

# PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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

## Inside this Issue:

Hurricane Preparedness.....Pg. 1

SPRACS.....Pg. 1

Financial Statement Exemption.....Pg. 2

New Housing Concept.....Pg. 2

New FEMA Flood Maps.....Pg. 2

Mixed-Income Community Dynamics.....Pg. 3

Discrimination Research Studies.....Pg. 3

Mixed-Income Housing Strategies.....Pg. 3

The Cost of Smoking.....Pg. 3

Integrated Pest Management.....Pg. 4

Be a Crimebuster with SafeCam.....Pg. 4

The Brix at 26.....Pg. 5

Homeless Admission Preferences.....Pg. 5

Improving Neighborhoods by Design.....Pg. 5

Refinancing Transactions.....Pg. 5

Atlantic City's Financial Woes.....Pg. 6

NAHMA Scholarships.....Pg. 6

Loan Closings.....Pg. 6

Affordable Health Care.....Pg. 7

Search Tool for Apt. Hunters.....Pg. 7

### Hurricane Preparedness

The National Oceanic and Atmospheric Administration (NOAA) released its forecast predictions. For the six-month hurricane season, NOAA's Atlantic Hurricane Season Outlook says there is a 70% likelihood of 13 to 20 named storms (winds of 39 mph or higher), of which seven to 11 could become hurricanes (winds of 74 mph or higher), including three to six major hurricanes (Category 3, 4 or 5; winds of 111 mph or higher). These ranges are well above the seasonal average of 12 named storms, six hurricanes and three major hurricanes. Colorado State University predicted an above-normal season, with about 18 named tropical storms, 9 hurricanes and 4 major hurricanes this season.



Despite the above-normal forecast, the potential for hurricane landfall in the U.S. is expected to remain normal for the 2013 season. However, it only takes one landfall to destroy lives and livelihoods: In 2011, Hurricane Irene was the only hurricane that reached the U.S., yet it killed 45 people and caused over \$7 billion in damages. In October 2012, we all experienced the devastating effects of Superstorm Sandy which claimed over 70 lives in the U.S. and caused more than \$70 billion in damages.

Now is the time for owners who have properties on or near the Atlantic coast to begin preparing for the upcoming hurricane season. The Federal Emergency Management Agency (FEMA) wants citizens to be ready for the Atlantic hurricane season, which started June 1 and lasts until Nov. 30. Hurricane hazards come in

many forms: storm surge, high winds, tornadoes and flooding. Preparation is the best protection against the dangers of a hurricane. On its "Natural Disaster" webpage, FEMA has numerous tips and resources on how you can prepare for a hurricane, what to do during one, and how to recover after one.

To find out more about how you can be prepared, see:

<http://media.iccsafe.org/news/eNews/2013v10n10/industry.html>

### SPRACS

On July 3, HUD published a Notice in the *Federal Register*, for public comment, about funding for Senior Preservation Rental Assistance Contracts (SPRACs). The comment period ends on September 3, 2013.

The purpose of SPRAC is to prevent the displacement of existing tenants of certain projects assisted under HUD's Section 202 program, in the case of refinancing or recapitalization, and to further preserve and maintain the affordability of these projects. The final Notice establishes the process by which HUD will award SPRACs, and commences the solicitation of applications.

Owner-Applicants who are interested in being considered for a SPRAC award must submit electronic/digital versions of all required application elements.

The Notice can be found at:  
<https://www.federalregister.gov/articles/2013/07/03/2013-16074/supportive-housing-for-the-elderly-senior-preservation-rental-assistance-contracts-60-day-notice-of>



### **Financial Statement Exemption**

Based on Housing Notice H 2013-16, issued May 23, 2013, owners of properties with a Section 515 Rural Housing loan from the U.S. Dept. of Agriculture (USDA) and a Section 515/8 New Construction Housing Assistance Payments Contract from HUD, who are required to submit annual financial statements (AFS) to HUD, will no longer be required to do so.



