortgages. One of the first actions our Hub took was to contact all project

owners/agents, by telephone and e-mail, to obtain the following information:

- Did they suffer a loss of power and are they in need of a generator?
- Did any tenants have to be relocated?
- Was their building(s) damaged? If so, to what extent?
- Do any unaffected projects have vacancies that could be used to house displaced tenants?
- Do any unaffected projects have community rooms that can be used as disaster Recovery Centers.

During a disaster, communication is extremely important. To keep project owners and management agents advised, a series of Superstorm Sandy e-mail bulletins were issued by the Phila. Hub, from October 31- November 6. For handy reference, here are the summaries of the bulletins:

October 31- Advise HUD of mobile generators and water pumps that can be loaned to affected projects.

November 1- Contact your State Emergency Management Agency to obtain a generator( [www.ready.nj.gov](http://www.ready.nj.gov), 609-882-2000, Ext. 2700; [www.pema.state.pa.us/](http://www.pema.state.pa.us/), 717-651-2001; and [www.dhsem.wv.gov/](http://www.dhsem.wv.gov/), 304-558-53880).

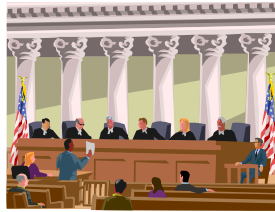
November 2- Tenants receiving food stamps who lost food should contact their local welfare office within 10 days to obtain replacements.

November 2- displaced tenants can locate housing using online search tools: [www.PAHousingSearch.com](http://www.PAHousingSearch.com), [www.delawarehousingSearch.org](http://www.delawarehousingSearch.org), and [www.state.nj.us/dca/hmfa](http://www.state.nj.us/dca/hmfa)).

November 6- IRS relief measures for households in declared disaster areas.



### **Olmstead Decision**



On June 22, 1999, the U.S. Supreme Court handed down the Olmstead Decision in response to a case filed against Commissioner Olmstead of the Georgia Department of Human Resources. This important civil rights ruling is now having a profound, and positive, effect on the lives of people with disabilities and people who are aging throughout the U.S.

The Olmstead Decision says:

- When a state isolates people with disabilities without justification, it is illegal discrimination.
- Federal law can require states to provide community-based services in addition to institutional placements for people with disabilities.

The Supreme Court ruled in the Olmstead Decision that unjustified segregation of persons with disabilities constitutes discrimination in violation of the Title II of the ADA. It can occur when people with disabilities:

- Cannot obtain services unless they live in an institution.
- Are not offered real choices by a state's disability services.
- Do not have access to services provided in the most integrated setting that will meet their needs.

Community placement must be an option when:

- Treatment professionals determine community placement is appropriate.
- The person wants to leave the institution, or is not opposed to leaving.
- The placement can be accommodated, considering the resources of the state and the needs of other people with disabilities.

Olmstead says public entities (i.e., states) must make reasonable accommodations in programs and services, taking into consideration cost, available resources, and the needs of others who are receiving disability services from the entity.

In complying with this decision, there will be major challenges in coordinating housing and services, such as individual resources, availability, accessibility, timing, and background/criminal history. To help states comply with these changes, HUD must work closely with HHS

and create a forum for ideas and input. The goal must be to build sustainable collaborations across agencies at all government levels, through training and technical assistance, and to link housing option with long-term community-based service and supports for people with disabilities and chronic conditions.

This ruling, however, does not apply to Section 202 and 811 projects.

For an overview of the Olmstead Decision, see:

[www.accessiblesociety.org/topics/ada/olmsteadoverview.htm](http://www.accessiblesociety.org/topics/ada/olmsteadoverview.htm)

### **Fair Housing Act & Housing for Evacuees**



In support of federal efforts to address the immediate housing needs of those impacted by Hurricane Sandy, HUD is encouraging providers of housing for older persons to make vacant dwellings available to storm evacuees. Similar to action following the devastation

in the Gulf Coast during 2005, the Office of Fair Housing and Equal Opportunity has issued guidance to afford flexibility in the use of unoccupied units of housing for older persons for Hurricane Sandy evacuees.

