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• GASB Statement 80 – Component Unit Reporting
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• Shared-Work Plans – Alternative to Layoffs
• Top Ten Tips for Completing Your AFH
• Drones in Your Inspection Toolbox
• Holding Your Data for Ransom
• Retrofit vs. Replacement
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Senior Vice-President, Duncan Financial Group

Cheryl Johns
Immediate Past President
Executive Director, Altoona Housing Authority
MARK YOUR CALENDAR

UPCOMING EVENTS

PAHRA Capitol Conference
February 26 – March 1, 2017
Harrisburg Hilton
Harrisburg, PA

CD&H Practitioners Conference
March 19-21, 2017
Nittany Lion Inn
State College, PA

PAHRA Spring Conference & Expo
June 4-7, 2017
Seven Springs Mountain Resort
Champion, PA

PAHRA Annual Conference
September 17-20, 2017
Lancaster Marriott at Penn Square
Lancaster, PA

Affiliated Organizations

NAHRO
Washington Conference
March 26-28, 2017
Arlington, VA

Summer Conference
July 16-18, 2017
Indianapolis, IN

National Conference & Exhibition
October 27-29, 2017
Pittsburgh, PA

PHADA
Commissioners Conference
January 8-11, 2017
Orlando, FL

Annual Convention & Exhibition
April 30-May 3, 2017
Chicago, IL

Legislative Forum
September 10-12, 2017
Washington, DC

MESSAGE FROM THE PRESIDENT

Admittedly, for my very first “President’s Message”, I battled internally with how I wanted to address our members for the first time. There simply is too much material and not enough space. First it was, “LET me start my first written address to our members, partners and friends with a hearty and heart-felt expression of gratitude for what will be a sharing of your time and talents over the next two (2) years. Collectively, we will continue to pursue ways in which to make PAHRA the preeminent membership organization for housing and redevelopment agencies and our affiliates...” A decent beginning, I suppose. However, I then thought, I need to address the present, not just the future. So I changed the language and focus to the following, “TO say that we are living in interesting and unpredictable times is an understatement. As I sit here typing and musing, the election is over. Undoubtedly there will be change, and unquestionably some of us will do well and others will not. My goal is to make sure that all of us are positively impacted...” Not bad, but a touch too dark to start, right? So, my third beginning, and the one that I am going to use was as follows:

THIS will be my first of a few messages to our members and other readers. Being able to serve as PAHRA’s President and being given the opportunity to offer these messages is something to which I am deeply grateful and do not take for granted. To be candid, one of my goals will be to help our organization figure out ways in which to turn improbabilities into probabilities. What does that mean? It means, if I have learned anything over my professional career as an attorney, as a deputy prosecutor, as a general counsel, as a chief operating officer, and as a chief executive officer, is that “success can be nurtured and groomed”. Stated another way, “success can be created”. Implicit in my belief that success can be created is the notion that obstacles or impediments preventing success can be overcome. So, over the next two years, I will talk about and share the stories of others regarding aspects of success, such as leadership, ethics, training, service, systems, etc., that takes improbable outcomes to probable outcomes to actual outcomes, i.e., success.

So, let’s all look forward to overcoming any challenges ahead by creating models for success; expect to make some very difficult decisions in our professional roles; and trust that all of us will use our talents and abilities to nurture and groom success in our respective organizations and in the people and communities that we serve. I look forward to meeting and speaking with as many of you as I can so that I, too, can be successful.

Senghor A. Manns, PAHRA President
As we commemorate 60 years of success in the housing, redevelopment and community development industry, PAHRA proudly announces the election of Senghor A. Manns as President of the PAHRA Board of Directors.

Mr. Manns, who serves as the CEO/President of Harrisburg Housing Authority (HHA) states, “It is truly a privilege and honor to be surrounded by the leaders of our industry that have guided us over the past 60 years. The celebration of PAHRA’s 60th anniversary not only represents the lasting strength of our organization, but also the promise of a meaningful and significant future. Over the next two years, I look forward to serving as PAHRA’s President and contributing to the significance of its future.”

