

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



Vol. 7 No. 9 Encarnacion Loukatos, Hub Director Thomas.Langston@hud.gov, Editor June 2008



www.hud.gov/local/shared/working/r3/mfhsg.cfm?state=pa

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New HUD Secretary

On June 6, 2008, President George W. Bush administered the oath of office to Steven Preston as the 14th Secretary of the U.S. Department of Housing and Urban Development.



Secretary Preston had been the Administrator of Small Business Administration (SBA) since July 11, 2006 and has almost 25 years of experience in financial and operational leadership positions.

Prior to his post at SBA, he was Executive Vice President of The Service-Master Company, where he also served as chief financial officer during a period of expansion, restructuring and significant change in the regulatory environment. During the first half of Mr. Preston’s private sector career, he was a senior vice president and treasurer of First Data Corporation, and an investment banker at Lehman Brothers.

He currently serves as Chairman of the Board of Visitors for the Weinberg College of Arts and Sciences at Northwestern University, and has served on numerous boards of philanthropic and other organizations.

He graduated with Highest Distinction from Northwestern University with a political science degree, and received an MBA from the University of Chicago’s Graduate School of Business. He also studied at the Ludwig-Maximilians-Universität in Munich, Germany.

Tax Credit Primer

The Housing Assistance Council has published a tax credit primer titled

Utilizing Low Income Housing Tax Credits for Rural Rental Projects: A Guide for Non-Profit Developers.” See:

www.ruralhome.org/pubs/guides/lihtc/toc.htm

NAHRO Award

Stonegate, a 76-unit Section 202 senior housing project that is co-sponsored by the Diocesan Housing Services Corporation of the Diocese of Camden, Inc. and St. Stephens



Church, Pennsauken, NJ, has received a national merit award for innovation by the National Association of Housing and Redevelopment Officials (NAHRO).

The project, which is located on the campus of St. Stephen parish, highlights the innovation and success of parish-based development strategy in providing access to land and generating local community project support.

Curtis H. Johnson, Jr., executive director of the Diocesan Housing Services Corporation, remarked that “The Merit Award is wonderful recognition of our commitment to quality affordable housing at Stonegate and at all diocesan housing facilities. It also recognizes the hard work of the Housing staff and the tireless support and guidance of the Housing Services Corporation Board of Trustees and the unwavering generosity of the volunteers of the Stonegate Board of Trustees.”

Congratulations!

Rising Demand for Rental Units

The current housing crisis has strengthened the rental market.

The sharpest real estate slump in decades is reverberating through the rental market. Renters in buildings that are being foreclosed on are being evicted.

Homeowners forced into foreclosure are becoming tenants again and driving up rents. And, renters not yet ready to buy a home- shut out by stricter lending rules or hoping to buy after prices fall still further- are creating a surge in the rental market.



Rents, in fact, are accelerating in many markets across the nation, including such major urban areas as Philadelphia, New York, and Washington, DC. The national vacancy rate was 9.6% in the 4th quarter of 2007- down 10.2% in the 4th quarter of 2003. The average rent is projected to rise 5.3% in 2008- up from a 3.1% increase in 2007, according to the National Association of Realtors. In 2007, the number of renters in professionally managed apartments increased by the largest amount since 2000, according to the National Multi Housing Council's March report. That increase was as large as the previous 5 years combined- from 2004 through 2006, 1.2 million households joined the ranks of renters, more than making up for the loss in renter households sustained from 2002 to 2004.

Escalating demand also means steeper rents. The median asking rate for rentals has jumped 14%, from \$591/mo. during the 4th quarter 2003 to \$673/mo. in 2007, according to the Census Bureau.

The health of the rental market is critical and bears close watching because rising demand can spur new construction, and the need for more rental properties can energize urban development.

Source: Courier-Post, April 28, 2008.

Quality of Life Award

Congratulations to Diana Gray, Director Pittsburgh Program Center, who was honored on May 29, 2008 at the Heinz History Center with the Harry R. Edelman, III Quality of Life Award. The award was presented as part of the Presbyterian Seniorcare 80th Anniversary Celebration- the Wisdom of Elders.



"Friendly Text" for Seniors

It is common knowledge that our vision changes as we age. In addition, our ability to read, understand, and even process written material or concepts shifts with the onset of the aging process.



Therefore, project managers working with older adults need to be aware of how they present written material or concepts to their tenants. Research on the cognitive changes associated with aging demonstrate that older adults may have to work harder to process information quicker, understand complex material, or solve new problems.