Specifically, a provider of housing for older persons may make units available to evacuees under the age of 55 and continue to qualify for the Fair Housing Act's familial status exemption, as long as the vacant units are made available without restriction on the basis of familial status.

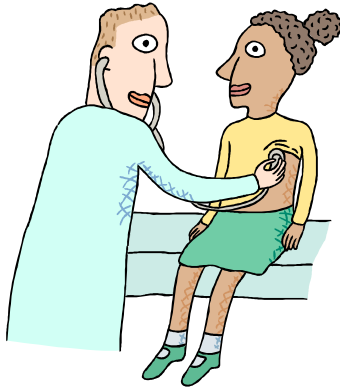
Providers of housing for older persons, however, are permitted to only accept evacuees without children. In such a case, the units where the evacuees reside, will be counted among the occupied units as other residents. Only if the housing for older persons admits evacuees without regard to familial status will HUD consider the units where younger evacuees reside to be unoccupied units.

It is understood that housing providers, must not discriminate on the basis of race, color, religion, sex, national origin, and disability.

(Note- This interpretation of the Act's housing for older persons exemption does not provide any new substantive rights).

### Housing as a Platform To Improve Health

Experiencing homelessness exacerbates health problems and the ability to access appropriate care. Residential instability and insecurity, including doubling up and overcrowding, creates substantial risks to child health, development, and educational outcomes. Housing instability and living in lower socioeconomic neighborhoods can lead to significant stress, mental health problems, obesity, and diabetes. A growing body of evidence demonstrates the positive impact of stable housing on such outcomes. In response to this increasingly clear and compelling picture, the HUD Strategic Plan for fiscal years 2010-2015 included a goal to “utilize housing as a platform for improving quality of life.” Recent research provides particularly strong evidence supporting the role of housing in improving outcomes for chronically homeless individuals.



Evidence clearly shows how vital the provision of stable housing is to addressing the health needs of the chronically homeless population and moving them toward an improved quality of life. The initiatives and commitments to reducing chronic homelessness have been shaped through experience and research. Lessons learned along the way in Boston, New York, and Chicago- and now spreading to localities across the nation- have produced powerful insights into how to end chronic homelessness and better use available resources. Boston's Health Care for the Homeless Program found that the health conditions suffered by chronically homeless people impede their ability to obtain and retain housing. Stable housing in combination with health care and services is essential to improving health and ending chronic homelessness. New York's Common Ground learned that to effectively meet the housing needs of chronically homeless persons, partnerships between health and services systems were necessary. Common Ground also demonstrated how research outcomes could be used to implement reform, thus targeting scarce resources to better serve the needs of sick and vulnerable homeless individuals. In Chicago, the CHHP project established that a strategy that married health care with stable housing, was not only the most successful in improving health, but also resulted in significant cost savings.

An integral aspect of the lessons learned in Boston, New York, and Chicago is the importance of collaboration and the integration of disparate systems, programs and organizations to focus on particular needs. Those interviewed from the front lines of the battle against chronic homelessness emphasize the need for systems reform and integration. They challenge systems to re-examine their priorities and to eliminate barriers to serving the very individuals for whom they exist. As organizations succeed in getting homeless, sick, and vulnerable individuals off the street and into housing, the need to work together in teams and as partners to help stabilize these individuals will become even more critical. Medical researcher, James O'Connell states that “the necessary support is very, very intense” and foresees that there is still much to learn about how to sustain this success over time. “Housing first is absolutely the right thing to do and it's the cost effective thing to do,” he says. “Now its success depends on how well we can do it.”

To read more about this topic, see:

<http://www.huduser.org/portal/periodicals/em/summer12/highlight3.html>

### 2013 Designs Award Program

The American Institute of Architects (AIA), in conjunction with HUD is currently accepting applications for the 2013 Housing and Community Design Awards Program. These awards demonstrate that design matters by recognizing excellence in affordable housing, community-based design, participatory design, and accessibility.



The award-winning designs will be publicized by HUD and featured in AIA's online newsletter, AIArchitect, at [info.aia.org/aiarchitect](http://info.aia.org/aiarchitect). Winners will also be celebrated at the 2013 AIA National Convention in Denver, Colorado on June 20–22, 2013.

