

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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HUD/HHS Section 811 Partnership

To prevent thousands of people with disabilities from experiencing homelessness or unnecessary institutionalization, HUD and HHS have announced nearly \$98 million in funding for 13 state housing agencies for rental assistance to extremely low-income persons with disabilities, many of whom are transitioning out of institutional settings or are at high risk of homelessness.



HUD's support of these state agencies is made possible through the *Section 811 Project Rental Assistance Demonstration Program (PRA Demo)* which enables persons with disabilities who earn less than 30% of median income to live in integrated mainstream settings. The state housing agencies are working closely with their state Medicaid and Health and Human Service counterparts to identify, refer, and conduct outreach to persons with disabilities who require long term services and supports to live independently.

The rental assistance reinforces the guiding principles of the *Americans with Disabilities Act* and the landmark 1999 Supreme Court ruling in *Olmstead v. L.C.*, which require state and local governments to provide services in the most integrated settings appropriate to meet the needs of individuals with disabilities. It also supports the Obama Administration's long term strategy to prevent and end homelessness. The *Dedicating Opportunities to End Homelessness (DOEH) Initiative* is a joint effort by HUD and the U.S. Interagency Council on Homelessness (USICH) designed to help

communities match their homeless supports with other mainstream resources, such as Housing Choice Vouchers, public housing, private multifamily housing units, and other federally funded services. The initiative is beginning in 10 critically important communities: Philadelphia, Atlanta, Chicago, Fresno County, Los Angeles County, Houston, New Orleans, Phoenix/Maricopa County, Seattle, and Tampa.

Within the Philadelphia Hub, two state agencies, Delaware State Housing Authority (DSHA) and Pennsylvania Housing Finance Agency (PHFA) were funded for a total of \$10,808,553 and 370 units.

Here are their funding descriptions:

DSHA- \$5,100,753

DSHA and DE Dept. of Health and Social Services (DHSS) are partnering for the Section 811 PRA Demo program in Delaware to create 170 units for people with disabilities in integrated settings with supportive services. This new program will build on the existing DSHA/DHSS partnership developed in recent years as part of the state-funded State Rental Assistance Program (SRAP). SRAP has provided rental assistance to people exiting institutions, at risk of entering institutions, youth exiting foster care, and families for whom affordable housing is the major barrier to reunification. Delaware's Section 811 PRA Demo Program will leverage the successes of the SRAP and contribute significantly to the State's ongoing efforts to develop a continuum of community-based housing choices as part of a system of long-term care that prioritizes living and providing services in the community. This effort is particularly focused on disabled persons with serious and persistent mental illness, which reflects a statewide need

identified in Delaware's 2011 Settlement Agreement with the U.S. Department of Justice. However, the program will more broadly serve nonelderly people with disabilities (including mental disabilities) and extremely low income people either currently in long-term care settings or at high risk of institutionalization in long-term care facilities.

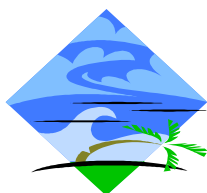
PHFA- \$5,707,800

Pennsylvania's Section 811 PRA Program builds upon existing partnership initiatives between PHFA and Pennsylvania's Dept. of Public Welfare, the state's Medicaid agency. For several years, these two state agencies have collaborated closely to increase the number of permanent supportive housing units in the state by identifying and assisting persons with disabilities and providing housing referral services and options to enable them to live independently in affordable housing developments.

PHFA currently develops integrated permanent supportive housing units, for extremely low-income persons with disabilities, through a priority built into its allocation process for the Low Income Housing Tax Credit program. PHFA will implement this same criteria to create 200 units in the state's Section 811 PRA Demo program. This program will prioritize three target groups for housing in Section 811 PRA-assisted units: persons with disabilities who are institutionalized, those at risk of institutionalization, and those currently living in congregate settings who desire to move into the community. In addition, this grant will assist in achieving the administration's 10-year goal of ending homelessness, especially in cities like Philadelphia, which has one of the country's highest chronically homeless populations.

Expedited Processing

HUD has issued Housing Notice H 13-05, *Hurricane Sandy/Superstorm Response - Expedited Processing for FHA Multifamily Mortgage Insurance Applications*. The purpose of this Notice is to provide for priority processing of multifamily mortgage insurance applications for transactions in New York and New Jersey. Both states were especially hard hit by Hurricane Sandy and a subsequent storm.



These changes are intended to facilitate recovery efforts by ensuring the timely availability of the Federal Housing Administration's (FHA's) Multifamily Housing programs while mitigating the Department's risk.