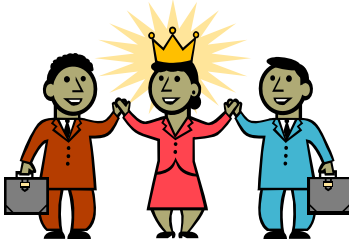
Key techniques to getting your message across to your tenants are:

- Summarize your information in writing so it can be reviewed over time.
- Use 12-14 point type. Text larger or smaller than that can reduce readability.
- Use sans-serif fonts (Helvetica or Arial) than fonts like Times New Roman, Georgia, or Old English.
- Avoid using yellow, blue and green text in close proximity.
- Write simple direct sentences in the "active voice."
- Shorten paragraphs.
- Offer a smaller number of key points and action steps.
- Use repetition to emphasize important points.
- Put important material at the beginning of documents.
- Avoid complex diagrams and charts.
- Use strategically placed pictures to relieve the flow of text, help readers recall the points, and improve readability and comprehension.

To read informative articles about making your printed materials "senior friendly," visit the National Institute of Aging's web site at:

www.nia.nih
www.nim.nih.gov/pubs/checklist.pdf

Pittsburgh Program Center Award



Congratulations to the TAP Development Team of the Pittsburgh Program Center, who recently received a plaque from the consumers of 11 Section 811 group homes sponsored by Passavant Memorial Homes.

The inscription reads, "Thank you for helping to remove the barriers that allow us the opportunity to realize our dreams, reach our full potential and live fulfilling and independent lives." TAP Team members were pleased to have been a part of building these homes that insure affordable housing opportunities in safe settings for consumers with disabilities.

Opportunity and Empowerment Award

In partnership with the American Planning Association (APA), the Clara White Mission in Jacksonville, Florida was the recipient of the Opportunity and Empowerment Award at APA's National Planning Conference in April. The project was honored as a community project that improves the quality of life for low-and moderate-income families. The Clara White Mission works to eradicate chronic homelessness in blighted areas by offering up to 24 months of housing and supportive services in its 36-unit development. It also supports workforce development by providing members of the community - especially veterans and ex-offenders - with marketable job skills tailored to meet the needs of the local market.



Last year, the American Street Empowerment Zone neighborhood in Philadelphia, PA received the award. As one of six federal urban empowerment zones in 1994, the American Street Empowerment Zone Neighborhood has brought in more than 100 new businesses to the area including a supermarket, several restaurants, four national retailers, and eight warehouses and distribution centers. Helping attract these businesses to the area has been a community-based lending institution, which has secured more than \$21 million in private and public investments. Other changes through the Empowerment Zone included \$8 million in streetscape improvements; operation of a new light-

rail trolley along Girard Avenue; clean up of vacant lots; and improved neighborhood security.

Additional information on this award, as well as its previous winners, is available at:

www.huduser.org/research/apa.html.

Employee of the Year Award



Thomas Langston, Director of Operations, Philadelphia Multifamily Hub, was named Employee of the Year, Manger category, by John Bravacos, Regional Director.

Also nominated for awards in the professional category were: Theresa Triolo, Carolyn Anastasi, and Donna O'Rourke of the Multifamily Support Branch.

New Hub Employees

The Philadelphia Hub welcomes the following new employees: Philadelphia- Stephen Watsko, Construction Analyst; Daniel Sumile, Project Manager; and Robert Henry, Project Manager; Charleston- Nicole Sutters, Project Manager; Clara Midkiff, Project Manager; April Bego, Program assistant; Newark- Richard Pace, Senior Project Manager; and Pittsburgh- Henry Bertolo, Program Assistant.



Transition to Digital Television

On February 17, 2009 all full-power broadcast television stations in the United States will stop broadcasting on analog airwaves and begin broadcasting only in digital. Digital broadcasting will allow stations to offer improved picture and sound quality and additional channels.



The FCC has advised that projects with central antenna systems will still be able to provide free over-the-air programming service to their tenants after the conversion to digital television takes place. The only change is that individual televisions will require special converter boxes.

Tenants wishing to buy a converter box, can apply for \$40 coupons at: www.dtv2009.gov/AboutProgram.aspx

Housing Market Study

HUD has published a comprehensive housing market analysis on the Camden, NJ Housing Market Area (HMA). The HMA is divided into three submarkets: the City of Camden, the remainder of Camden County and Gloucester County, and Burlington County.



Overall, the rental housing market in the HMA is currently balanced, with an overall vacancy rate of 6.2%. Class A units with all amenities averaged \$1,300 a month, or 4% higher than the 2006 average. Higher mortgage interest rates and tighter loan standards for home purchases will contribute to demand for 2,300 new market-rate rental units within the next three years.

