PENNSYLVANIA ASSOCIATION OF HOUSING & REDEVELOPMENT AGENCIES

monitor

A resource for housing, redevelopment and community development agencies and their industry partners

Spring Edition 2023

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PAHRA

PAHRA
Pennsylvania Association of Housing & Redevelopment Agencies

monitor

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Opinions expressed by the authors of articles and within advertisements are not necessarily those of the officers, members and staff of PAHRA.

Original articles on subjects of interest to housing, redevelopment and community development professionals, and their industry affiliates, are always welcome.

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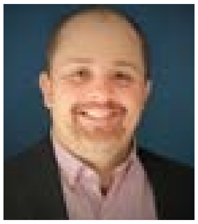

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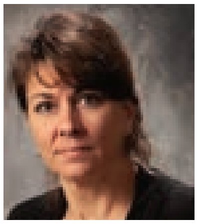

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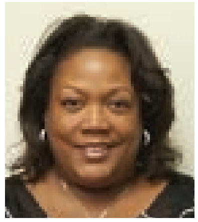

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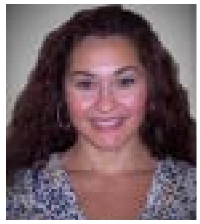

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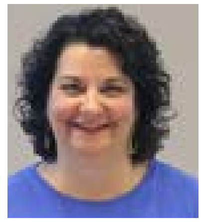

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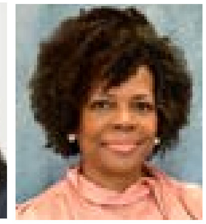

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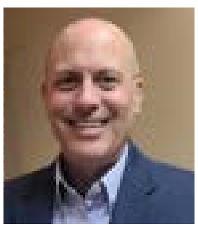

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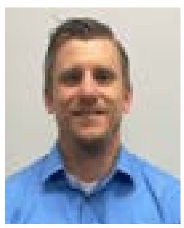

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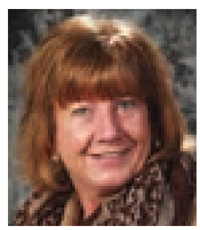

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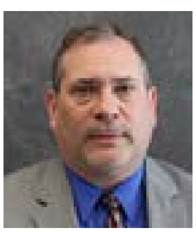

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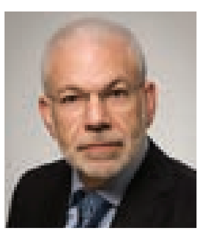

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Pennsylvania Association *of* Housing & Redevelopment Agencies

FOREWORD

Patrick A. Mack, President
Pennsylvania Association of Housing & Redevelopment Agencies

As of the writing of this message, the new Governor's administration has been in office several months and Governor Shapiro has delivered his first budget address. The Spring season not only brings better weather, but also signals the start of budget season in the Commonwealth's Capitol.

It should be noted that there has been a ton of change in Harrisburg. We have a new Governor, a new House Speaker, and a new House Majority. A record number of first-time legislators were sworn into office at the start of the year. Leadership at the top of both chambers has new faces, and if you haven't heard, a very thin majority exists in the State House. Pennsylvania is one of only a few states operating under a divided chamber.

Advocacy and strong communication with our elected officials have always been a vital part of our business and that remains true. However, with so many first-time legislators, now is a prime opportunity to reach out and build a relationship with your legislator, work to open the lines of communication, or make the effort to keep the dialogue going.

The Spring season also brings with it our PAHRA Spring Conference & Showcase. This year we will gather on the mountain at Seven Springs Mountain Resort from June 4-7. I look forward to seeing you all there as we learn new skills, gain more knowledge, mix and mingle with our colleagues, friends, and of course our vendors for the annual showcase. The Spring Conference & Showcase is a great opportunity for all of us to see products and services available to help assist us in the work that we do. If you have a vendor or two that you have found to be helpful and beneficial to your agency, this is a good chance to reach out and invite them to the conference. I'm certain that if you have found their product or service helpful to you, there's someone else in our Association who will find the same.

I look forward to seeing you on the mountain at beautiful Seven Springs. I also want to continue to thank each and every one of you who remain so active in the exchange of ideas and input on the P2P exchange. Please continue to utilize this valuable tool.

PAHRA

A warm WELCOME and A fond farewell...

Brian Yaworsky, who served as PAHRA President for the 2020-2022 term, and former Executive Director of the Housing Authority of the County of Beaver, has retired following nearly 44 years in the H&CD field.

Brian was a well-respected leader, who possessed a wealth of knowledge of the housing industry accumulated over a span of more than four decades. His thoughtfulness and soft-spoken demeanor will be missed by many. Brian's list of community and civic service is lengthy. On behalf of PAHRA, we extend our best wishes that Brian's retirement will be blessed with much happiness enjoying the things he most loves with those he loves most.

PAHRA President Pat Mack is pleased to announce the appointment of Brad Kanuch to fulfill the unexpired term of Mr. Yaworsky on the PAHRA Board of Directors through 2024. Brad currently serves as Deputy Executive Director for the Altoona Housing Authority, where he has been employed for over 10 years. Brad previously worked for the Allegheny County Housing Authority following his graduation from the University of Connecticut where he majored in Sports Management, with a minor in Business. He serves as head coach for the Tyrone track and field teams. Brad and his wife, Lindsey, are expecting their first child this spring.

Brad has always been a strong supporter of PAHRA and is an active member of our Finance Committee and Scholarship Committee. He appreciates the opportunity to promote our association on a broader level, as well as to advance our mission and advocate for the residents and communities that our members serve.

PAHRA

Pennsylvania Association *of* Housing & Redevelopment Agencies


IT TEAM
INSTEAD OF IT GUY

Groundbreaking for PHFA Office, 211 N. Front Street, Harrisburg

PHFA Celebrates 50 years of Creating Affordable Housing in Pennsylvania

The Agency Leads Numerous Impactful Housing Programs and Continues to Innovate

In 2023, the Pennsylvania Housing Finance Agency is celebrating its fiftieth year of helping Pennsylvanians find and keep affordable, stable housing. The agency has special promotions planned throughout 2023 to recognize this landmark year and to celebrate its staff and retirees for its half century of service to Pennsylvanians.

“Our agency was started 50 years ago with eight employees and a singular focus on funding affordable rental housing,” said PHFA Executive Director and CEO Robin Wiessmann. “Today, PHFA has grown to 314 employees and proudly offers a broad range of programs intended to help renters, homebuyers and homeowners find and keep housing that best fits their needs.”

“I think the legislative leaders and Governor Milton Shapp, who had the foresight to create the agency so many years ago, would be proud of how we have fulfilled their vision for providing affordable housing opportunities in Pennsylvania.”

Former Governor Tom Ridge attends PHFA Forum late 1990s

During the past 50 years, the agency’s early focus on affordable rental housing has expanded to now include programs promoting homeownership, educating housing consumers, providing mortgage assistance during COVID, funding local housing initiatives, preventing home foreclosures, funding housing research, and much more.

“Time and again, PHFA has responded to changes in the housing marketplace with innovative and essential programs to address pressing needs, like offering affordable home loans that include down payment and closing cost assistance,” said Governor Tom Wolf. “Anytime people need help with housing, PHFA should be the first place they go to take advantage of its many housing programs. Congratulations to PHFA on its 50th anniversary!”

During the early 1970s, when the agency was created, it was primarily focused on increasing the amount of affordable rental housing in the state by providing vital funding. In exchange for the funding, apartment owners agreed to keep their rental units affordable for several decades. Notably, during the past half century, PHFA has funded the construction or rehabilitation of 141,492 affordable rental units. By the early 1980s, the agency’s leadership saw the need for affordable home loans that could help low and moderate-income families who were ready for the responsibilities of homeownership. Over the years, its home loan programs have evolved in response to changing market conditions and the needs of homebuyers.

By the early 1990s, the agency began servicing its home loans in-house, as well. Today, the agency services more than 73,000 home loans. This year, for the first time, PHFA's portfolio of home loans was valued at more than $5 billion and currently has a value of $5.4 billion – an impressive achievement.

PHFA's affordable home loans help families become homeowners. Then…and now.

Also in the 1980's, the state legislature, in response to an economic downturn, created the Homeowners' Emergency Mortgage Assistance Program, or HEMAP, and charged PHFA with managing the program. HEMAP helps people who, through no fault of their own, fall behind on their home loan. It provides them with financial assistance so they have time to get back on their feet and resume their mortgage payments. Since its start in 1983, HEMAP has made more than 50,740 foreclosure prevention loans with a combined value of $579 million. It also is widely recognized as a national model for effective foreclosure prevention and has been emulated by other states.

