

# PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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

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### Religious Freedom

In May, Raleigh, N. C.-based One Management Inc. sent a memo to residents at Heritage Courts (and the other 40-plus properties it owns across the Carolinas and Virginia) disallowing Bible studies in common areas. The company cited the federal Fair Housing Act, which prohibits religious discrimination, saying that allowing such studies could make people of different faiths- or people who aren't religious at all- feel as if they were being discriminated against.



The state Attorney General's Office, however, threatened to charge those involved in the decision with felonious violations of Civil Rights laws. The state's position was supported by the U.S. Justice Department. DOJ stated that the decision was in violation of the Fair Housing Act.

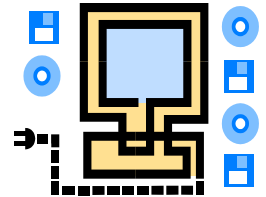
In addition, in a letter to the project owner, Linda Cruciani, Assistant General Counsel for Fair Housing Enforcement at HUD, reinforced the fact that religious activities are permitted as long as they are voluntary, and as long as anyone has the same ability to hold such activities.

She stated that "The Fair Housing Act does not prohibit religious expression; it requires that applicants and tenants for housing be treated equally without regard to their particular religion. The Heritage Court

Apartments may allow religious activities in the common areas of these properties."

### EIV System

The Employment Income Verification System (EIV) is now available to the multifamily industry.



It is a critical wage and benefits tool, provided through HUD's secure internet system, that allows multifamily owners and agents to verify tenant-reported income from an independent source during mandatory tenant recertifications. The EIV data will be used to help HUD reduce errors in subsidy payments.

Owners and agents were requested to submit an EIV Coordinator Access Authorization Form (CAAF) by September 18, 2006. Access to EIV, however, can still be obtained by completing the CAAF and submitting it by e-mail to: [Mf\\_Eiv@hud.gov](mailto:Mf_Eiv@hud.gov) or faxing it to the HQ MF EIV Team at (202) 708-3104 for processing.

It is important that you obtain the necessary owner written approval authorizing your access, as soon as possible, so that you may assign the EIV Housing Coordinator (HSC) role to your properties and begin incorporating the use of EIV into your day-to-day operations.

The new EIV website at [www.hud.gov/offices/hsg/mfh/rhiip/eiv/eivhome.cfm](http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/eivhome.cfm) provides a User Manual, EIV system capability and background information, instructions for accessing the EIV system data, required certification application forms and system security measure requirements.

### **HUD Project Receives Award**



Bausman Street Independent Living, a 12-unit Section 811 project, located in Pittsburgh, PA, was honored by 10,000 Friends of Pennsylvania as a winner in their 2006 Commonwealth Design Awards Program. The award recognizes projects that successfully demonstrate sound land use principles, including innovative new development, responsible greenfield and brownfield development and revitalization of real estate.

Bausman Street was designed to accommodate all disability types. The project itself is composed of three buildings with four accessible units each, with eight one-bedroom units and four two-bedroom units. Each building contains a common area that houses laundry facilities, mailboxes and wheelchair lifts. This beautiful development was designed to replicate the older single family homes in the neighborhood and was built on a vacant lot and an adjoining lot where a dilapidated structure was demolished. As such, the design fits both the scale and type of structures in the adjoining neighborhood, allowing for seamless integration. The community was active in all planning activities, creating a sense of trust. The urban location allows for local access to shopping and public transportation, promoting independence for the residents.

The project was co-sponsored by Southside Local Development Company and ACTION-Housing, Inc. Bausman Street was the Pittsburgh Office's first Section 811 project to engage multiple service providers to encourage diversity of disabilities within one project. The Southside Local Development Company intends that Bausman Street will serve as a model for future urban in-fill activities.

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### **Top Mgmt. Agents of Affordable Housing**



NAHMA has published a list of the top 50 (largest) affordable housing management firms. The top 5 were: AIMCO (96,000 subsidized units), IRM (38,032 units), Concord Management (30,248 subsidized units), Capstone Real Estate Services (26,584 subsidized units) and Winn Residential (26,302 subsidized units).