Details on the three submarket areas are as follows:

City of Camden

- 6.0% vacancy rate.
- \$636 gross rent.
- 840 affordable rental housing units developed from 1/05-6/07.
- 50% of units developed with tax credits.
- 560 units were new construction.
- 280 were substantial rehabilitation.
- 470 rental units are forecasted in the downtown area over the next three years.
- Rents will start at \$1,000- 1BR, \$1,500- 2BR, and \$2,000- 3BR.
- 56.6% of population are renters.

Camden & Gloucester Counties

- 6.7% vacancy rate.
- Construction permits average 470 units annually.
- 50% of units built since 2000 were condominiums.
- \$1,429 per month average rents in Class A larger developments.
- 780 new rental units are forecasted (490 units under construction).
- 22.5% of population are renters.

Burlington County

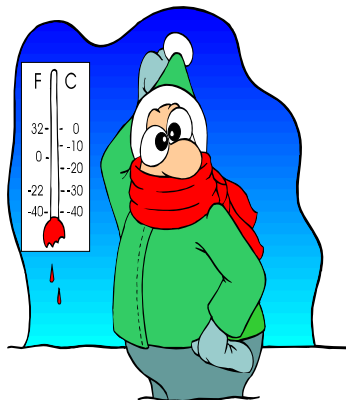
- 5.5% vacancy rate (2% in Class A units).
- 200% increase in new units between 1998-2000.

- 50% of units built since 2000 were condominiums (30% occupied by renters).
- \$1,227 per month average rents in Class A larger developments.
- 1,050 new rental units are forecasted (520 units under construction).
- 20.9% of population are renters.

To read the complete market analysis see:

www.huduser.org/Publications/PDF/CMAR_camdenNJ.pdf.

Understanding Air Conditioning



Air conditioners employ the same operating principles and basic components as kitchen refrigerators. Refrigerators use energy (usually electricity) to transfer heat from the cool interior of the refrigerator to the relatively warm surroundings of the room.

Similarly, an air conditioner uses energy to transfer heat from the interior of a dwelling to the relatively warm outside environment. An air conditioner performs this cooling function with a cold indoor coil called an evaporator. The collected heat is released outside through the operation of a hot indoor coil.

The evaporator and condenser coils are serpentine tubing surrounded by aluminum fins. This tubing is usually made of copper. A pump, called the compressor, moves a heat transfer fluid (or refrigerant) between the evaporator and the condenser. (Note: HCFC-22s, that replaced CFCs in 1995, will also be phased out by 2030. This phase-out will start in 2010).

The pump forces the refrigerant through the circuit of tubing and fins in the coil. The liquid refrigerant evaporates in the indoor evaporator coil, pulling heat out of indoor air and thereby cooling the dwelling.

The hot refrigerant gas is then pumped outdoors into the condenser where it reverts back to a liquid, giving up its heat to the outside air flowing over the condenser's metal tubing and fins.

New CFL Light Bulbs

By now, everyone knows the benefits of using compact fluorescent lamps (i.e., CFL light bulbs). These bulbs last about 10 times longer than incandescent bulbs and can save up to \$50 in energy costs over their life spans. They also burn much cooler— 104° compared to 970° F— and convert most of the energy into light (only 10% of the energy used by incandescent light bulbs comes out as actual light while 90% is heat).



Some people, however, prefer the shape and soft light associated with incandescent bulbs. Now, three of the world's top light bulb manufacturers— Osram Sylvania, GE Consumer and Industrial, and Philips Lighting, are rolling out CFLs that look and perform more like traditional incandescent bulbs.

Beyond Energy Star



The Energy Star® label on a product means that it is energy-efficient. However, not all appliances are created equal. It would be useful to know the annual energy and water budgets.

To determine this, you can consult the [American Council for an Energy-Efficient Economy's Consumer Guide](http://www.aceee.org/consumerguide) at: www.aceee.org/consumerguide.

At this web site, you can find, for example, that a good dishwasher will have an energy factor (the number of cycles per kilowatt hour of electricity) of approximately 0.65- 40% better than federal standards.

New Energy-Efficient Refrigerators

Pre-1993 refrigerators may be costing consumers \$140 per year according to the Rocky Mountain Institute. Even refrigerators built between 1993 and 2001 are not as efficient as those on the market today.

The most energy-efficient refrigerators have the freezer on top and the fridge on the bottom. They also do not have automatic ice makers which demand 10% to 20% more energy.



Reflected Light

There are two simple ways to reduce the amount of reflected light that enters into living areas.

The first is to install light-colored roofing material that reflects the heat from the sun rather than transferring it into the attic.

Secondly, planting shrubs and trees around the building will reduce the amount of light that is absorbed into the home.