At the start of the new millennium, PHFA's leadership recognized that better informed housing consumers would make smarter housing decisions that stayed within their budget and provided stable housing solutions. As a result, it created a network of private sector housing counselors located statewide to educate the public and provide accurate information for guiding their rental and home purchase decisions. The counseling services provided by these agencies are offered at no cost, as they are underwritten by PHFA. Today, 66 agencies with counselors certified by the U.S. Department of Housing and Urban Development offer their services to Pennsylvania consumers.

Most recently, in 2012, the legislature charged PHFA with managing the Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE). This program was started to ensure housing affordability in the northern tier of the state when gas drilling associated with fracking began. Impact fees tied to gas production provide funding for a number of state programs, including PHARE. It has proven to be extremely popular with funding recipients because local organizations are given the freedom to determine how the money can best address their local housing needs. Since its start, PHARE has distributed more than $239.6 million to preserve and expand affordable housing in all 67 counties, leveraging more than $1 billion from other funding sources.

During its existence, PHFA has earned respect from its business partners and housing advocates by being innovative, staying responsive to community needs, and for continuing to be "the housing agency with a heart." Its establishment as an independent, state-affiliated agency and as a public corporation has given it the ability to stay nimble in the marketplace and to innovate with changing times. For instance, the agency is constantly adapting its home loan programs to respond to the shifting needs of the marketplace and consumers.

PHFA was created in December of 1972, at the end of the year. But its first board meeting wasn't held until January 1973, and it didn't become fully operational until September 1973. Knowing this history, the agency has elected to celebrate its 50th anniversary with events and special promotions planned for throughout 2023.

Its logo has been redesigned to promote its 50-year anniversary and will be featured on agency paper and electronic correspondence. Customer and staff testimonials will be shared via video on social media, and web postings about key agency milestones are planned during the year. A celebration event is set for late spring to spotlight the agency's accomplishments and share key historical moments.

Additionally, PHFA staff have started work on a time capsule that will be sealed for opening by the agency on the occasion of its 100th anniversary in 2072-73. The public is invited to regularly visit the agency's website and follow it's Facebook and Twitter channels for special messaging throughout the year highlighting key events from PHFA's history.

THE LEGISLATIVE REPORT

PROVIDED BY HOUSING ALLIANCE OF PENNSYLVANIA
PAHRA GOVERNMENT AFFAIRS CONSULTANT

Housing Alliance of Pennsylvania

Governor Shapiro Presents First Budget Proposal

On Tuesday, March 7, 2023, Governor Josh Shapiro presented his first budget proposal to the General Assembly. The Governor's $44.4 billion budget proposal for FY 2023-24 is a modest 3.6% increase over current fiscal year spending.

Highlights of the budget include $1 billion in overall new education spending ($567 million for public schools), permanent state funding for public defenders ($10 million annually), and a permanent funding source for the Pennsylvania State Police.

The Governor also proposes to raise the income threshold for a state property tax and rent rebate program for older adults from $35,000 to $45,000 a year. The program's eligibility floor would be indexed to inflation to allow some recipients to benefit from the program even as their Social Security payments rise with inflation.

Investments are also proposed for workforce development and technical education, assistance for seniors, mental health support and services, and a measure to eliminate the cell phone tax.

State Budgeting in Context

Today, Pennsylvania sits on a $12 billion surplus, including $5 billion that lawmakers placed in the Commonwealth's rainy-day fund. However, many remain wary of the looming fiscal challenges of an end to pandemic-era federal spending on human services and the state's aging population. Pennsylvania's Independent Fiscal Office projects that even if spending remains flat, the Commonwealth's financial obligations will soon exceed revenue. Forecasters predict that the state will use up the current surplus by 2027.

Budget Priorities

PHARE Cap Increase

PHARE remains our primary goal headed into this budget season. State Senators Elder Vogel and Art Haywood have circulated a co-sponsorship memo to increase PHARE to $100 million by 2025. A growing number of Senators from both parties have lent their support to the proposal which we expect to be formally introduced in coming weeks. Because PHARE is relying only on existing revenue streams, a cap increase has minimal fiscal impact.

Neighborhood Assistance Grant Program (NAP)

NAP provides businesses the opportunity to reduce their tax obligation to the Commonwealth in exchange for investments in disadvantaged communities. While the program has multiple goals, including food programs, job training, and education, a significant portion of tax credits are dedicated to the creation of affordable housing for vulnerable populations. NAP tax credits are currently capped at $36 million which we will seek to double to $72 million. After receiving an increase in 2019, the program is already oversubscribed with over $50 million in annual requests.

Next Steps

The Governor's budget proposal is the first step towards the enactment of a final state spending plan that is due June 30th. Over the next several weeks, both the Senate and House Appropriations Committees will hold public hearings with members of each state department to discuss the administration's budget requests and performance of state programs.

During the month of June, all four legislative caucuses and the Governor's office will be involved in final budget negotiations. In the meantime, additional budget proposals from the General Assembly are typically introduced as bills and vetted by committee before being considered eligible to include in a final spending plan.

Whole-Home Repairs Program

While the Governor specifically mentioned the newly created Whole-Home Repairs Program in his budget address, any additional funding in 2023 will remain up to the General Assembly.

The Housing Alliance is working with grantees and the Department of Community and Economic Development to ensure smooth delivery of the program across the Commonwealth and ensure outcomes that will attract permanent future funding for this innovative program.

On March 10th, DCED announced that the first Whole Home Repair funds are going to Wayne and Lackawanna Counties.

Environmental Liability Protection for Landbanks Passes PA Senate Committee

On Wednesday, March 8th, the Senate Urban Affairs Committee approved SB 466 introduced by State Senator Rosemary Brown to grant land banks the same environmental protections other economic development agencies are granted when dealing with brownfields.

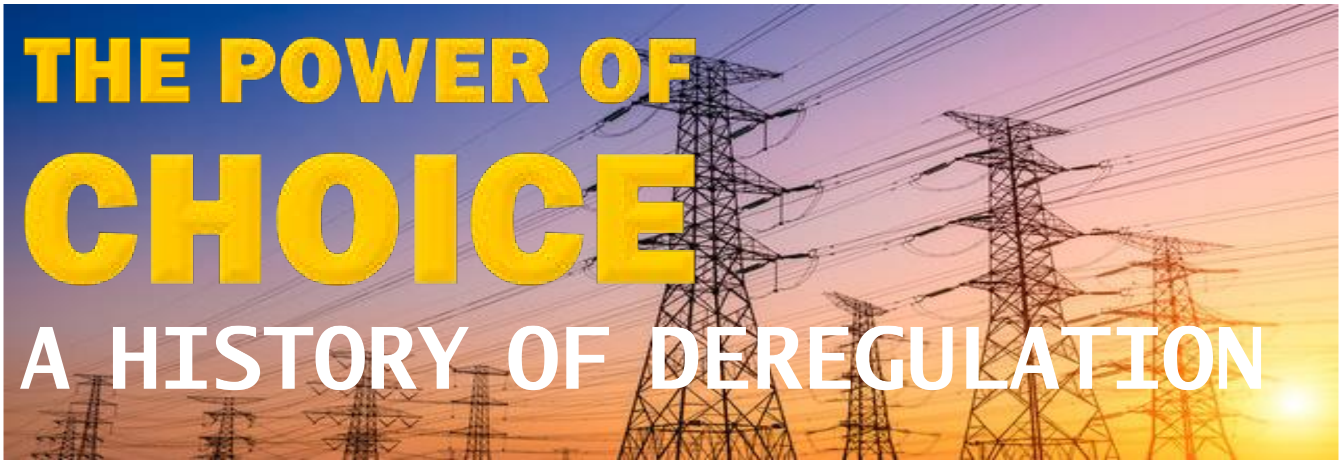
A recurring theme of hearings held last session in Philadelphia and Kittanning was the need to extend environmental liability protections to landbanks.

Land banks are governmental entities that acquire vacant, abandoned, and foreclosed properties to support the redevelopment of property for the benefit of the local community. It is not uncommon for land banks to take properties into their inventory that are subject to environmental liability enforcement.

To incentivize the funding of environmental testing and remediation of brownfields sites, current statute exempts certain entities from environmental liability. Economic development agencies, which include redevelopment authorities, municipal authorities, and other government and community-based entities, are exempt from liability.

This legislation would grant the same protections to land banks that are presently given to redevelopment authorities when they are dealing with brownfields. This would relieve land banks of this burden and allow them to operate more efficiently in the fight against blight.

The legislation now awaits consideration by the full Senate.



Imagine what it would be like if there was only one automobile manufacturer, one cell phone carrier, or one grocery store.