To view the entire list, please see: [www.nahma.org/](http://www.nahma.org/)

### **Pitman Manor Volunteers**

During National Volunteer Week, 55 tenants of Pitman Manor- a 242-unit Section 236 project for the elderly, located in Pitman, NJ- and 104 community volunteers (Pitman Manor Auxiliary) were honored for assisting in the Manor's many activities and programs.



Between April 1, 2005 and March 31, 2006, the resident volunteers worked 6,438 hours and the community volunteers worked an additional 3,436 hours for a total of 9,874 hours. If these residents had to be paid, it would cost the project \$64,177 (at \$6.50/hr.).

All of the volunteers were awarded pins and certificates of appreciation at an award's ceremony. James T. Clancy, Pitman Manor's executive director was quoted as saying that the volunteers provided "invaluable service toward the continued success of our day-to-day operations...(they) do the many things for residents here that our staff can't possibly do during their regular shifts. They take care of all the extra things that staffers don't have time to do- things that wouldn't be done without their help." Among the activities of the volunteers are sorting incoming mail, operating the manor's gift shop, acclimating new residents, organizing birthday parties, shopping for residents and holding fundraising events (e.g., craft bazaars and clothing sales).

The sense of satisfaction that is felt by the volunteers is echoed by Alice Luongo, an 89-year-old resident who has been donating her time for over 3½ years. "It's a great way to know all of the residents and it's personally rewarding for me to help in any way that I can...this is my home and if I can help make the other residents feel at home, then I feel as though I've accomplished something."

### **Increase in High Cost Percentages**

HUD has prepared a list of High Cost Areas that may be eligible for an increase in the maximum mortgage limits on a project-by-project basis.

The following cities in the Philadelphia Hub have been designated High Cost Areas (the percentages are shown as multipliers of the Basic Statutory Mortgage Limits): Camden, NJ- 240%; Charleston, WV- 206%, Newark, NJ- 240%; Philadelphia, PA- 240%; Pittsburgh, PA- 222%; and Wilmington, DE- 238%.

### Effective Background Screening

David Sawyer, President of Safer Places, Inc., in an article that appeared in the April 14, 2006 Real Estate Journal, stated that it is essential that managers learn how to properly conduct background screenings. This can be accomplished by taking the time to learn what goes into a background check.



The most effective screenings start with a search of the courts in each county where the individual has lived, worked or attended school for the past 7 years. Another good source, if available, are state repositories where counties forward their criminal records. Although nationwide database searches of records compiled by private companies can be used, they are no substitute for searches at the local level.

For searches to be productive, you must have the correct name and birth date. Driving records can be of assistance by disclosing an accurate date of birth as well as previous addresses, DUI's and drug offenses.

Mr. Sawyer cautions that owners and managers could be held liable if an employee or resident is involved in a workplace violence incident. He states that "Imagine what happens when it's discovered he's done it before but you either did no background check before you hired him, or that you did one but missed a conviction record because of ineffective pre-employment screening. Take time to learn what needs to go into a background check so that it's commensurate with the level of trust and responsibility that goes with the position for which you are hiring. It will certainly prove to be a worthwhile investment!"

### Energy Star Appliances

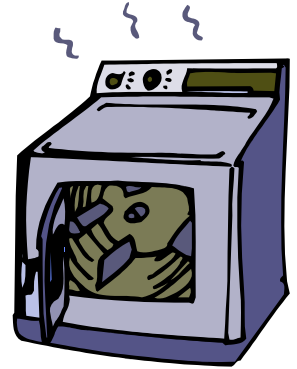


The payback time for purchasing Energy Star appliances is surprisingly quick.

You can recoup the expense of a washer in 4 years; a dryer in 3 years, and a dishwasher in only 1.5 years!

### Preventing Dryer Fires

Clothes dryer fires are a common cause of fires. Clogged vents, exhaust ducts and screens/filters can cause an over-heated condition in a dryer. As a result, clothes and accumulated lint can ignite and cause catastrophic fires in properties.



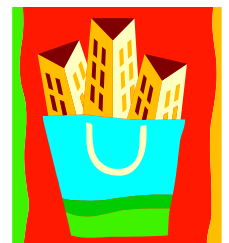
According to the U.S. Product Safety Commission, there are 15,500 dryer fires- leading to 10 deaths and many serious injuries- annually in the nation.