In addition, owners who purchase a property with a Section 515 loan and a Section 515/8 HAP Contract, will now execute a revised "Assignment, Assumption and Amendment Agreement of Section 8 Housing Assistance Contract" which omits the language requiring the purchaser to begin submitting AFS to HUD upon assumption of the Section 515/8 HAP contract.

This change is being made to better align federal rental policy and eliminate duplication in policies, procedures, and regulations between agencies.

The Notice can be read in its entirety at:

<http://portal.hud.gov/hudportal/documents/huddoc?id=13-16hsgn.pdf>

### **New Housing Concept**

Seawall Development, located in Baltimore, MD, is bring a new housing concept to Philadelphia. Essentially, it develops apartments exclusively for teachers and nonprofit tenants. This concept has proven successful in Baltimore where two projects have been developed, Miller's Court and Union Mill.



In Philadelphia, the former Quaker Dye Works, a Victoria-era factory, will be taking on a new role to help this city's troubled public school system attract and retain teachers.

Two redbrick buildings in the up-and-coming South Kensington section of Philadelphia are being converted into apartments and offices intended to house teachers and nonprofit educational organizations in what the developers hope will become a cohesive community.

When the renovation is complete, 60% of the buildings'

114 apartments will be reserved for teachers, who will be offered a 25% discount on market rent- paying about \$1,000 a month for a one-bedroom unit in a neighborhood where they typically rent for \$1,300.

The remaining apartments will be available to the public. In addition, a quarter of the 160,000 square-foot space is being turned into offices for education-related non-profit groups like Teach for America, which will use 10,000 square feet of renovated space as its regional headquarters.

The project will include three communal conference rooms that can be reserved for nonprofit organization functions.

The project is expected to open next summer.

### **New FEMA Flood Maps**

FEMA has released the preliminary flood work maps for the New Jersey counties of Atlantic, Cumberland, Salem, Essex, Middlesex, Hudson, Monmouth and Ocean. Property owners can check their addresses on a FEMA website to see how the agency classifies their flood risk.

FEMA says the new maps decrease the number of properties in high-risk "velocity" (V) zones from advisory maps that the agency released in December. Those maps showed the risk of flooding was worse than believed and overestimated the amount of land in the V zones.

Properties in the high-risk zone would have to be raised or risk higher flood-insurance premiums, and some residents and legislators worried that it would be too costly for some property owners to comply.

The maps will give Superstorm Sandy victims deciding whether to rebuild more information about what to do. State and federal officials have said that residents will not get grants to repair properties damaged by Sandy unless they comply with the new maps.

Maps for Union and Cape May counties are expected to be released shortly.

Any changes to insurance rates will not go into effect until 2014, after flood insurance rate maps are released and the public and local officials have the chance to provide feedback.

The flood maps can be viewed at:  
<http://www.region2coastal.com/>

### Mixed-Income Community Dynamics

Mixed-income neighborhoods have become objects of policy and research attention, and a number of research initiatives have used survey and administrative data to assess the effects of mixed-income policies on resident and neighborhood well-being.



An emerging body of ethnographic research on mixed-income neighborhoods has uncovered how residents make sense of their economically diverse surroundings and how they interact with neighbors and institutions in ways that influence personal and community well-being.

To read more about this research, see:

<http://www.huduser.org/portal/periodicals/em/spring13/highlight2.html>

### Housing Discrimination Research Studies

HUD has released two important studies as part of its series of Housing Discrimination Studies (HDS), *Housing Discrimination Against Racial and Ethnic Minorities 2012* and *An Estimate of Housing Discrimination Against Same-Sex Couples*.

The first study, the latest in a series of HUD-sponsored studies conducted approximately once a decade since 1977, measures the extent of housing discrimination in the United States based on race or ethnicity. The second study, which provides the first national estimate of discrimination faced by same-sex couples seeking rental housing, offers clear evidence that gay and lesbian couples experience significant discrimination when seeking information about rental housing.