Prior to the 1970s, the energy market was regulated in the United States and customers did not have the option to choose the source of their energy. In the early days, utilities themselves would compete for customers and this competitive atmosphere drove prices down. However, as products and services became more complex, utility companies had difficulty in sufficiently handling all phases of the generation, transmission, and distribution of energy. This inevitably led to poor service behind a failing infrastructure and was the catalyst to the first step in deregulation.

By the 1930s, energy monopolies were emerging, and a dissolving competitive market resulted in higher prices and questionable business practices. To keep the utility companies in check, the US government stepped in and passed the Public Utility Holding Company Act (PUHCA). A major step in energy regulation, but customers still had no choice when it came to their energy supplier.

While the energy industry benefited greatly from the PUHCA, by the 1970s there were several critical issues that emerged which continued to push towards deregulation. These included widespread blackouts, spikes in oil prices, and the production of new power plants which led to higher customer charges. Recognizing the need for change, the federal government established the Federal Energy Regulatory Commission (FERC) in 1977.

This was the start of a deregulated energy market in the US and for the first time allowed states to decide how energy would be supplied to users. Competition returned to the industry and the emergence of energy suppliers drove prices down. By 1996, House Bill 1509 (also known as the Electricity Generation Customer Choice and Competition Act) was passed in PA and helped to eliminate monopolies by introducing market competition for energy in the state. In 1999, PA deregulated electricity and customers finally had the ability to choose an energy supplier to best fit their needs.

For nearly 40 years, Chrislynn Energy has worked with customers on choosing the right energy supplier at the right price. While our in-depth process is detailed and strategic, our goal for you is simple: save money on your utilities. To put a plan in place and start saving now, please contact your favorite PAHRA Energy Consultant by email at Pricing@chrislynnenergy.com, or call us toll free at (888) 431-1553.

"Energy Deregulation in the United States and Canada." Direct Energy Business. Retrieved Mar. 7, 2023. https://business.directenergy.com/what-is-deregulation

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ZERO TOLERANCE FOR VIOLENCE EQUALS SAFER WORKPLACES

By Leo A. Murray, HARIE Media Consultant

An online specialty retailer recently terminated an employee whose only crime was using a pen knife to slice an apple in an employee dining area during lunch break. The employee was in violation of a company zero-tolerance policy regarding weapons on company grounds. He was escorted out by security.

As harsh as being terminated for possession of a pen knife on company property may seem, the steady rise in workplace violence has employers and insurers focused on zero-tolerance for violence.

The U.S. Department of Occupational Safety and Health Administration (OSHA) reports that more than two million people suffer from workplace violence injuries every year, and the National Institute for Occupational Safety and Health estimates those incidents cost employers and insurers $120 billion.

According to the Bureau of Labor Statistic Census of Fatal Occupational Injuries (CFOI), acts of violence and other injuries was the third-leading cause of fatal occupational injuries in the U.S. In 2021, there were 481 workplace homicides, an increase of 89 from the year before.

There are four major types of workplace violence: Criminal intent (e.g., robbery by someone with no relationship to the business), Customer/client violence, worker-on-worker, and personal relationship (such as domestic violence).

Women in particular are more vulnerable to domestic violence in the workplace. They have more than double the rate of on-the-job homicides than men, 19% to 8%, with 32% of the homicides committed by a domestic partner.

There is a serious lack of research into the effectiveness of different types of workplace violence prevention training programs. However, what research exists shows that preventing workplace violence is possible even with a small amount of effort. In one review of literature regarding workplace violence in healthcare, violence decreased simply by implementing a zero-tolerance policy.

Some of the statistics on workplace violence are disturbing. For example, 60.4 million Americans have reported being bullied while working, and it is estimated that approximately 25% of workplace violence cases annually go unreported, and women report more than 30,000 sexual assaults in the workplace.

In an ideal world, workplace violence can be prevented through recognizing and reporting warning signs, so it's important to educate employees on what these are. Here are seven tell-tale signs of problems the National Safety Council advises to look for:

- Excessive use of alcohol or drugs
- Unexplained absences, a sudden change in behavior, or a decline in job performance
- Depression, withdrawal, or suicidal comments
- Resistance to changes at work or persistent complaining about unfair treatment
- Disregard or violation of company policies
- Emotional responses to criticism
- And paranoia.

According to OSHA, a zero-tolerance for violence is one of the best protections an employer can offer its employees. It sends a crystal clear message that violence has no place in your company and all threats or instances of workplace violence will be investigated and documented.

OSHA advises zero-tolerance policies should include definitions of prohibitive behaviors such as workplace violence, harassments, threats, ect, utilizing definitions your company will enforce. It should then show exactly how employees should report inappropriate behavior and a timeframe for doing so. To further demonstrate your policy is there for employees, companies should also describe how they process and investigate reports.

While OSHA recommends zero-tolerance policies, more information on this topic is available on the OSHA Website: *OSHA.GOV*

PHADA
Helping House America

PHADA Priorities for the 118th Congress

Legislative Priorities

PHADA supports reintroduction of the following legislation from the 117th Congress:

1. **The Housing is Infrastructure Act of 2021 (H.R.4497)**, Rep. Maxine Waters (D-CA), to address the national backlog of capital needs in public housing.
2. **The Affordable Housing Credit Improvement Act of 2021 (S.1136)**, Senator Maria Cantwell (D-WA) with bipartisan co-sponsorship (24 Democrats and 10 Republicans) and H.R.2573, Rep. Suzanne DelBene (D-WA), with bipartisan co-sponsorship (130 Democrats and 63 Republicans), to allow for expansion and improvement of the Low Income Housing Tax Credit to address the dearth of affordable housing supply across the country.

PHADA supports the following legislation from the 118th Congress:

1. **The Public Housing Emergency Response Act (H.R.235)** was introduced in the House on January 11, 2023 by Representatives Nydia Velázquez (D-NY) and Dan Goldman (D-NY) to provide $70 billion to the Public Housing Capital Fund to address the capital needs backlog in public housing. This bill is a reintroduction of Rep. Velazquez's bill from the 117th Congress. There are 13 Democratic co-sponsors.

PHADA Positions on HUD Programs and Actions

PHADA has consistently and vigorously raised concerns about the multitude of mandates coming from HUD. These include:

1. Affirmatively Furthering Fair Housing (AFFH) (Federal Register, February 9, 2023)

Although HUD took modest steps to address some of PHADA's concerns, the proposal still imposes unnecessary and complicated burdens on Equity Plan submitters (including HAs), and on HUD which must review, oversee, and monitor fair housing progress. There are simpler, less complicated approaches to accomplish federal fair housing goals more efficiently and effectively. At this stage, HUD must evaluate submitted public comments, revise, and publish its proposal as a final rule.

PHADA has asked Congress to urge HUD to defer implementation of the NSPIRE standards. PHAs would still address critical health and safety concerns.

2. National Standards for the Physical Inspection of Real Estate (NSPIRE) (To become effective April 1, 2023)

PHADA, in a September 21, 2022 letter to Dominique Blom, General Deputy Assistant Secretary of PIH, and Ashley Sheriff, Deputy Assistant Secretary of REAC, requested that HUD delay the April 1 implementation date of NSPIRE standards and allow for provisional scores when the system is instituted.

PHADA concerns include: (1) Rolling out the NSPIRE model in a piecemeal approach, as HUD intends, is flawed. Stakeholders should not be asked to provide input to a wholly new standard without the full details of the rule, administrative notice, and scoring methodology available. (2) All stakeholders should have ample opportunity to evaluate all aspects of the new model comprehensively. Landlords, HAs, and vendors have not been fully informed, prepared, or trained to-date. (3) NSPIRE will result in significantly increased costs to agencies and will require adequate funding to implement. To our knowledge, HUD has not requested additional funding from Congress to execute required changes in the standards.

In addition to the primary concerns noted above, agencies continue to struggle with challenges and delays because of supply chain issues, lack of adequate staffing, operating fund shortfalls, and rising tenant accounts receivable, all of which make it difficult to maintain operations and properties and, subsequently, SEMAP and PHAS scores. Even though President Biden stated that the pandemic is over, agencies have not returned to a state of "normal," and operate under unique local challenges with inadequate funding.

PHADA has asked Congress to urge HUD to defer implementation of the NSPIRE standards. PHAs would still address critical health and safety concerns.