A key indicator of lint back-up and build-up is a rise in the time it takes to dry a typical load of clothes- a drying time of longer than 40-60 minutes indicates a problem. To prevent this, a few simple precautions should be taken:

- Clean the screen/filter before or after drying each load of clothes.
- Clean the dryer vent and exhaust duct regularly. (Commercial duct cleaning companies charge about \$40 per dryer).
- Clean behind the dryer where lint can accumulate.
- Replace plastic or accoridian-type ducts with rigid or corrugated semi-rigid metal duct.
- Check exterior vent openings for bird nests or accumulated lint.
- Be cautious when drying clothes that have been soiled with volatile chemicals such as gasoline or cooking oil. Make sure that such garments are washed twice before drying.
- Check with your local fire department to see if annual inspections are offered.

### Nursing Home Portfolio Purchase

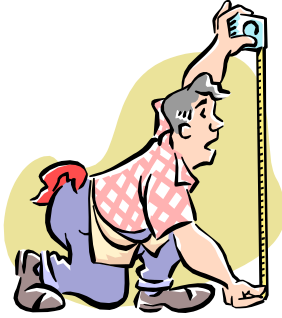
General Electric Co. has purchased 186 nursing homes for \$1.4 billion from Formation Capital LLC. This brings GE Healthcare Financial Services' real estate investments to more than \$4 billion.



The properties, contained in six senior housing portfolios, comprise 21,000 beds with an average occupancy rate of 90%. Half of the properties are in Florida, with the rest in 20 other states. They will continue to be managed by the current providers under long-term leasing agreements.

## **Rehabilitation Guides**

HUD has published a set of popular guidebooks that describe state-of-the-art techniques, materials, and technologies for housing rehabilitation. The nine-volume series, known collectively as The Rehab Guide, was developed under the auspices of the Partnership for Advancing Technology in Housing (PATH).



While each volume deals with single family housing rehabilitation, many of the issues discussed are also appropriate for the multifamily industry. The first volume is titled Foundations, and covers topics from the design and engineering aspects of rehabilitating foundation systems to shoring and repair, waterproofing, crack repair, drainage and insulation. The other titles are as follows: Exterior Walls (Vol. 2), Roofs (Vol. 3), Windows & Doors (Vol. 4), Partitions, Ceilings, Floors & Stairs (Vol. 5), Kitchens & Baths (Vol. 6), Electrical/Electronics (Vol. 7), HVAC/Plumbing, (Vol. 8) and Site Work (Vol. 9).

Housing rehabilitation is an important component of any strategy aimed at meeting the nation's affordable housing needs. Keeping a residence in good working order or bringing one back from a state of disrepair promotes both sustainability and affordability with every stroke of the hammer and every plumb line snap. Pursuing a high quality rehab or renovation can also result in properties that are better able to withstand storms and other natural disasters.

The content presented in this series has been drawn from a wide array of reliable construction industry sources, as well as from well-respected technical trade publications. Clearly written, generously illustrated, and easy to use, the guides are spiral bound to permit them to lie flat... on a workbench, coffee table, or drawing board near you.

Copies of the guidebooks can be downloaded for free at: [www.huduser.org/publications/destech/rehabgds.html](http://www.huduser.org/publications/destech/rehabgds.html), or ordered from HUD USER for a nominal fee by calling: 800-245-2691, option 1.

## **Mortgage Insurance Premium (MIP)**

MIP will not be increasing on commitments issued In FY 07. Field offices will continue to use the MIPs in effect for FY 2006.

## **Allowable Assets in Assisted Programs**

Did you know that there is no asset limitation for participation in HUD assisted-housing programs? However, when determining annual income, income for eligibility and rent calculation purposes, annual income includes interest, dividends and other net income from family assets.