These studies reveal that racial and ethnic minorities and same-sex couples continue to face significant hurdles in their housing search. Although both studies show that housing policymakers and advocates still have work to do, they also indicate a nation headed in the right direction.

Both studies can be read in their entirety at:

[http://www.huduser.org/portal/pdredge/pdr\\_edge\\_frm\\_asst\\_sec\\_062813.html](http://www.huduser.org/portal/pdredge/pdr_edge_frm_asst_sec_062813.html)

### Mixed-Income Housing Strategies

HUD's Spring 2013 issue of *Evidence Matters: Transforming Knowledge Into Housing and Community Development Policy*, is focused on the evolution of mixed-income strategies as a pathway toward upward mobility, as well as outcomes for residents of mixed-income communities. The issue also includes insights from ethnographic studies of mixed-income neighborhoods and examines inclusionary zoning programs in New York City and Chicago, and their role in promoting mixed-income communities.



Some key findings in the report are:

- Mixed-income strategies have become increasingly important as the United States confronts growing income equality and residential segregation by income.
- Various factors, including income and tenure mix, design, location, amenities, access to services, and property management, are critical to building successful mixed-income developments.
- Relocated low-income residents living in mixed-income communities praise their new living spaces and environments; higher-income residents tend to cite their communities' locations.
- The ideal of inclusive, cross-class interaction in mixed-income communities is often undermined by the enforcement of social order, including management actions that restrict social gatherings in public spaces and rules relating to housekeeping and noise levels.
- Inclusionary zoning programs vary in their structure; they can be mandatory or voluntary and have different set-aside requirements, affordability levels, and control periods. Most inclusionary programs offer developers incentives, such as density bonuses, expedited approvals, and fee waivers.

The report can be read in its entirety at:

<http://www.huduser.org/portal/evidence.html>

### The Cost of Smoking

Did you know that the cost to cleanup a heavy smoker's unit is almost \$3,000 more than a non-smoker's? The respective costs for an apartment owner are \$3,515 and \$560!



## Integrated Pest Management

HUD has a program, Stop-Pests in Housing, to promote integrated pest management (IPM) in affordable housing. StopPests' resources and experts can help you find: answers to your pest questions, resources to educate residents, an expert to coach you through IPM implementation, and on-site training for qualifying sites/events.



The program is staffed by a group of science educators from the Northeastern IPM Center at Cornell University, whose mission is to improve pest control in affordable housing by teaching everyone how to use IPM. Since 2007, they have been bringing IPM to affordable housing across the country with funding from a HUD and USDA-NIFA interagency agreement. The program consists of IPM resources for multifamily housing, as well as consultation and training.

As background, IPM is the coordinated use of pest and environmental information with available pest control methods to prevent unacceptable levels of pest infestation by the most economical means and with the least possible hazard to people, property, and the environment. IPM programs focus on preventive measures—getting at the root of the problem before an infestation occurs.

IPM's team approach is one way that it differs from conventional pest control. Each member of the IPM team plays a role in pest control—working together to make buildings great for people and bad for pests. HUD has already encouraged housing agencies to manage pests using IPM with PIH Notice 2011-22.

The IPM process involves the following:

- Inspect places where pests hide. Look at monitoring devices to determine the extent of the problem and circumstances that might influence control efforts.
- Identify the pest so that control can be targeted. Compare your observations to action thresholds and scale the treatment to the level of infestation. Treat using at least two of the following compatible control methods: 1. cultural (changing behaviors), 2. physical (trapping pests or blocking them out), 3. biological (parasitic wasps), and 4. chemical.

Residents, however, can hinder an integrated pest management (IPM) program in many ways:

- Impede PMP's access for inspection or treatment.
- Don't prepare the dwelling unit for inspection or pesticide application.
- Don't report maintenance issues.
- Excessive clutter.

It should be stressed that the requirements in the residential lease, if met, will result in a home that is good for people and bad for pests. Controlling pests is about:

- Preventing access.
- Detecting pests quickly.
- Making sure food, water, and shelter are not available.