3. Build America, Buy America (BABA) (Waiver guidance pending)

HAs have been waiting for additional information from HUD related to specific implementation and compliance guidance on BABA. As of February 15, 2023, applicability of BABA provisions for most HUD federal financial assistance has been extended to February 22, 2024. While this public interest phased implementation waiver is extremely helpful, more is needed for PHAs to be able to effectively implement the Buy American Preference (BAP) of BABA. Specifically, HUD and OMB should provide clear implementation guidance, technical assistance, training, and resources for PHAs. Otherwise, many PHAs are ill-equipped to navigate the burdens of BABA. PHADA will continue to advocate to the Department for transparency, tools, and resources to assist agencies.

PHADA is appreciative of HUD's efforts to delay implementation of BABA. However, PHADA will continue to advocate for comprehensive implementation guidance, resources, and tools for PHAs up to and beyond scheduled dates in the phased implementation waiver.

4. The Annual Contributions Contract (HUD in progress of talks with industry associations)

The Housing Act of 1937 requires HUD to enter into contracts with public housing authorities (PHAs). The document is known as the Annual Contributions Contract (ACC). Per Congress's directive, HUD has undertaken discussions with the industry in connection with proposed amendments to the ACC. At this juncture, HUD's draft is unacceptable because it changes the nature of the ACC and therefore the existing relationship between HUD and each PHA from a contract to a grant agreement lacking any mutual obligations. To address this impasse, the public housing associations believe that HUD must engage in a formal recognized process of negotiations such as negotiated rulemaking or consultations under the Federal Advisory Committee Act (FACA). The industry groups will keep Congress apprised of the status of this request and ongoing discussions.

5. Tenant Accounts Receivable for Public Housing

The FY 23 enacted omnibus bill provides $5.109 billion for the Public Housing Operating Fund formula grants, a $70 million increase from FY 22. This represents a 1.39 percent increase at a time when inflation hovers at 8 percent and housing costs comprise a major component of inflation. PHADA has argued strenuously to HUD that its operating fund formula is not reflective of current inflation factors and that it relies on rents charged. This latter point is especially problematic following the eviction moratorium where many public residents stopped paying their rents for over a year. We need Congress to act on a supplemental package to ensure that housing authorities can continue to deliver necessary services to residents.

PHADA has argued strenuously to HUD that its operating fund formula is not reflective of current inflation factors and that it relies on rents charged rather than rents collected

6. Repeal of Public Housing Community Service and Self-Sufficiency Requirement (CSSR)

Enacted as part of QHWRA, the CSSR requires that non-working able-bodied adults living in public housing perform eight hours of community service per month. Promoted as a way to encourage preparation for employment, there is no evidence it has any effectiveness, it unfairly applies only to public housing tenants, and is unwieldy and expensive to administer and enforce for both HAs and HUD. Removing this requirement would allow public housing tenants, housing authorities and HUD to focus on expanding effective strategies such as FSS and other essential housing management functions.

PHADA Strategic Planning

Local Flexibility Option

PHADA is focusing on creating more flexibility for housing authorities so that they can better address the needs of residents and their local communities. PHADA proposes that local housing authorities be provided with substantially expanded flexibilities to allow agencies to use limited available resources in ways that will have the greatest impact based on local conditions. Modeled on the original Moving to Work demonstration program, agencies would be able to modify policies based on local needs rather than HUD requirements. Given the ongoing lack of adequate funding for the public housing operating, capital and HCV administrative fees funds, and the challenges of FMRs, HAs would be able to flex the use of funds to achieve the greatest local impact. For example, if an agency is unable to use all of its available Housing Assistance Payments subsidy dollars due to the lack of units available to voucher holders under standard rules, it could redirect those funds to: preservation , landlord incentives, mobility, housing navigator, or FSS services; local payment standards; homelessness prevention of AFFH initiatives; or other related activities.

HUD'S COMING:

LIMITED ENGLISH PROFICIENCY & THE FAIR HOUSING ACT

Fox Rothschild LLP
ATTORNEYS AT LAW

Viene HUD: Dominio limitado del inglés y la Ley de Vivienda Justa

We have seen a significant increase in complaints filed against Public Housing and Redevelopment Authorities (collectively, "PHAs") related to the Title VI prohibition against national origin discrimination affecting Limited English Proficient ("LEP") persons. The complaints are coming through the Fair Housing and Equal Opportunity ("FHEO") arm of the U.S. Department of Housing and Urban Development ("HUD") and through individuals filing with FHEO.

The Fair Housing Act (the "Act") prohibits discrimination (intentional and/or unintentional) in the sale, rental or financing of dwellings, and in other housing-related transactions, because of race, color, religion, sex, disability, familial status or national origin. HUD issued guidance in 2016 that addressed how the Act applies to claims of housing discrimination brought by persons because they do not speak, read or write English proficiently. Although the Act does not specify LEP persons as a protected class, as LEP is so closely connected to national origin, the Act prohibits housing providers, including PHAs, from using LEP selectively, intentionally, or unintentionally, as a pretext for discrimination against LEP persons.

Approximately nine percent (9%) of the United States population, are LEP. Among LEP persons, approximately sixty-five percent (65%) speak Spanish, seven percent (7%) speak Chinese, three percent (3%) speak Vietnamese, two percent (2%) speak Korean, two precent (2%) speak Tagalog, two percent (2%) speak Russian, and fewer speak dozens of other languages.

PRACTICAL IMPLICATIONS

PHAs, as recipients of federal assistance, must take reasonable steps to ensure meaningful access by LEP persons to the programs offered by the PHA.

PHAs are encouraged to develop a Language Access Plan ("LAP") and follow its guidance by conducting a Four Factor Analysis (the "Analysis") as outlined below. While a written LAP is not required, it is strong evidence of compliance with the Act.

The LAP outlines how the PHA will address the identified needs of the LEP population it serves. PHAs may conduct the Analysis to determine the number, type and size of the LEP populations located in the PHA's service area. The Analysis is a best practice that some PHAs are using to help identify whom they should serve. In our experience, conducting this Analysis and having an LAP in place is critical in responding to claims of discrimination under the Act.

The Analysis includes the following four (4) factors:

1. Number or proportion of LEP persons in the eligible service population;
2. Frequency with which LEP individuals encounter the programs;
3. Nature and importance of the service provided by the programs; and
4. Resources available to the recipient and costs.

The Analysis provides the PHA with a baseline to determine what reasonable steps must be taken to ensure meaningful access to LEP persons. PHAs ***must*** ensure meaningful access for each LEP language group that constitutes five percent (5%) or 1,000 persons, whichever is less, of the population eligible to be served or likely to be affected or encountered. HUD recommends that the Analysis be updated annually at a minimum.

HUD has defined "safe harbors" for translation thresholds based on the number of individuals in the service areas as outlined below:

Size of Language Group	Recommended Provision of Written Language Assistance
1,000 or more in the eligible population in the market area or among current beneficiaries	Translated vital documents
More than 5% of the eligible population or beneficiaries and more than 50 in number	Translated vital documents
More than 5% of the eligible population or beneficiaries and 50 or less in number	Translated written notice of right to receive free oral interpretation of documents
5% or less of the eligible population or beneficiaries and less than 1,000 in number	No written translation is required

Based on the outcome of the Analysis, a PHA can determine what types of translation and interpretation services it is required to provide and how it plans to provide meaningful access to the identified LEP groups. Some examples of appropriate language services that PHAs may consider providing are: (a) interpreters or bilingual staff; (b) telephone translation services; (c) community outreach; and (d) referrals to outside agencies. PHAs can also utilize local advocacy groups and organizations and contract with third party interpretation and translation services to serve its LEP population.

Additionally, HUD recommends that all vital documents be translated into the non-English language of each LEP group eligible to be served or likely to be affected by the program or activity. Vital documents are defined as those documents that are necessary for a client of the PHA to access a program and/or benefit such as a public housing or Section 8 voucher application.

The needs of each PHA are different and are entirely dependent on the demographics of the population it serves. There is not a one size fits all approach and all related policies and documentation should be tailored to each PHA. Having an up-to-date LAP and ensuring the PHA is providing meaningful access to LEP persons through the methods described herein are essential in not only providing nondiscriminatory access to housing, but in defending against claims of discrimination against PHAs under the Act.

PHA's that wish to learn more about developing a LAP or need assistance in addressing a discrimination claim under the Act should contact Michael Syme (email: msyme@foxrothschild.com; phone: 412-391-2450) or Sarah Winters (email: swinters@foxrothschild.com; phone: 412-394-5576).

Michael H. Syme *is the Pittsburgh Office Managing Partner and Co-Chair of the firm's Affordable Housing Practice Group. He has more than two decades of experience in commercial real estate law and corporate finance, with a particular emphasis on affordable housing and mixed-finance development.*

Sarah H. Winters *is a member of the firm's Real Estate Department and assists clients with a wide range of real estate matters, with a particular emphasis on affordable housing and mixed-finance development.*

Fox Rothschild LLP (www.foxrothschild.com) is a full-service law firm of more than 900 lawyers in 9 offices coast-to-coast.