Integrated Pest Management

Due to growing concern over the affect of pesticides in residential areas, many building owners are switching to exterminating firms that practice integrated pest management.

Traditional pest control companies simply spray pesticides. Instead of using toxic chemicals, "green" exterminators investigate how and why pests infiltrate a building. Then they rely on detergent water, vacuum cleaners, and low-or-no-toxicity products to fight the problem. These environmentally-friendly products include Orange Guard, which suffocates insects, and Diatomaceous Earth, made from the skeletal remains of plants that can cut through insects' protective shells and kill them. Also, widely used are boric acid-based products, like Terra Ant Killer, that acts as a stomach poison to insects.

For exterior problems, "green" exterminators try to deny entry to pests by installing new door sweeps or sealing holes with elastometric caulking or copper mesh. Sometimes, nature is also used by introducing thousands of ladybugs into aphid and mite-infested gardens.

Integrated pest management companies, however, admit that there are always going to be situations where traditional pesticides are needed. But, tremendous strides have been made over the past 10 years to bring new products to market that are much less toxic, especially to children. Experts predict that the demand for natural pest management services and products will only continue to grow in the future.



Understanding Medicare

Medicare is health insurance for people age 65 or older, younger than 65 with certain disabilities, and any age with end-stage renal disease.

Medicare Part A (hospital insurance) helps cover inpatient care in hospitals. It also helps cover skilled nursing facilities, hospice, and home health care if certain conditions are met.

Medicare Part B (medical insurance) helps cover medically necessary services such as doctors' services and outpatient care. IT also helps cover some preventative services to help maintain health and keep illnesses from getting worse.

Medicare Part C (Medicare Advantage Plans, such as an HMO and PPO) is another way to receive Medicare benefits. It combines Part A, Part B, and sometimes, Part D (prescription drug) coverage. Medicare Advantage Plans are managed by private insurance companies approved by Medicare. These plans must cover medically necessary services. However, plans can charge different co-payments, coinsurance, or deductibles for services.

Medicare Part D (prescription drug coverage) helps cover prescription drugs. This coverage may help lower prescription drug costs and help protect against higher future costs.

Traditional Medicare, managed by the federal government, provides Medicare Part A and Part B coverage. Part B coverage is automatically deducted from monthly Social Security income.

Co-pays are usually associated with services covered under Parts A and B. That is when a Medigap or supplemental insurance policy comes in handy. Recipients of traditional Medicare are required to purchase a Medicare Part D plan to assist with prescription drug costs.

New Jersey offers its version of prescription drug assistance through PAAD (Pharmaceutical Assistance to the Aged) and the Senior Gold Program. A Medicare Part D plan is required in conjunction with these benefits.

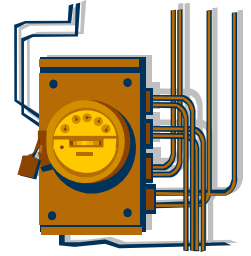
Participants in a group employer health plan, older than age 65 and receiving a pension, pay a portion of their pension for premiums of their Medicare Advantage Plan and prescription drug coverage.



Smart Power Meters

PPL Corporation is a corporation headquartered in Allentown, PA, that controls more than 11,000 megawatts of generating capacity in the United States. It is among a growing number of electricity providers that are testing pricing plans in which rates are set higher during peak demand hours. These rates roughly follow the curves of supply and demand in the wholesale energy markets.

This is accomplished by the installation of "smart power meters" that track how much electricity flows into a residence. As a result, utilities are freer to offer alternatives to the average monthly rate that they traditionally charge consumers.



Section 202 Demonstration Grants

On April 25, 2008 the Notice of Funding Availability (NOFA) for the Demonstration Program for Elderly Housing for Intergenerational Families was published. This opportunity is open to all private nonprofit owners of Section 202 Supportive Housing for the Elderly projects so they can provide appropriate dwelling units for intergenerational families. Using capital advance and project rental assistance contracts, this demonstration will expand the supply of affordable housing for very low-income grandparents or relatives who are heads of household, 62 years of age or older, raising a child.



The application deadline is July 2, 2008. To access the application and the Federal Register notice, use the title Demonstration Program for Elderly Housing for Intergenerational Families and/or FR-5170-N-01 as the Funding Opportunity Number to search on: www.grants.gov.

Closings/Grand Openings



Luther Village II, a Section 202 project, located in Dover, DE closed in May.



Also, the following Neighborhood Network Centers opened: PA— Derry Station, Ridgeview Apts., and Laurel Highlands; WV— Fayette Hills Unity and Southmoor Hills Apts.; and NJ— East State Street.