These good habits can be promoted by group IPM training and one-on-one coaching.

To take advantage of this opportunity, all you have to do is to complete a form at: [www.stoppests.org/Request](http://www.stoppests.org/Request)

## Be a Crimebuster!

The City of Philadelphia's Police Department has a new crime prevention and investigation tool— SafeCam.

Safecam is a public safety program that employs private security cameras to prevent and investigate crimes in Philadelphia's neighborhoods.



Project owners and managers can simply log on to the SafeCam website to register their property's security cameras. Once they have completed the free registration, a member of the police Department will contact them to confirm their registration and provide provide a PPD SafeCam window decal.

They will only be contacted by the police in the future if there is a criminal incident in the vicinity of their security camera. Police personnel, if necessary, may request a copy of any video captured by your camera, which may assist in the investigation of a crime.

Consider becoming a part of the SafeCam network!

You can register your property at:

<https://safecam.phillypolice.com/>

## The Brix at 26

The City of Pittsburgh has a new 87-unit luxury apartment building in its South Side neighborhood, The Brix at 26.

The Brix is a former mercantile building constructed in 1907 for Jones & Laughlin Steel Corporation on Carson Street, across from the commercial development Southside Works. Its \$31 million renovation was partially funded by a \$17.2 million Section 221(d)(4) FHA-insured mortgage, along with syndicated equity from historic tax credits and a grant from PA Redevelopment Assistance Capital Program (RCAP) from the Commonwealth of PA. The project has 77 one-bedroom units, 8 two-bedroom units, and 2 efficiencies. Rents go for \$2 a square foot, which works out to \$1,000 to \$2,000 a month.



The building features such high-end amenities as Wi-Fi service, meeting and business rooms, virtual fitness rooms, modern design apartments with dramatic views, a first-floor courtyard with a fireplace, a rooftop terrace, a secure parking garage, security, and 10,397 square feet of first floor commercial space. The lead commercial tenant is a high end bakery/restaurateur currently developing its final plans before build-out begins.

The building is currently 80% leased (62 units occupied). The average tenant age is 32, with many being young business and medical professionals.

The Pittsburgh Downtown Partnership projects that 2,400 new apartments will be developed in the next decade for the greater downtown area.

## Homeless Admission Preferences



Housing Notice 2013-21, Implementation and Approval of Owner-adopted Admissions Preferences for Individuals or Families Experiencing Homelessness, was issued July 25, 2013. The Notice provides guidance on the circum-

stances under which owners of assisted properties may adopt admissions preferences. The notice can be downloaded at:

<http://portal.hud.gov/hudportal/documents/huddoc?id=13-21hsgn.pdf>

## Improving Neighborhoods by Design

The Community Design Collaborative (CDC) is a volunteer-based community design center that provides pro bono preliminary design services to nonprofit organizations in greater Philadelphia. It offers unique volunteer opportunities for design professionals, and raises awareness about the importance of design in community revitalization.

STRENGTHENING NEIGHBORHOODS THROUGH DESIGN



Early design assistance is critical to nonprofits and the communities they serve. Preliminary design services help nonprofits see new opportunities, make the most of scarce resources, engage stakeholders, get projects funded and built, and strengthen neighborhoods. However, the cost of preliminary design services is often out of reach. The CDC matches nonprofits with volunteer architects, landscape architects, interior designers, urban planners, preservationists, engineers, and cost estimators. Since its start in 1991, Philadelphia's design professionals have invested more than 100,000 hours of their time and expertise in over 600 projects.

The CDC's early design assistance helps nonprofits succeed in the challenging arena of community development. One in four of its nonprofit clients take significant steps like securing funding, hiring design consultants, and building projects. Last year, the CDC provided more than 7,000 hours of service to about 50 nonprofits.