ADVOCATING & INFORMING

Mark Thiele, CEO, NAHRO

I had the opportunity to enjoy catching up with old PAHRA friends and making new ones at NAHRO's first in-person Washington Conference and Hill Day. Pennsylvania is one of the top 5 for attendance! Thank you for supporting our conference and thank you for showing up in strong numbers to speak with your members of Congress about the work you do, the lives you touch, and the resources you need to continue building and maintaining safe, affordable homes in strong communities.

Advocacy is always important, and this is a particularly vital time to stay informed and active. As the housing crisis worsens and the number of people in need of safe, decent affordable homes increases, we need both resources and regulatory relief in order to serve our existing clients and extend aid to new ones. While the President's budget acknowledges the need for capital investment in public housing, it only proposes level funding from FY 2023 and would provide only $7.5 billion to help address a backlog that we've estimated to be well over $70 billion. During Hill Day, we distribute copies of our Legislative and Regulatory Agenda, which calls for resources to build and preserve new and existing affordable units, common-sense housing and community development regulations, community-oriented facilities and timely appropriations, as well as our funding requests. You can find the full 2023 agenda at www.nahro.org/agenda2023. We need to keep up that drumbeat – both locally and nationally. The families we serve are counting on us.

We must also continue to advocate for a stronger, more effective partnership with HUD. Over the past few months, HUD has released a slew of proposed rules and policy changes, including the Affirmatively Furthering Fair Housing (AFFH) proposed rule, the National Standards for the Physical Inspection of Real Estate (NSPIRE), the Public Housing Assessment System (PHAS) and Section 8 Management Asset Program (SEMAP) revamp, and more. Meanwhile, implementation of key provisions of the Housing Opportunity Through Modernization Act of 2016, is still pending. Last month, we joined with our sister associations PHADA, CLPHA and the Moving to Work Collective to ask HUD to work with us on collaboratively managing implementation of new policy and systems changes. And we will keep fighting for the regulatory relief and flexibilities that you need.

With this flood of proposed rules and policy changes also comes the increased need for timely information in an easy-to-understand format. That's why we've also increased our number of free, member-benefit webinars on current topics like AFFH and the Build America, Buy America act. We're also increasing our professional development offerings and providing in-depth, up-to-date coverage in the NAHRO Monitor and Direct News emails. And we're always looking for more and better ways to help! Got an idea or a suggestion? Let me know at mthiele@nahro.org.

Thank you for your advocacy and support!

NAHRO
building communities together

2023

May 1-2, 2023	**Annual CD&H Practitioners Conference, State College, PA**
May 21-24, 2023	PHADA Annual Convention & Exhibition, Denver, CO
June 4-7, 2023	**PAHRA Spring Conference & Showcase, Seven Springs PA**
July 14-15, 2023	NAHRO Summer Symposium, Washington, DC
September 17-19, 2023	PHADA Legislative Forum, Washington, DC
October 6-8, 2023	NAHRO National Conference & Exhibition, New Orleans, LA
October 22-25, 2023	**PAHRA Annual Conference & Awards, Lancaster, PA**

How to Avoid Paying Unforeseen Insurance Costs for Vacant Properties

HAI Group®

If you've ever chalked up money for a streaming service or gym membership you didn't end up using regularly, then you know what it's like to spend unnecessarily. We've all been there—a study found that pre-pandemic Americans spent at least **$18,000** yearly on non-essential items.

Whether it's your personal budget or your housing organization's insurance budget, it's not wise to spend money on things you don't need. Speaking of your insurance budget, when it comes to your organization's property coverage, vacant buildings are a potential source of overspending. How, you ask?

If a building is vacant long enough, your organization may end up paying for coverage that doesn't exist. And if a loss occurs on a vacant property without the proper coverage in place, your organization may end up paying out of pocket.

Property Policies and Vacant Buildings

Most commercial insurance carriers include language in their property policies that says if a building is vacant for a certain period, coverage for that building drops. It's standard practice, as vacant buildings present a high risk of vandalism, theft, and damage. **At HAI Group, ordinary property coverage of a vacant building drops after 120 days**. Carriers will make note of this in their policy language, but all too often it's overlooked, which is why a close read of your policy is always a smart idea.

If you don't notify your insurance carrier of a vacant building at the outset, your premium (what you pay) won't change when the property coverage period for that building lapses, meaning you'll continue to pay for non-existent coverage.

"I see it all the time," said Kathy Cudmore, an account executive in HAI Group's Account Services department. "Sometimes it's with a vacant property waiting to be demolished or a property in rough shape waiting for grants or funding for redevelopment. There's the assumption that the property remains covered, but with our property policy, after 120 days of vacancy, that's not the case, and if you don't let us know, you're paying for coverage you don't have."

A potential lapse in coverage of a vacant building could also put your organization at financial risk if a loss were to occur. For instance, say a building insured by HAI Group is emptied while your organization awaits a grant to replace a broken boiler system. The grant funding is delayed indefinitely, and the building remains vacant for over 120 days, but HAI Group wasn't made aware of the extended vacancy. If the roof were damaged 120 days after the building became vacant, there would be no property coverage, and your organization would have to pay out-of-pocket for repairs.

There's a simple solution to all of this, but first, **let's clarify a few things** *(Note: the following points are specific to HAI Group's coverage - we recommend checking in with your respective carrier)***:**

- If you have liability coverage through HAI Group, it doesn't go away, even if a property is vacant for an extended period.
- "Vacant means completely vacant," Cudmore said. For example, if even a single unit is occupied in a building, it's not vacant, according to HAI Group guidelines.
- If the building is under renovation, HAI Group doesn't consider it vacant because people are actively on-site.
- On the other hand, unauthorized visitors aren't considered residents, meaning a building is still considered vacant, even if squatters occupy it.

The Solution? Keep Your Property Insurance Carrier Up-to-Date

To avoid paying for the property coverage of a building that's not actually covered, it's critical that you notify your insurance carrier as soon as you know a building has become vacant. If you have property insurance through HAI Group, check in with your account executive so they can remove the vacant building from your property policy, and if necessary, find an interim coverage solution.

At larger organizations, this may mean checking in with property managers regularly to see if any buildings have recently become vacant. What may be seen as a short-term vacancy by a property manager might turn into an extended vacancy, so it's best to err on the side of caution and notify your carrier of any building that becomes vacant.

If you need to keep some level of coverage on a vacant building, there are options. For example, your HAI Group account executive can set you up with a specialized vacant building policy. "We'll ask a series of questions to assess where and how to best place your coverage for that vacant building," Cudmore said. "We're here to try to save you money where we can."

Additionally, while a building undergoing major renovations might not be considered vacant, there are additional insurance implications to consider, including a separate builders' risk policy.

"This is another reason why we really urge our customers to tell us when a building is vacant," Cudmore said. "It may not be technically vacant because it's under renovation, but that doesn't mean the existing policy provides proper coverage for the risks related to construction. We really just want to know so we can ask questions and provide the proper coverage."

Bonus Tip: *As a general rule of thumb, vacant buildings should be secured and regularly monitored to avoid trespassing. If a building remains vacant, it's recommended that utilities be shut off. Pipes should also be drained to prevent freezing in cold temperatures.*

Related Article: *Local municipalities and private owners may offer to donate vacant property to your housing organization. While there are clear advantages to these donations, including the potential to increase housing stock in the area, you should* consider several factors before accepting donated property. Read more at https://blog.haigroup.com/questions-to-consider-before-accepting-donated-property.

2023 PAHRA SPRING CONFERENCE & SHOWCASE

Conference Schedule (as of April 1, 2023)

Visit www.pahra.org for updated information on training sessions, speakers, events and other conference news.