At HHA, Mr. Manns directs a staff of 80 in an agency that administers $21 million in funds annually. Mr. Manns joined the PAHRA Board of Directors in 2010 and has since served as Co-Chair of the PAHRA Member Services Committee. He also participates as an active member of the PAHRA Legislative Committee.

As the presidential gavel is passed, Cheryl Johns steps into the position of Immediate Past President, succeeding former President Frank Aggazio. Ms. Johns has always been, and will continue to be, one of PAHRA’s strongest supporters. She remains a member of the Executive Board, and has previously served as Chair of the Scholarship Committee, Co-Chair of Member Services Committee, and member of the Budget and Administration Committee.

Ms. Johns replaces former President Frank Aggazio, who was elected to the Board of Directors in 2004 and subsequently served nearly two full terms as President after succeeding L. DeWitt Boosel following his sudden passing. Mr. Aggazio continues to serve on the Legislative Committee.

The 2016 Board of Directors election resulted in continuing terms for Mr. Manns and two additional incumbents:

- Daniel Farrell, Executive Director, Allentown Housing Authority (re-election to a second three-year term)
- Kenneth Pick, Executive Director, Berks County Redevelopment Authority (re-election to a second three-year term)

Reorganization of the Board of Directors establishes the following structure for the 2016-2018 term:

**Executive Board:**
- Senghor Manns – President
- Joseph Kohut – First Vice-President
- Dusti Dennis – Second Vice-President
- Kelley Cevette – Secretary
- Stephen Bucklew – Treasurer
- Cheryl Johns – Executive Board Member
- Daniel Kanuch – Executive Board Member

**Board Members:**
- Daniel Farrell
- Steven Fischer
- John Jennings
- William Lisak
- Denise Miller
- Kenneth Pick
- Martha Robbins
- Mark Yauger

**Ex-Officio Affiliate Member:**
- Alex Kline
“TEAMWORK MAKES THE DREAM WORK”¹

According to human psychologist Abraham Maslow’s hierarchy of needs, people are motivated to fill their most basic human needs before they move on to other more complex situations. We all have a desire to be the best we can be, but before we can achieve that goal, we must first address other, more simplistic issues in our lives.

Many of you may be familiar with Maslow’s hierarchy, which is most often depicted as a pyramid (pictured below) with physical requirements for survival, such as food, water, shelter, sleep and warmth, shown as the broad foundation at the lowest level. On the next level are safety and security, which includes items such as health, employment, family and social stability.

In order for people to progress up the pyramid and ultimately find a sense of belonging and the self-esteem that leads to the ability to achieve their full potential, they must satisfy those lower level needs.

This is where you come in. As a housing, redevelopment, community or economic development professional, the tasks that you perform each and every day truly can make a difference in the lives of others. When you house someone, it takes a great burden from them. Knowing that they have a warm, safe, secure place to call home stabilizes their environment and frees them to concentrate on other areas lacking in their lives.

If your agency also provides or connects them with other health and social services such as food banks, senior centers, medical care, parenting skills, employment or educational counseling, then you’ve helped them to rise above the second level of the pyramid. If your agency has improved their home or their neighborhood to a degree that enables them to feel comfortable and unafraid, no longer worried about the safety of themselves or their family, you’ve provided that essential community connection.

They can begin to feel pride, gain confidence, develop friendships and other healthy relationships. They not only know and show respect for others, but also feel like they deserve respect themselves.

Your actions are like tossing a tiny pebble into a pond, causing a ripple effect that will widen, creating ever-expanding circles of change. Once you’ve helped someone reach the highest pinnacle of the pyramid, the possibilities are as limitless as their ambition or imagination can take them.

So, go ahead, puff up that chest with pride, give yourself that pat on the back, and smile as you realize that you DO make a difference every day in some small way. Even if you are not on the front lines, but rather fill the role of receptionist, number cruncher or grant administrator within the agency, you are still contributing to the change that can transform lives. Because, after all, “TEAMWORK MAKES THE DREAM WORK”¹.