Here are some of the general provisions:

- Applications must be submitted to the New York Hub Director.
- Applies to all Pre-application and Firm commitment applications submitted prior to 12/31/13 for the FEMA-designated counties.
- The application fee of \$3 per \$1,000 of requested mortgage amount, may be deferred until HUD is ready to issue a Firm commitment.
- A concept meeting is encouraged but not required.
- Standard processing time, from application receipt to decision is 30 days. However, it will be waived in the case of environmental issues that require additional time.
- HUD will review the application, relying on the lender and third-party representations and certifications.
- For NC and Sub-Rehab loans, HUD's A&E review will be limited to compliance with Fair Housing Accessibility requirements.
- The HUD appraiser's review will be limited to completion of Form 4128, Environmental Assessment and Compliance Findings.
- Hub and National Loan Committee reviews, if necessary, will be expedited.
- All loans will be reviewed on a post-commitment basis.

For complete details, see:

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

Local Crime Report

Apartment owners and managers in New Jersey can now see crime data for their communities.

The New Jersey State Police is now updating its uniform Crime report on a weekly basis and making it available for public viewing.



The report can be found on the following website: http://www.njsp.org/info/ucr_currentdata.html.

Top MAP Lenders

The top ten HUD-approved MAP lenders for FY 12 (based on per # loans, per units, & per total \$\$) were:

1. Red Mortgage Capital- \$12.4 billion; 122 loans; 17,374 units.
2. Berkadia Commercial- \$1.1 billion; 115 loans; 16,970 units.
3. P/R Mortgage & Invest.- \$739 million; 105 loans; 15,352 units.
4. Wells Fargo Bank- \$1.3 billion; 101 loans; 14,656 units.
5. Oppenheimer- \$680 million; 70 loans; 10,757 units.
6. Love Funding- \$509 million; 59 loans; 7,764 units.
7. Dougherty Mortgage- \$615 million; 52 loans; 7,832 units.
8. Greystone Funding- \$730 million; 45 loans; 9,659 units.
9. Prudential Huntoon Paige- \$455 million; 44 loans; 6,553 units.
10. Greystone Servicing- \$488 million; 44 loans; 8,127 units.



Hard-Wired Smoke Alarms



It is common knowledge that batteries in smoke alarms should be replaced annually, but what about hard-wired smoke alarms? Just like any electrical appliance, the components of smoke alarms wear out over time. Hard-wired smoke

alarms that are 10 years old are near the end of their service life and should be replaced.

Some people think that their smoke alarm sits idle until smoke is present. But it is working every minute, constantly monitoring the air 24 hours a day. For example, an ionization smoke alarm goes through 3.5 million monitoring cycles in 10 years. In a photoelectric smoke alarm, a light operates 24 hours a day to check for smoke particles in the air.

When a smoke alarm reaches 10 years of use, the potential of failing to detect a fire increases substantially. Taking the preventative measure of replacing them after 10 years will reduce the likelihood of failure.

FHA Loan Commitment Authority

HUD is under a Continuing Resolution which expires on March 27, 2013. Due to production volumes the past several months, Commitment Authority may be exhausted prior to that date.



Accordingly, effective February 25, 2013, HUD field offices require prior approval from Headquarters to issue or reissue Firm Commitments for multifamily projects, or to amend Firm Commitments if an increased in mortgage amount is proposed. This applies to both basic FHA and Risk Sharing deals.

Firm Commitment approvals will be issued, to lenders on a first-come, first-serve basis, according to the following priorities:

1. Affordable projects (i.e., LIHTC, project-based Section 8), RAD, impacted by Hurricane Sandy, and Firm issued but requiring an increased mortgage amount.
2. Section 223(a)(7).
3. Market-rate Section 223(f), NC/Sub Rehab Section 221(d)(4).

Smoke-Free Housing Toolkits

HUD has posted smoke-free housing toolkits to the Office of Healthy Homes and Lead Hazard Control (OHHLHC) website, as well as cover letter introducing the toolkits.



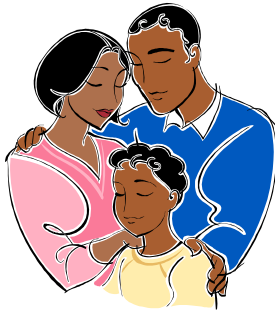
These toolkits were developed by HUD and its partners, the Centers for Disease Control and Prevention, the American Lung Association, and the American Academy of Pediatrics. They are a compilation of existing educational, "how-to" and resource brochures, pamphlets and other information designed to assist owners/management agents in implementing a smoke-free housing plan, and to inform residents of multifamily housing who want safer and healthier homes.