Applications are due November 30, 2012 and must be submitted online. Criteria and instructions for submissions can be found at <http://www.aia.org/HUD Awards>. Questions should be directed to AIA by phone at (202) 626-7586 or via email at [honorsawards@aia.org](mailto:honorsawards@aia.org).

To learn about past award recipients, see:

[http://www.huduser.org/portal/research/housingCommDesign\\_2012\\_1.html](http://www.huduser.org/portal/research/housingCommDesign_2012_1.html)

### **Homelessness Initiative**

The “Opening Doors” goals of the Federal Strategic Plan is to end chronic homelessness by 2015, prevent and end veterans homelessness by 2015, prevent and end homelessness for families, youth and children by 2020, and to set a path to end all types of homelessness.



Philadelphia is one of 10 cities that have been identified as priority communities. HUD will be collaborating with community leaders and the U.S. Interagency Council on Homelessness to identify resources and sources of funding to implement the following strategies:

- Rapid Re-Housing– Provide short to medium term subsidy with transitional services for persons exiting homelessness.
- Affordable Housing– Provide permanent subsidy with transitional services for persons exiting homelessness and provide permanent subsidy for persons ready to graduate from permanent supportive housing.
- Permanent Supportive Housing– Provide permanent subsidy with intensive, wrap-around services for persons with disabilities exiting homelessness.
- Homelessness Prevention– Provide short, medium, or long-term subsidy with transitional services for persons at risk of homelessness.

Over the next month, the Federal Leadership Team (HUD/USICH) will be convened and major stakeholders in the community identified. Once this occurs, a meeting will be held with the stakeholders and Headquarters will demo a Strategic Planning Guide.

### **Operating Cost Adjustment Factors (OCAF)**

The 2013 Section 8 OCAF factors were published in October. They are effective February 11, 2013 and can be found at: <http://www.gpo.gov/fdsys/pkg/FR-2012-10-16/pdf/2012-25289.pdf>.

### **FAQ– Notice 2012-14**

On August 3, 2012, HUD issued Housing Notice 2012-14, *Use of “New Regulation” Section 8 Housing Assistance Payments (HAP) Contracts Residual Receipts to Offset Project-Based Section 8 Housing Assistance Payments.*”



As a result of questions from the industry, HUD has developed a Frequently Asked Questions (FAQ) document to provide clarification to the Notice.

The FAQ document can be viewed at:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/presrv/presmfh](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/presrv/presmfh)

### **Increase in Social Security Benefits**

A 1.7% cost-of-living adjustment (COLA) will begin for more than 56 million recipients of Social Security benefits, in January 2013. Increased payments to more than 8 million SSI beneficiaries will begin on December 31, 2012.



Some other changes that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$113,700 from \$110,100.

Information about Medicare changes for 2013, when announced, will be available at [www.Medicare.gov](http://www.Medicare.gov). For some beneficiaries, their Social Security increase may be partially or completely offset by increases in Medicare premiums.

The Social Security Act provides for how the COLA is calculated. To read more, please visit:

[www.socialsecurity.gov/cola](http://www.socialsecurity.gov/cola).

### DE Project Receives Winterization Help

Recently the DE WAP (Delaware Winterization Assistance Program) provided home performance retrofits to 105 units at Marydale Retirement Community, a Section 202/8 project located in Newark, DE.



The apartments, owned by The Catholic Ministry to the Elderly, Inc. and managed by Catholic Charities, are grouped in 9 individual courts, with 12 apartments per court spread out over 18 acres.

The homes were weatherized using air sealing methods to keep out the outside air and adding insulation to the attic. They typical home saw a 35% reduction in the amount of air leaking to the outside. The community as a whole had over 35 tons of insulation blown into their attics.

This was a multi-cooperative accomplishment with DNREC taking the lead role in coordination. The actual work was the responsibility of NHI (Neighborhood House Inc) using its contractors to audit and do the daily managing, and the actual installation of the weatherization measures. While the primary contractor on this project was Community Services Corporation, 11% of the units were weatherized by Eastwind Enterprises. However, none of this could have been accomplished without the patience, tremendous time, enthusiasm and attention to detail from the Marydale staff and its residents.