Sunday, June 4, 2023	
3:00 p.m. – 6:00 p.m.	PAHRA Committee Meetings
4:00 p.m. – 6:00 p.m.	Early Bird Registration
6:00 p.m. – 8:00 p.m.	PAHRA Board of Directors Meeting
8:00 p.m. – 10:00 p.m.	"Meet, Mix, & Mingle" Networking Event *(generously sponsored by Fox Rothschild, LLP)*

Monday, June 5, 2023	
7:30 a.m. – 8:30 a.m.	Breakfast Buffet
7:30 a.m. – 12:00 p.m.	Registration
8:00 a.m. – 3:30 p.m.	Showcase Exhibits Open - Please Visit our Vendors!
8:00 a.m. – 8:20 p.m.	Welcome – PAHRA President & Conference Host
8:25 a.m. – 9:35 a.m.	"Drop the Mic" Opening Plenary Session
9:40 a.m. – 12:40 p.m.	Select from Concurrent Educational Sessions
11:00 a.m. – 11:30 a.m.	Extended Networking Break in Exhibit Hall *(generously sponsored by Infradapt, LLC)*
12:45 p.m. – 1:45 p.m.	Luncheon Buffet in Exhibit Hall *(generously sponsored by HAI Group)*
1:50 p.m. – 3:00 p.m.	Select from Concurrent Educational Sessions
8:00 p.m. – 11:00 p.m.	Evening Networking Event *(generously sponsored by Chrislynn Energy Services, Inc.)*

Monday Concurrent Educational Sessions Include:

- **"Drop the Mic" Opening Plenary** – Exhibitors are provided the opportunity to take the microphone and introduce themselves, their products, or services
- **Procurement –** *Multi-Sessions* – An in-depth review of HUD-mandated requirements pertaining to purchasing and contracts to include:
  ◦ Informal Quotes ◦ Formal Bids ◦ Proposals ◦ Advertising ◦ Specs ◦ Piggybacking ◦ Contract Administration ◦ and more!
- **Lead Hazards: Assessment & Abatement – *Multi-Sessions*** – Guidance on identifying potential lead-based paint hazards, the presence of lead contaminated dust or soil, and determining proper abatement or remediation procedures
- **Developing Your Mental Health Awareness & Trauma-Induced Care Toolbox – *Multi-Sessions* –** Useful tools for frontline workers who deal directly with those who have experienced trauma or are coping with mental illness
- **Affirmatively Furthering Fair Housing** – Review the new AFFH proposed rule, its requirements, the pros and cons
- **Whole Homes Repair Program –** Learn more about this funding resource administered by PA DCED designed to address critical housing repairs, safety concerns, increased accessibility, and energy efficiency
- **Maintenance / Management Roundtable** – An all-time-favorite returns! Join your peers to discuss key property maintenance and management challenges such as NSPIRE, fair housing, disaster preparedness, and much more
- **Boost Your Customer Base with COSTARS** – Targeting our showcase vendors. Learn how to leverage the program to expand your customer base, strategically market to over 9,000 COSTARS members, and increase sales

Tuesday, June 6, 2023

7:30 a.m. – 8:30 a.m.	Breakfast Buffet
8:00 a.m. – 12:00 p.m.	Registration
8:00 a.m. – 12:00 p.m.	Showcase Exhibits Open – Please Visit our Vendors!
8:30 a.m. – 11:00 a.m.	Select from Concurrent Educational Sessions
11:00 a.m. –11:30 a.m.	Extended Refreshment Break in Exhibit Hall *(generously sponsored by Horizon Information Systems)*
11:35 a.m. – 2:00 p.m.	Select from Concurrent Educational Sessions
7:00 p.m. –9:00 p.m.	Country BBQ – 35th Annual PAHRA Scholarship Awards *(generously sponsored by HARIE)*
9:00 p.m. – 12:00 a.m.	Evening Networking Event

Tuesday Concurrent Educational Sessions Include:

- **Inspections – *Multi-Sessions*** – NSPIRE'ing Times Are Coming Soon – Are You Ready? Housing Authorities will begin replacing UPCS, HQS, and PBV inspections with the NSPIRE protocols this year. Be prepared to convert successfully
- **Going to Court – *Multi-Sessions*** – Help take the stress out of these situations by learning effective eviction procedures, preparation, and presentations for better outcomes
- **Land Bank Summit – *Multi-Sessions*** – A series of presentations regarding current issues, future opportunities, and available resources to help return properties to productive use, eliminate blight, and stabilize communities
- **Diversity, Equity, Inclusion – *Multi-Sessions*** – Part of PAHRA's ongoing commitment to providing resources to help you and your organization promote a culture of supportive and inclusive values within all facets of operations
- **Energy Efficiency Tips & Tricks – *Multi Sessions*** – Learn some innovative ways to save money through the use of energy efficient systems and products
- **Tuesday Modified Training Schedule** – allows time for casual networking with your colleagues or exploring area attractions in the afternoon

Wednesday, June 15, 2023

8:30 a.m. – 10:00 a.m.	Closing Breakfast & Plenary *(generously sponsored by Pennsylvania Housing Finance Agency)*

Ali M. Memari, *Ph.D., P.E., Director,* The Pennsylvania Housing Research Center
Department of Architectural Engineering, Department of Civil Engineering, Pennsylvania State University

Learn about exciting innovations in architectural technology and construction that the Penn State Architectural and Construction Research team has been exploring and discussing with HUD, including initiatives focused on 3D concrete printing of affordable housing structures and homes.

(See next page for conference registration form.)

PAHRA
Pennsylvania Association *of* Housing & Redevelopment Agencies

2023 PAHRA SPRING CONFERENCE & SHOWCASE

(please use black ink and print clearly)

Please note that PAHRA now accepts payments online. Email your registration form to kelly@pahra.org, then visit www.pahra.org and click the MAKE A PAYMENT button.

Name: ______________________________

Title: ______________________________

Organization: ______________________________

Address: ______________________________

City: ____________________ State: __________ Zip: __________

Email: ____________________ Telephone: ____________________

Don't forget the PAHRA MEMBER BONUS

$100 discount on each third full conference registration package!

FULL PACKAGE: ◯ Member - $325 ◯ Non-member - $375

DAILY SESSIONS: ◯ Member - $195 ◯ Non-member - $225 ◯ Specify date: __________

GUEST PACKAGE: ◯ Guest - $100

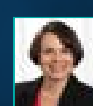
Total Amount: $ ____________________

Email registration forms to kelly@pahra.org. Please copy and complete a separate form for each attendee. If not paying online, checks made payable to PAHRA should be mailed to:

PAHRA, PO BOX J, New Florence, PA 15944

THANK YOU!

PAHRA
Pennsylvania Association *of* Housing & Redevelopment Agencies



Unemployment Eligibility:

Poor Performance Discharge vs. Misconduct Discharge

Submitted by Elizabeth Henry, Trusts Member Services Manager

Would you be surprised if you were informed by Labor and Industry (L&I) that an unsatisfactory work performance discharge can render the claimant eligible for unemployment benefits? It is often viewed by L&I that appropriate training of the employee is the employer's responsibility.

Unsatisfactory work performance is not considered willful misconduct.

Discharge: Section 402(e) provides that an individual who is discharged from employment for reasons that are considered to be willful misconduct connected with his/her work, is not eligible to receive benefits. The employer must show that the employee's actions rose to the level of willful misconduct. "Willful misconduct" is considered an act of wanton or willful disregard of the employer's interests, the deliberate violation of rules, the disregard of standards of behavior that an employer can rightfully expect from an employee, or negligence that manifests culpability, wrongful intent, evil design, or intentional and substantial disregard of the employer's interests or of the employee's duties and obligations. While it is the employer's prerogative to discharge an employee, an employee is not ineligible for UC benefits unless the discharge is due to willful misconduct. Pennsylvania's courts have provided guidance in determining an individual's eligibility in specific situations involving a discharge for willful misconduct.

Unsatisfactory work performance is when the employee is working to the best of his/her ability, but not satisfactory to employer. If the claimant is performing at their best capacity and not satisfactorily to the employer, this should be clearly documented by the employer.

However, it is willful misconduct when an employee shows an intentional and substantial disregard of the employer's interests. This is where the employer shows that the claimant was capable of doing the work, but was not performing up to standards despite warnings and guidance.

While it is the employer's prerogative to discharge an employee, that individual is eligible for Unemployment Compensation benefits unless the discharge is due to willful misconduct. Any deliberate disregard for the employer's policies can be documented and presented in writing to the employee for signature, not necessarily for the employee's approval, as part of a case to be presented at an L&I unemployment hearing.

In order to create a case/file on the employee, be it poor performance or misconduct, follow the advice of L&I … **document**, **document**, **document**!

If you are a member of an unemployment program, such as U•COMP, you will have a representative in your corner interfacing with PA Labor and Industry.

FOR A NON-BINDING PROPOSAL, CONTACT ELIZABETH HENRY, TRUSTS MEMBER SERVICES MANAGER

ehenry@pml.org 1-800-922-8063 ext * 250

PART 4 – LONG-TERM CARE: Who Needs It? Not Me!

Welcome to the fourth installment of our Retirement Ready Series. Previous topics covered in your PAHRA Monitor throughout 2022 include: Social Security; When & How to Prepare for Retirement; and Medicare-The A,B,C's (and D, E's).

Last November, during Long-Term Care Awareness Month, author Don Waite sat down with Robb Stottlemyer, Director of Internal Sales for Keystone Insurers Group, to learn more about the Long-Term Care environment. Robb has worked in the Industry since 1999 and has seen many changes over his almost 25 years in the industry.