The toolkit website is as follows:

<http://portal.hud.gov/hudportal/HUD?src=/smokefreetoolkits1>

Tenant Resource Network Program

On October 14, 2011, HUD published a NOFA for a new program, the Tenant Resource Network (TRN) Program. The purpose of TRN is to make awards to applicant nonprofit organizations that will engage tenants in efforts to preserve eligible properties as affordable housing, and to support tenants in conducting activities protected under 24 CFR Part 245, the HUD regulations regarding tenant participation in multifamily housing. HUD made available approximately \$10 million under the authority of Section 514 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA) for tenant outreach at properties defined by HUD as TRN-eligible.



Properties become eligible for TRN activities based on their risk of losing affordability protections or project-based rental assistance within the next 2 years. HUD pulls data quarterly on Section 8 properties and has the responsibility of informing owners when their properties become eligible and are approved to be added to TRN grantee Work Plans.

To be eligible for TRN activity, properties must have expiring Section 8 HAP contracts and be experiencing one or more triggering events. Those triggering events are:

- An FHA-insured or direct mortgage maturity date that falls within the 24-month period following the current date.
- Receipt by HUD of an owner election to Opt-Out, as evidenced by receipt of an Owner Election Form selecting "Option 6: Opt Out," on or after date of publication of the NOFA.
- Receipt by HUD of an owner 12-month notification of Opt-Out on or after the date of publication of the NOFA.
- A notice of prepayment filed by the owner on or after date of publication of the NOFA; and/or
- Receipt of two consecutive Below 60 REAC scores (where the Section 8 project-based rental assistance contract is not yet under abatement), with the most recent score issued on or after the date of publication of the NOFA.

For Fiscal Year 2011 (FY 2011), fourteen nonprofit

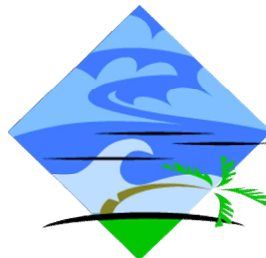
grantees were funded in the amount of \$4,550,238.

There was one grantee in the Philadelphia Hub-Housing Alliance of Pennsylvania. It received \$200,000.

Owners and agents are not required to participate in TRN activities or outreach, but they are required to provide space for activities on the same terms they make space available generally. If fees or refundable deposits are charged for space rental, these fees must be pre-approved by the appropriate HUD office. These fees or deposit charges are typically listed on the rent schedule for the property. Grantees, Headquarters or Regional Coordinators may request information on property policies for space rental.

In accordance with their cooperative agreements, TRN grantees must visit each property to have at least two meetings with tenants, and create written materials regarding the property status, and a hotline so residents may ask questions at any time. Potentially, if TRN grantees are not allowed to work with tenants to complete this required outreach, grantees could file a complaint to the local HUD office, as outlined in Housing Notice 2012-21.

Emergency Planning



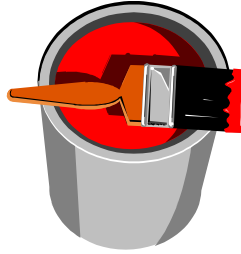
After experiencing Superstorm Sandy last fall, the importance of emergency planning (i.e., preparation, management, and recovery) cannot be stressed enough. You should not assume that your project is not at risk, or that your plans are adequate.

There are five organizations that can provide you with a wealth of free information about this serious topic. They are as follows:

- Occupational Safety and Health Administration—OSHA.org
- National Fire Protection Association—NFPA.org
- Federal Emergency Management Organization—FEMA.gov
- Insurance Institute for Business & Home Safety—disastersafety.org
- Small Business Administration—SBA.gov

New Lead Danger

A new research study, conducted by Arizona State University, has linked autism with lead exposure from contaminated soil and paint. Previously, autism was thought to be a largely hereditary condition, and not one attributable to environmental and chemical reasons.



It was found that autism sufferers carried 74% more lead in their systems than the control subjects, and 50% more tin. Sufferers with more severe symptoms carried higher concentrations of toxic metal. While it was previously known that exposure to lead makes people, especially children, lose IQ points, it is now apparent that it can also induce autism.

This study emphasizes the need to remove all lead-based paint from dwelling units.

A Dream Come True

When the tenants of Tulpehocken Terrace, a 46-unit Section 202 project, located in Lebanon, PA wanted to enliven their social activities and improve their physical wellness, they attempted to get several large retail chains to donate a large screen television and a Wii console. Unfortunately, none of the stores was willing to assist them.



Not willing to give up, the residents decided to pool their money and purchase the items. When they contacted a local retailer, Tom Morrissey TV and Appliance, they were excited to learn that the store owner had recently accepted a trade-in large screen television and was willing to donate it to the project.

After gratefully accepting the television, two residents purchased a complete Wii system. Now, the residents enjoy playing computer games, as well as watching movies, special shows, and sports.