Many tenants are already reporting increased comfort and undoubtedly they will experience reduced energy consumption (i.e., lower bills this winter). The DE WAP was happy to work with the management and staff at Marydale and appreciate their efforts to make this a successful project.

Inquiries for DE WAP should be directed to Jack Sol-Church at NHI 302-483-1181.

### Vista Valley Clean-Up



Michael Torreyson, Chief Asset Management, Charleston Program Center, organized a trash clean up at the foothill of the largest HUD assisted property in WV-Vista View Apartments. Fifteen volunteers, including the property manager, maintenance men, some residents, and six volunteers from WV Housing Development Fund cleaned up a 100 yd. section that had over 30 years of accumulated trash. Well done!

### Fair Market Rents

The FY 13 Section 8 Fair Market Rents were issued last month.



They are primarily used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment (HAP) contracts in the Moderate Rehabilitation Single Room Occupancy program (Mod Rehab), and to serve as a rent ceiling in the HOME rental assistance program.

They can be found at the following website:

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

### Secretary Donovan's Keynote Address

Secretary Shaun Donovan delivered keynote remarks at the 2012 Governor's Conference on Housing, hosted by the Delaware State Housing Authority (DSHA), and attended by over 400 housing professionals, on October 11 in Dover, Delaware. He discussed programs and initiatives implemented by the



Obama Administration to help responsible homeowners in the state and struggling communities across the country hit hardest by the housing crisis.

Secretary Donovan's keynote underscored the Administration's efforts to build upon housing market momentum using tools provided under the landmark mortgage servicing settlement. He also outlined President Obama's proposed plan which proposes a broad range of tools to give families access to low-cost refinancing while rebuilding home equity lost during the housing crisis.

### ADA News & Publications

The Mid-Atlanta ADA Center, one of one of ten regional centers established to provide training, information, and technical assistance on the Americans with Disabilities Act, has a wealth of free publications and resources. The website is as follows:

[www.adainfo.org](http://www.adainfo.org)

### **MAP Training**

The Pittsburgh Program Center held a training session for lenders, developers, government agencies and third party reporters, on September 20, 2012. FHA program information was provided by three panels composed of industry experts. About 55 housing professionals attended.



### **LEED Gold Project**

The HUD Pittsburgh Program Center, along with its partner the Community Action Partnership of Mercer County (CAP Mercer), has completed the second LEED Gold Section 202 project in the country.



The project, Hempfield South Apartments, is located in Hempfield, PA. The 25-unit elderly property was funded through the 2008 Section 202 Capital Advance Grant. This is CAP Mercer's third project to achieve LEED designation. The last two Section 202 buildings, Westfield Apartments and Northeast Manor, both achieved LEED Silver Certification.

### **New Housing Search Tool**



The Delaware State Housing Authority now has available a free housing locator service.

The service allows owners to list properties and prospective tenants to search for properties using specific criteria such as affordability, proximity to public transit, accessibility features, and other key amenities.

The service can be accessed at:

<http://delawarehousingsearch.org/>

### **New Bed Bug Detector**

A new product, developed by FMC Professional Solutions, is on the market that will detect and kill bed bugs. The device works by attracting the insects with a CO<sub>2</sub> cartridge that mimics a living host, a liquid lure that provides a food source, and a pheromone that draws them into the device. The self-adhering detector works up to 90 days and fits almost anywhere, including behind and underneath furniture.



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

For additional information see:

[http://www.pestmanagementsupply.com/files/fmc\\_verifi\\_bed\\_bug\\_detector\\_b.pdf](http://www.pestmanagementsupply.com/files/fmc_verifi_bed_bug_detector_b.pdf)

Telephone contact: 1-800-321-1362

### **Acoustics of LEED-Certified Buildings**

According to an indoor environmental quality survey of 23,450 occupants of 142 buildings, conducted by the Center for the Built Environment, poor acoustics are the greatest source of dissatisfaction in renovated LEED-certified buildings.