### *Net Family Assets include:*

- Cash held in savings and checking accounts, safe deposit boxes, homes, etc.
- Revocable trusts.
- Equity in rental property or other capital investments.
- Stocks, bonds, Treasury bills, certificates of deposit, mutual funds and money market accounts.
- Individual retirement, 401k, and Keogh accounts.
- Retirement and pension funds.
- Cash value of life insurance policies available to the individual before death.
- Personal property held as an investment.
- Lump-sum receipts or one-time receipts, such as, inheritances, capital gains, one-time lottery winnings, victim's restitution, settlements of insurance claims, and any other amounts that are not intended as periodic payments.
- Mortgage or deed of trust held by an applicant or tenant.

### *Net Family Assets DO NOT include the following and the owner should not compute income from any of these assets:*

- Personal property, such as, clothing, furniture, cars, jewelry not held as an investment, vehicles specially equipped for persons with disabilities.
- Interests in Indian trust land.
- Term life insurance policies.
- Equity in the cooperative unit in which the family lives.
- Assets that are part of an active business.
- Assets not effectively owned by the applicant, i.e., assets held in an individual's name, but (a) the asset and any income they earn accrue to the benefit of someone else who is not a member of the family and (b) that other person is responsible for income taxes incurred on income generated by the assets.

For additional information regarding each asset type, please see Chapter 5, Exhibit 5-2, of HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs.

### Window Guard Law

New Jersey now has a new child protection law in effect—the Robert E. Dwight, Jr., Raquan Ellis and Zahir Atkins Memorial Child-Protection Window Guard Law. The law, named in memory of three New Jersey children, provides new requirements for the installation and maintenance of child safety window guards and enhanced penalties.



According to the National SAFE KIDS Campaign, approximately 18 children, ages 10 and under, die each year from window fall-related injuries. An estimated 4,700 children, ages 14 and under, are treated in hospital emergency departments annually for injuries sustained from falling out of windows.

The state's window guard law adopted in 1995 requires landlords to install child-protection window guards upon the written request of a tenant. However, incidents of children falling from open windows continued to occur despite the presence of a window guard. The new law provides new requirements for the installation and maintenance of child safety window guards and enhances penalties for failure to comply with the law. These include increased civil penalties for first-time offenses and a fourth-degree criminal penalty for repeat violators.

The law specifies that all window guards must be designed and installed so that the space between lowest section of the top horizontal bar of the window guard and the bottom of the upper window sash is less than four inches. Window stops will be allowed as a safety enhancement device but only when used in addition to properly installed window guards.

The law also extends the category of tenants who would be entitled to window guards to renters of units in common interest communities such as a condominium or cooperative. In addition, the bill extends the ability to request window guards to tenants of rental units in which a child under 10 is regularly present for a substantial period of time. Previously, the law only allowed tenants to request window guards if the child resided in the unit.

### Retention of Criminal Background Reports

When performing criminal background checks, multifamily owners and management agents may retain criminal records after an applicant has been processed and either notified of acceptance or past the 14-day hearing period upon the notification of rejection. The Office of General Counsel's Assisted Housing Division has provided a review and determination regarding the retention of criminal background reports by multifamily owners and management agents. Specifically, 24 C.F.R. § 5.903(g) Records Management, HUD Notice H 2002-22 regarding Screening and Eviction for Drug Abuse and other Criminal Activity-Final Rule and HUD Handbook 4350.3 REV-I, CHG-I, Occupancy Requirements of Subsidized Multifamily Housing Programs, indicate that only PHAs are required to destroy criminal records. Multifamily owners and management agents are not subject to the same requirements.



### Foreclosure Sales

The following four projects in PA have been scheduled for foreclosure sale: Third East Hills Park— Oct. 6; Lemington Heights Apts.— Oct. 26; Ellsworth Parkview— Nov. 6; and Shikellamy Homes N.— Nov. 8. For further information see:



[www.hud.gov/offices/hsg/mfh/pd/multifam.cfm](http://www.hud.gov/offices/hsg/mfh/pd/multifam.cfm)

### Closings

The Philadelphia Hub completed an outstanding year in Development. Overall, 53 FHA loans went to Initial Endorsement; 34 Section 202/811 projects went to Initial Closing; and 28 Section 202/811 projects went to Final Closing.

Of particular note were the achievements of our Newark Program Center that finished #1 in the nation with 34 Section 202/811 Initial Closings with 18, and #1 in combined Section 202/811 Initial & Final Closings with 31.



Congratulations for an outstanding job!