The management agent, Community Homes of Lebanon Valley, was so appreciative of Mr. Morrissey's generosity, that it hosted a small dinner to honor him and several residents who persevered and made the dream of their fellow residents come true.

Congratulations to all.

Social Security– Electronic Payments

The U.S. Social Security Administration (SSA) has a new policy which eliminated the option for Social Security and SSI recipients to receive their benefits in the form of paper checks, effective March 1, 2013. Recipients will continue to have the option to use direct deposit for their benefits or they may choose to receive a "Direct Express Debit Card." The debit card is automatically loaded with a recipient's benefits on the appropriate payment day of each month. The card is not associated with the recipient's bank account and funds cannot be added to the card by the card holder.



HUD has received several inquiries about the Direct Express Debit Card and how it will affect income and asset calculations for tenants of HUD subsidized properties. In order to remain consistent with HUD regulations, benefits received through direct deposit or the Direct Express Debit Card will continue to be treated as income.

The balance on the Direct Express Debit Card is also considered an asset and will be verified consistent with existing savings account verification requirements. Specifically, tenants who receive their benefit on a Direct Express Debit Card will need to provide an account balance no more than 120 days old at the time of recertification. This balance can be obtained from an ATM, though the online account service, or a paper statement. The verification document must identify the account and the account holder. If the total household assets do not exceed \$5,000, no income will be derived from this asset. If household assets exceed \$5,000, assets should be imputed at the standard rate of 2%.

For more information, please visit the SSA website at: www.ssa.gov/pubs/10073.html

Building Envelope Technology

The Dept. of Energy has announced a \$9 million investment to evaluate HVAC systems and building envelope materials.

Some of the supported projects include: a cold-climate heat pump (Unico), a roof sandwich panel that uses foam material to increase building efficiency and lower construction costs by 25% (Univ. of Idaho), and highly insulated widows that utilize automated shading to capture or repel heat depending on the season (Lawrence Berkeley National Laboratory).

Keeping Food Safe

In the event of a power outage, tenants should observe the following simple rules to keep their food safe:

- Keep the refrigerator and freezer doors closed. The refrigerator will keep food cold for about 4 hrs., and a full freezer for about 48 hrs.
- Thoroughly cook refrigerated or frozen meat, poultry, fish, or eggs while they are still at safe temperatures.
- Discard perishable food if it was stored above 40 degrees for 2 hours or more.
- Wash fruit and vegetables with water from a safe source before eating.



Masonry Maintenance

It is important to perform periodic check-ups of a building's masonry exterior and perform minor repairs (e.g., re-caulking every 5-8 years) before they become major and costly ones.

The following advice is provided by industry experts to maintain your masonry:

- Remove and replace deteriorated sealants.
- Repoint cracked mortar joints.
- Remove ivy and plant growth.
- Use care when opening clogged weep holes.
- Install a damp-proof course, if missing or needed.
- Install remedial anchors and ties.
- Correct all defects before applying ext. coatings.

Loan Closings



The following insured loans closed in the month of February in the Philadelphia Hub: PA- Newberry Estates, Hampton House Apartments, and Roosevelt Arms; NJ- Tower East Apartments; and WV- Fairmont Arbors.

Housing Discrimination App

HUD has unveiled the first housing discrimination mobile application (app) for iPhone and iPad. Developed by HUD's Office of Fair Housing and Equal Opportunity (FHEO) and HP, the app uses the latest technology to provide the public with a quick and easy way to learn about their housing rights, to file housing discrimination complaints, and to inform the housing industry about its responsibilities under the Fair Housing Act.

iPad
with Retina display



The app will also be an important tool to assist fair housing groups and other civil rights advocacy organizations in their efforts to help individuals pursue their housing rights and industry to educate their members on their responsibilities.

HUD's new fair housing app was unveiled during the 3rd Annual MobileGov Summit in Washington, DC, a conference which brings government and industry IT leaders together to discuss the latest trends and best practices for creating the next generation mobile government workforce.

In addition to facilitating real-time delivery of housing discrimination complaints to HUD, the app can be used by individuals researching their housing rights after a natural disaster, when power outages make the iPhone/iPad one of the few ways to access the Internet.

The app also provides information about the fair housing complaint process, and allows the public to access HUD's toll-free discrimination hotline and link to HUD's fair housing website.

In conjunction with the fair housing mobile application, FHEO has released HTML 5 adaptive mobile pages, which are in English and Spanish and allow web content to display properly regardless of the brand of smartphone or tablet being used. In addition, the adaptive mobile pages allow individuals to complete and submit the fair housing complaint form in Spanish. FHEO also plans to design a "Quick Response Code" ad campaign, directing mobile users to the new adaptive pages.