Some recent projects have been Stiles Street Housing, "green" affordable housing developed by Habitat for Humanity Philadelphia; Cyber Village, a 56-unit senior housing project developed by Mt. Tabor Community and Economic Development Corporation; Bainbridge Green, a redesign of pedestrian plazas developed by the Friends of Bainbridge Green; and Sheridan Street Housing, L-shaped homes located in North Philadelphia developed by the Asociacion Puertorriquenos en Marcha.

For further details see: <http://cdesignc.org>

## Refinancing Transactions

To facilitate the refinancing of previous Mark-to-Market projects that are encumbered by Secretary-held loans, Hub Directors, Program Center, and Operations Officers have been authorized to approve and sign any documents necessary to modify and subordinate such loans, including Green Retrofit Notes and Grant documents.

## Atlantic City's Financial Woes

Thirty-five years ago, Atlantic City, NJ had a virtual monopoly on gambling on the east coast. Now, that monopoly has vanished due to competition with rival casinos in PA, NY, and MD.



As recently as 2008, casinos and ancillary businesses generated \$6.5 billion for the NJ economy, accounting for 101,500 jobs, or 2% of the state's total jobs. At their peak in 2006, casinos generated more than \$500 million in state taxes and fees. Six years later, they generated only \$239 million.

Since 1984, the Casino Reinvestment Development Authority (CRDA) has invested more than \$2 billion in more than 400 projects. The majority of that money—more than \$1.5 billion—went to projects within Atlantic City. In the area of low and moderate-income housing in the city, the CRDA has partnered with the casinos to develop housing and retail businesses. Two examples are one with Harrah's that transformed the city's dilapidated Northeast Inlet section, creating a neighborhood of 620 affordable rental and for-sale homes (\$55 million CRDA contribution), and another with Bally's, Jacobs Family Terrace, a community of affordable condominiums (\$13 million CRDA contribution).

The CRDA has also worked with the city's housing authority through the HOPE VI program, which aims to replace failed housing projects with more viable communities. HUD has committed \$6.7 million to the latest phase of HOPE VI. CRDA Executive Director John F. Palmieri said the authority wants to bridge the gap with financing to help make affordable housing more feasible.

The authority has invested millions in helping the city demolish or rehabilitate abandoned and dilapidated buildings, and has committed about \$740,000 to improve the facades of buildings along Atlantic Avenue, once the city's main shopping district.

In response, to the economic decline, the City is promoting entertainment options offered by the private and public sectors that do not include gambling. The Legislature, in 2011, created a new tourism district. And the CRDA, a year later, unveiled a master plan to make the streets safer and more attractive; lure buzz-worthy entertainment to the boardwalk; turn Pacific Avenue into a high-energy destination, with shops, bars, and restaurants; and make Atlantic Avenue a pedestrian-friendly

downtown. Also, the Atlantic City Alliance, funded by the casinos, agreed to aggressively market the city and sponsor promotional events.

This strategy must succeed. Casinos are a source of tax revenue that not only helps the state pay for the services that it provides, but also helps pay for economic development projects. The CRDA has used casino revenue to issue bonds to fund numerous projects in Atlantic City, from revitalizing the boardwalk to creating affordable housing in Atlantic City, as well as numerous projects throughout the state.

Atlantic City and the casinos are hoping that "Lady Luck" will shine upon them during this transitional period.

## NAHMA Scholarships



NAHMA has announced that 7 tenants from PennDel AHMA projects have been awarded with scholarships totaling \$17,500.

The winners are: Dana Aldridge- \$2,500, Lebanon Village, CRM; Dana Andrews- \$2,500, Maple Mt. Vernon Apartments, CRM; Raven Black- \$2500, Washington Square, CRM; Hai Do- \$2,500, Robert Saligman Homes, Federation Housing, Inc.; Kris Hilliard- \$2,500, Zephyr Apartments, IRM; Omar Urena- \$2,500, Village Park Apartments, IRM; and Sondra Stewart- \$2,500, Glenbrook Apartments, GN Associates.

In addition, the PennDel AHMA will be awarding the "most qualified" winner with an additional \$2,000 scholarship from the Connie Loukatos Scholarship Fund.