This is because LEED initiatives can unintentionally degrade acoustical performance. Passive cooling systems like radiant flooring and chilled beams, can interfere with sound-absorbing ceiling and floor finishes, and also remove the masking benefits of traditional HVAC systems. Similarly, the lowering of partitions for increased daylighting and air flow can also be detrimental.

Owners striving to achieve LEED certifications must remember that green initiatives and acoustical design are not opposed at all. They are intertwined. Opportunities must be found to develop solutions to satisfy both—buildings are all about compromise across systems.

### **Quick Fact**

The Pittsburgh region's vacancy rate of 1.4% (2nd Qtr.) is the only one of 100 metro units with a vacancy rate lower than 2% for market rate housing. (Source: PF Research).

## **Project Turnaround**

Kearsley Equities (owner) and First NJ Asset Management (management agent) are to be commended for the rapid turnaround of Kearsley Home, a former 87-unit Section 202 project, located in Philadelphia, PA.

Prior to the owner's acquisition of this Section 8 assisted project, it had received 5 failing REAC scores since 2006. A REAC inspection performed on September 20, 2012, awarded the project with an almost perfect score of 98.

Congratulations on a job well done!

## **Discrimination Complaint**

In September, HUD charged the owners and manager of an apartment complex in Philadelphia, PA, with discriminating against families with children. The charge alleges that the manager discouraged families from applying for housing by making biased statements and placing discriminatory advertising on craigslist.org.



The charge is the result of a complaint that The Fair Housing Council of Suburban Philadelphia (FHCSF) filed with HUD after testers with the non-profit fair housing organization determined that ads the manager placed discriminated against families with children. One continuous running ad the manager posted on craigslist.com stated, "This would be a good place for a mature couple. Too many stairs for young children." The Fair Housing Act makes it unlawful to make statements that express a preference or otherwise discriminate against families with children.

In one test, the manager allegedly told a FHCSF tester posing as a mother with a 5-year-old child that residents of the complex did not want noisy kids running up and down the stairs. When the tester asked to view the apartment, the manager allegedly said, "Well, I most definitely wouldn't rent to people with children so there really is no use." The manager told another tester posing as a married man with no children that some people with children had contacted her even though the ad clearly stated that the unit was not for children, and agreed to show him the property the next day.

A U.S. Administrative Law Judge will hear HUD's charge unless any party elects to have the case heard in federal district court. If an administrative law judge finds after a hearing that discrimination has occurred, he may award damages to the complainant. In addition, the judge may impose fines to vindicate the public interest, order injunctive and other equitable relief to deter further discrimination, and require payment of attorney fees. If the matter

is decided in federal court, the judge may also award punitive damages to the aggrieved persons.

HUD's Office of Fair Housing and Equal Opportunity and its partners in the Fair Housing Assistance Program investigate approximately 10,000 housing discrimination complaints annually.

## **Discrimination Settlement**

HUD reached a Conciliation Agreement with the Lancaster, PA-based Ecklin Group that will end an alleged policy of refusing to rent to Burmese refugee families.



The agreement is the result of a complaint HUD initiated against the Group after company staff allegedly failed to renew the leases of three Burmese families because of their national origin, and made statements to various people that the group would no longer accept rental referrals for refugees that were referred by Lutheran Refugee Services. The company denied the allegation.

Three Burmese families were notified by the company that their leases were not being renewed because of alleged lease violations. HUD's investigation showed that only the Burmese tenants received lease non-renewal letters, even though the company had similar concerns about other tenants. In addition, housing staff at the company told Lutheran Children and Family Services representatives and HUD investigators that the company would no longer rent to refugees.

Under the terms of the agreement, the company will donate \$12,000 to Lutheran Refugee Services, provide fair housing training for all its employees, and include the phrase "Equal Housing Opportunity" or the fair housing logo in all newspaper and other rental advertisements.

## **Loan Closings**



The following insured loans closed during the month of October:  
PA– Holiday Acres, Riverview, and Shaler Oaks; and NJ– Vita Gardens, Stephen Manor, and Oceanpointe.

## **Good Stories**

If you would like to have a story about your project published, please send it to: [thomas.langston@hud.gov](mailto:thomas.langston@hud.gov).