Don: Robb, thank you for taking time out of your busy schedule to inform our readers of a very important subject that is not very well understood by many people.

Robb: You are most welcome. It is my pleasure to bring some light on this situation that many people will be facing in retirement.

Don: I'm confused by the title. What does it mean, Long-Term Care: Who Needs it? Not me!

Robb: Well, statistics show that **7 out of 10** people will require some type of Long-Term Care (LTC) during their lifetime. We tend to find that **100% of people think they are one of the 3 who does not**.

Don: That is not surprising, but also not a realistic view of their retirement years. What does LTC involve?

Robb: It starts with something called the **Activities of Daily Living**, referred to as **ADLs**. There are six of them:

- **Eating** • **Bathing** • **Dressing** • **Toileting**
- **Transferring –** moving in or out of a bed or chair
- **Continence** – controlling bowel or bladder functions

Additionally, there is Cognitive Impairment:

- **Alzheimer's Disease** • **Dementia**

Individuals who need substantial assistance with two or more of the six ADLs or have a Cognitive Impairment would be considered eligible for Long-Term Care or Chronic Illness benefits.

Don: What groups of people are likely to need some form of Long-Term Care?

Robb: This information comes from the National Institute on Aging:

It is difficult to predict how much or what type of long-term care a person might need. Several things increase the risk of needing long-term care.

- **Age** – The risk generally increases as people get older
- **Gender** – Women are at higher risk than men, primarily because they often live longer
- **Marital Status** – Single people are more likely than married people to need care from a paid provider
- **Lifestyle** – Poor diet and exercise habits can increase a person's risk
- **Health and Family History** – These factors also affect risk

Don: Where can/does LTC take place and who provides it?

Robb: There are multiple locations, and the location generally helps determine who provides the care.

- **Home-Based** – provided by family members, volunteers, paid caregivers, or medical professionals
  - Health – part-time medical services ordered by a physician for a specific condition
  - Personal – bathing, dressing, meal preparation, help taking medications and companion services
  - Support Services – transportation, meal delivery, medical alert systems, house cleaning, laundry
- **Private or Community Facilities**
  - Nursing Homes
  - Retirement living/Independent living
  - Memory Care Facilities
  - Medical Foster Care
  - Skilled Nursing facilities
  - Adult Family Homes
  - Assisted Living
  - Continuing Care Retirement Community

Don: What does all this care cost?

Robb: Genworth Financial has surveyed the costs of different kinds of facilities across the country. Here are the costs from their 2021 survey for Pennsylvania:

- **Home Health Care**
  - Homemaker Services – $4,957
  - Homemaker Health Aide – $4,957
- **Adult Day Health Care**
  - Adult Day Health Care – $4,100
- **Assisted Living Facility**
  - Private One Bedroom – $4,957
- **Nursing Home Care**
  - Semi-Private Room – $10,403
  - Private Room – $11,157

High-end nursing home care and assisted living facilities can cost up to $20,000 per month.

Don: Those amounts could add up very fast. How do people pay for, or even afford, these services and accommodations?

Robb: It is becoming a more difficult situation every day. Costs are rising, individuals are living longer and spending more time in these care facilities, and families are requesting more costly amenities for their loved ones.

Here are some of the sources of funding for LTC.

- **Personal Funds**
  - Personal savings
  - Pension or retirement funds
  - Income from stocks or bonds
  - Proceeds from the sale of a home
- **Government Programs**
  - Local/Regional Programs – vary from locale to locale
  - Medicare – covers hospital stays, doctor visits, some home healthcare, hospice care, and preventive services - does not cover assisted living or long-term care costs
  - Medicaid – a combined Federal and State program for low-income people – covers Medicaid care and some types of long-term care

- **Insurance** – provides a tax-free benefit in most cases
    - **Stand-Alone LTC Policy**
        - Lowest premium cost
        - Premiums not guaranteed
        - Use it or lose it (like auto insurance)
        - Can be customized for initial LTC coverage, time duration, and inflation protection rider
        - Payments are typically only allowed for a lifetime schedule
    - **Permanent Life Insurance with an LTC Rider**
        - The easiest way to provide two benefits
        - LTC Rider is a 2% or 4% acceleration of the death benefit, paid out monthly
        - Available as an add-on to Whole Life, Universal Life (UL), Indexed Universal Life (IUL), Variable Universal Life (VUL), or Guaranteed UL/IUL/VUL base policy
        - Death benefit reduced dollar for dollar by LTC benefit payouts
        - Payout methods
        - Indemnity – cash
        - Reimbursement – bills/costs submitted to carrier for payment
        - Chronic Illness Rider – paid as a flat percentage or maximum IRS per diem limit, usually only paid annually.
    - **Hybrid Life/LTC (Linked-Benefit) Policy**
        - Most expensive cost
        - Most benefits provided
        - Return of Premium benefit
        - Can be customized to suit the individual insured (initial monthly benefit, inflation rider, benefit duration, premium payment duration)
        - Smaller death benefits than permanent insurance
        - Reduced dollar for dollar by benefit amount, just like LTC Rider
        - Built on UL chassis to avoid benefit taxation
        - Payout methods
        - Indemnity – cash
        - Reimbursement – bills/costs submitted to carrier for payment

Don: Robb, thank you, again, for this helpful information and guidance through a difficult, and expensive, retirement journey experience.

Senior Care costs vary widely based on the services selected and the location where the service is provided. Most people underestimate Long-Term Care costs, and most people also underestimate the amount of time they may require services to last. The best way to provide for Long-Term Care costs is to start early. The benefits provided with insurance products are generally less expensive the younger the person establishing the coverage benefit.

Please look for the next installment of our **Retirement Ready Series** when we delve into the topic of Legacy Planning, coming in the summer issue of the *Monitor*.

Don Waite is the Director of Duncan Financial Group's Financial Wellness Services. Their Team is comprised of Specialists in, not only Medicare, but Social Security, Long Term Care, and Elder Care, along with Financial Professionals versed in Financial Planning, Asset Management and Life, Health, and Personal Insurance.

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RETHINKING YOUR PAYABLES PROCESS:

The Key to Enhancing Your Accounting Department

BDO PHA FINANCE

The payables process at your Public Housing Authority can be overwhelming considering the amount of checks being processed each year. When reviewing what is being recorded in the general ledger, the majority of the expenditures are from payables. Additionally, there is also activity from payroll and journal entries with miscellaneous activity coming from tenants accounts receivable, fixed assets and inventory.

Once the payables process becomes inefficient, the accounting department can become inefficient and create problems in other areas. If the majority of the expenditures are recorded incorrectly, it will require a tremendous amount of account analysis to research the errors and make correcting entries – which is why the payables process is so critical. This affects monthly and annual reporting and can impact subsidy and financial ratios for the Public Housing Assessment System (PHAS). Rethinking your payables process and following the below steps can set your organization up for success.

STEP ONE: Let's Begin With The Basics

The PHA will procure a good or service. The good or service will be delivered. The PHA will receive an invoice. The invoice is routed to get approval(s), and then the invoice is paid. Seems simple, right? But, since a PHA can have several federal funds, the PHA must determine if a cost is eligible and allocate it in accordance with their cost allocation plan. For a cost to be eligible for a federal program, it must meet the following five standards.

- Is the cost allowed? The cost must be in compliance with laws, regulation and guidance.
- Is the cost documented? There must be proper documentation for approvals and payment for procured costs.
- Is the cost equitable? The cost must be true, equitable and maintain compliance with the cost allocation plan.
- Is the cost necessary? The cost must be necessary, meaning it meets a programmatic purpose of the federal award (LIPH, HCV, etc).
- The service or goods must be procured at reasonable cost.

STEP TWO: Invoice Submission

Once the service or goods have been delivered, the vendor will have to submit an invoice for payment. BDO recommends that all invoices be submitted to an email address at the PHA such as accountspayable@xxxhousing.com. There may be some exceptions for certain vendors, such as utility companies, but the PHA should maintain a strict adherence to this policy and incorporate in all contracts with limited exceptions for vendors. Even current vendors should be required to submit invoices to an email address, if they aren't already doing so.

The PHA should enforce this policy by asking the vendors to resubmit their invoices using the email address and inform vendor know that if the invoice is not submitted correctly, it will be paid late or considered not received for payment. The invoice must also include a purchase order number - this is very important. Many software systems link the purchase order with a specific account in the general ledger to record the expenditure. Alternatively, the purchase order number corresponds with a distribution table to allocate the cost to various funds and accounts in the general ledger.