## Loan Closings

The following insured loans closed during the month of July:

PA- Upper Perkiomen Manor, Fred B. Rooney, and Geneva House.

NJ- Grove Street Apartments and Bella Vista Senior Housing.

WV- Weston Arbors and Chateau Hills.



## **Affordable Health Care**

Helping the more than 48 million Americans who are currently uninsured has been a priority for President Obama. Many of those uninsured individuals are low-income Americans that rely on HUD services. That is why HUD committed to our mission of building strong and healthy communities across the country and promoting information about the Affordable Care Act with the people we serve.



The Affordable Care Act that President Obama signed into law in 2010 will go a long way in helping to working families with access to quality care, while strengthening their financial future.

In addressing this important issue, Jane Vincent, Regional Administrator, Region III, made the following remarks:

“The outcry for health care coverage can be heard in communities across the county, where hard-working families are passionately discussing the ACA and the access it will bring to affordable health care coverage. When key parts of this Act go into effect, there will be a new way to buy health insurance for the 3.4 million uninsured residents in Delaware, the District of Columbia, Maryland, Pennsylvania, Virginia and West Virginia. They will be able to compare and purchase health insurance plans starting October 1 at the new Health Insurance Marketplace, with coverage beginning January 1, 2014.

For those receiving HUD assistance, the ACA can eliminate the domino effect created by the harsh realities of being uninsured – health problems leading to job loss, and ultimately, the inability to pay the rent or mortgage. With the expansion of access to health insurance, there’s a greater chance for homeowners to avoid foreclosure and for HUD-assisted housing residents to achieve self-sufficiency.

The ACA will have a positive impact in the communities we serve and support our efforts to use housing as a platform to improve health outcomes and quality of life. HUD data reveals the average income of families receiving rental assistance in 2012 was \$12,655. In those states that have agreed to expand their Medicaid programs, the vast majority of uninsured, HUD-assisted residents will be eligible for Medicaid as opposed to private insurance. This would also include people who live in HUD-funded affordable housing and residents in

areas where median income and eligibility for HUD assistance may be higher than the Medicaid eligibility standard.

So, in keeping with our mission and to raise awareness in the mid-Atlantic region, we are partnering with the U.S. Department of Health and Human Services (HHS) to spread the word about the important benefits and provisions under the ACA.

HHS will operate Marketplaces for states that have not elected to do so. There are three models: state-based, federal-state partnership and federally facilitated. In Maryland and the District of Columbia, there will be a state-based Marketplace. In West Virginia and Delaware, there will be a federal-state Marketplace. In Delaware, Pennsylvania and Virginia, the Marketplace will be federally run. The Marketplaces will offer a one-stop-shopping opportunity to learn about health insurance options, allowing various income groups to compare a wide range of private insurance plans to make the best coverage decisions.”

Let’s all do our part to help build healthy communities, and share information with others and urge them to enroll at [healthcare.gov](http://healthcare.gov), or by calling a hotline that is available in more than 140 languages at 1-800-318-2596.

## **Search Tool for Apartment Hunters**



Apartment hunters have a new search and comparison tool at their disposal to find their ideal housing.

The data-driven web-based tool is Rentenna.com. This tool condenses a vast range of rental unit metrics into a single score. Originally based in New York City, the rental scoring startup uses algorithms to compare thousands of apartment listings with historical prices and industry trends, generating amenity and value scores on a 1-99 scale.

Rentenna has now rated more than 15,000 apartment buildings and 2,500 rentals in the City of Philadelphia. Over the next year, the site plans to add even more Philadelphia-centric data scores, including those related to code violations, transportation, food delivery, schools, crime, transportation, green-friendly environments, and entertainment.

The site found Philadelphia rents as average: \$850– studio, \$1,275– 1 BR, \$1,675– 2 BR, and \$2,350– 3 BR. The most desirable neighborhoods identified, especially for new grads, were: Logan Square, University City, Rittenhouse Square, Society Hill, and Old City.