STEP THREE: Invoice Approval

Since the invoice is being received electronically, with a purchase order number, it can be automatically routed to the approvers electronically in their software. There is no paper being printed and no putting invoices in employees' mailboxes waiting for approvals until they are back in the office. Employees can approve and automatically route invoices for approval using their software system, regardless of where the employee may be working that day. Once the invoice approvals are completed, the invoices automatically flow to the accounts payable module for payment.

STEP FOUR: Payment Processing

Typically, PHAs exert a tremendous amount of effort for little return on efficiency in this area. Some PHAs pay vendors weekly, twice a week or every other week. BDO's recommendation is for the PHA to pay vendors on the 1st and 15th of each month, which will accomplish two objectives:

- Reduce the time it takes to complete bank reconciliations
- Enable better cash management

Bank reconciliations are an important internal control process to maintain the integrity of cash and it should be as efficient as possible. With checks being disbursed on the 1st and 15th, or as close as possible to these days, the majority of the checks clear the bank, reducing the chance of inherent risks of errors and expediting the bank reconciliation process. The next step is to notify vendors of the payment scheduled, indicating check cut off dates, so vendors have a clear understanding of when invoices need to be received to process their payments timely. There is an understanding that there will be intermittent check runs as needed for special checks and maybe an additional check run at fiscal year-end towards the end of the month to maximize the Accounts Payable ratio of the MASS.

In lieu of using paper checks, an alternate method to pay vendors and HAP would be Automated Clearing House (ACH) payments or electronic check payments. These transactions clear the bank immediately, making the bank reconciliation process much more efficient, providing real-time cash balances at the bank. Try to transfer as many vendors, including Section 8 landlords, to ACH. ACH payments will reduce productivity costs from printing checks, stuffing envelopes, check signatures and reducing costs for postage. New policies and procedures will be used to implement ACH payments, but immediate results will be had.

STEP FIVE: Train on New Processes

The final step of the process is to educate the staff and vendors on the new disbursement timeline. This will require internal training and external communication/training to the vendors. Maintaining compliance with internal invoice processing cut-off dates is not easy. Be prepared to enforce the process because it is new and different. Limit exceptions as much as possible.

Transforming the accounting department will require hard work and follow-through at all levels, but the return on the investment will be clear, leading to increased productivity and reduced costs.

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BDO PHA Finance www.bdophafinance.com

Pennsylvania Association *of* Housing & Redevelopment Agencies

You're invited…

… to exhibit at the PAHRA Spring Conference & Showcase to be held June 4-7, 2023 at Seven Springs Mountain Resort

Let's meet on the mountain for the 2023 PAHRA Spring Conference & Showcase, offering a compact, one and one-half day format which provides plenty of time dedicated for conference attendees to view the exhibits and for you to greet both existing and prospective customers in a relaxed, casual setting.

On Sunday, June 4, you may wish to attend our **"MEET, MIX & MINGLE"** event beginning at 8:00 PM. This pre-conference kick-off provides time for everyone to get acquainted. Throughout the conference, attendees are steered to the exhibit area for other major events including: daily breakfast buffet; our **"DROP THE MIC"** moment where you are invited to take the stage, introduce yourself, your company, your products and services; the **"EXHIBITORS LUNCHEON"** which also includes time for private product demonstrations; as well as **extended half-hour refreshment breaks** both morning and afternoon. We also invite you to attend networking and hospitality events each evening, providing even more excellent opportunities for personal interaction with conference attendees beyond the booth.

EXHIBIT & AD DETAILS

Each exhibitor receives a FREE, full-page COLOR ad in the conference program. Ad copy is due Monday, May 1, 2023. Ad specs: 4.75" wide x 7.625" high, using vertical orientation. Preferred format is a high-quality PDF file.

Booth reservations due:	Booth setup:	
Monday, May 1, 2023	*Sunday, June 4, 5:00 PM – 7:00 PM or Monday, June 5, 7:00 AM*	
Exhibits open:	**Exhibits close:**	
Monday, June 5, 8:00 AM	*Tuesday, June 6, 12:30 PM*	
Exhibit cost:	**Member**	**Non-Member**
Single, 8' x 10'	*$600*	*$ 750*
Double, 8' x 20'	*$1,000*	*$1,350*

Hotel reservations may be made directly with Seven Springs Mountain Resort by calling 855-332-1601 and mentioning Group Code B7SPAH23. PAHRA room rate is $189 single or $229 double occupancy, which includes a delicious hot breakfast buffet each morning. Group rate is available through May 4, 2023.

Exhibitor Registration Form

Company ____

Address ____

Description of products/services ______________________________

____

____

Contact name ____________________ E-mail ____________________

Phone ____________________ Cell ____________________

Booth size: ☐ Single, 8' x 10' ☐ Double, 8' x 20'

Individuals representing firm (booth reservation fee includes one company representative):

Name ____________________ Title ____________________

Additional individuals representing firm (cost of $150 per person):

Name ____________________ Title ____________________

Name ____________________ Title ____________________

Membership

☐ **I would like to become a PAHRA affiliate member. Enclosed is $450 for 2023 annual dues.**
Affiliate dues include subscription to the PAHRA *Monitor* (our association's news journal published three times per year); discounts on conference attendance, advertising and exhibit displays; an Affiliate listing on the PAHRA website including your company's contact information, description of your products and services *AND* a **direct link** to your email or website from www.pahra.org; an Affiliate listing in the PAHRA Member Directory, along with a complimentary copy of the directory providing current contact information for all PAHRA members and affiliates, and electronic member listings upon request providing email contacts at your fingertips.

PAHRA Partnerships

☐ **Please send me more information on the benefits of becoming a PAHRA Partner or Friend of PAHRA.**
You can also visit www.pahra.org, click the Marketing tab, and follow the link to *2023 Membership, Partnership, Sponsorship & Marketing Opportunities* or contact us by e-mail or telephone to discuss the benefits of a PAHRA partnership in detail.

For the ease of making payment online, simply email your registration form to **kelly@pahra.org,** then visit **www.pahra.org** and click on the "**MAKE A PAYMENT**" button to complete your transaction quickly and securely. Or you may choose to mail your payment along with a copy of the completed registration form to:

PAHRA

Pennsylvania Association of Housing and Redevelopment Agencies, P.O. Box J, New Florence, PA 15944

For questions, contact Kelly Hicks at 724-676-4446 or toll free at 855-70-PAHRA or e-mail kelly@pahra.org.

Pennsylvania Residents on Medicaid Can Lose Coverage for First Time Since the Start of COVID Public Health Emergency

The federal government has ended the pandemic related three-year Public Health Emergency effective March 31, 2023. One consequence of that action is that starting April 1, 2023, Pennsylvanians are being disenrolled from Medical Assistance if they're ineligible at the time of their renewal OR if they do not complete their renewal.

For the past three years, Medicaid enrollees were allowed to stay on Medicaid even if they didn't complete their annual renewals or otherwise lost eligibility.

Over the next 12 months, everyone with Medical Assistance or CHIP coverage will need to submit a renewal to see if they're still eligible. Residents will receive a packet from Medical Assistance the month before it is due. Renewals can be completed and returned online, over the phone 1-866-550-4355, by mail, fax or in person. People can also sign up to receive text updates.

All Medicaid recipients should make sure the Pennsylvania Department of Human Services has their current contact information including, current phone number, email and mailing address. Updates can be made through the online COMPASS system or calling the Customer Service Center at
1-877-395-8930.

This renewal process will impact all Medicaid beneficiaries, regardless of age.

For seniors or disabled persons on Medicare, the Medical Assistance income limit in 2023 is $1,235 for individuals or $1,664 for married couples. The resource limit is $2,000 and $3,000, respectively.

For individuals between 19 – 64 years old, the income limit for Medical Assistance is $1,677 for a 1-person household; $2,268 for a 2-person household; $2,859 for a 3-person household; and $3,450 for a 4-person household. Assets are not counted for this group. Separate allowances are available for children and pregnant people.

People will have a Special Election Period and can enroll in individual health insurance through Pennie.com. Depending on the individual's income, they could qualify for cost sharing or advanced premium tax credits. They can apply online at Pennie.com, work with an enrollment advisor, or work with a licensed insurance agent to navigate the plan options.

More information can be found online at:

https://www.dhs.pa.gov/PHE/Pages/default.aspx

https://www.phlp.org/en/resource-library

https://pennie.com/learn/loss-of-medical-assistance-coverage/

Erin Hart is a licensed insurance agent based in Pittsburgh, PA. She works with Medicare Advantage, Medicare Supplement, Part D prescription drug plans, individual plans, and she's an agent on Pennie.com.

Pennsylvania Association of Housing & Redevelopment Agencies

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