<table>
<thead>
<tr>
<th>self-actualization</th>
<th>self-esteem</th>
<th>love and belonging</th>
<th>safety and security</th>
<th>physiological needs</th>
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<tbody>
<tr>
<td>morality, creativity</td>
<td>confidence, achievement, respect of others</td>
<td>friendship, family, intimacy, sense of connection</td>
<td>health, employment, property, family and social stability</td>
<td>breathing, food, water, shelter, clothing, sleep</td>
</tr>
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By the time you read this article the election results will have been sliced, diced, and examined from every angle. I leave all that to others. There is a good deal of housing and community development work for us to focus on.

As the 114th Congress winds to a close PAHRA members continue their advocacy around the FY17 federal budget. (See “Your PAHRA Legislative Committee at Work” elsewhere in this issue.) Following up on the April and August legislative meetings, Lehigh Valley PAHRA members met with Rep. Charlie Dent (R-15th) in October to discuss the FY17 budget. As of this writing the federal government is operating under a Continuing Resolution (CR) that expires December 9. Rep. Dent is hopeful that there will be an omnibus budget bill for the balance of the fiscal year come December 10. However, some in Congress want a full year CR because it keeps spending at last year’s levels which are below the spending levels allowed by the Bipartisan Budget Act of 2015. On the other hand, there are those who want to increase Defense spending which can not be (significantly) done via a CR. Another possibility is a short term CR to allow the new Congress and President to be sworn in.

Sen. Toomey’s chief of staff, Bob DeSousa, and his Washington legislative aide for housing, John Crews, visited newly renovated public housing properties and met with residents in Allentown and Harrisburg. The legislative staff was very impressed and the PAHRA members felt the visits were successful at giving the Senator’s staff a better understanding of the programs and funding sources.

WRAP UP

PAHRA can congratulate itself and its partners on some successful campaigns during the 114th Congress:

- The Bipartisan Budget Act of 2015 that raised the spending caps for 2016 and 2017
- Expanding Moving to Work to 100 housing authorities
- Three year recertifications
- HOTMA to reduce regulatory burdens and make housing programs more cost-effective

Dan Farrell continues as PAHRA’s representative on NAHRO’s Legislative Committee and Steve Fisher participates with PHADA.

STATE HOUSING TRUST FUND/PHARE/REALTY TRANSFER TAX

Okay, it’s no longer a legislative matter, but it is good news! The long awaited Request for Proposals (RFP) for the new Realty Transfer Tax funding is out. PHFA issued the RFP for $12.6 million in October. Applications are due by 2:00 PM on January 13, 2017. PHFA presented three webinars on the RFP. Both the eligible applicants and the eligible uses are wide open. For more information go to http://www.phfa.org/legislation/act105.aspx.

Also coming your way for the first time, the National Housing Trust Fund (NHTF) is distributing money this year. According to the statute that established PHARE, that money will go into the state fund and be administered by PHFA. Pennsylvania will receive $3.8 million as soon as HUD approves the documents submitted by PHFA. NHTF money is almost exclusively for rental housing for Very Low Income (VLI) and Extremely Low Income (ELI) households. Up to 10% of the funds may go to homeownership. In years such as 2016 when the national allocation is below $1 billion, all money will be for ELI housing. PHFA will publish a separate Request for Proposals once it knows when the money will arrive.

BLIGHTED PROPERTY LEGISLATION

Enacted into law:

SB 486 - now Act 152 (Argall, R-Schuylkill) allows counties to impose a $15 fee on the recording of deeds and mortgages for a county administered demolition fund. The next step is local advocacy for the demolition funds. The law is county optional so each county has to decide whether to impose the fee.

HB 1437 – now Act 133 (Goodman, D-Schuylkill) as amended by Rep. Santora (R-Delaware) rewrites the Municipal Code and Ordinance Compliance Act (MCOCA) to address the situation where a municipality refuses to issue an occupancy permit because of code violations, and the failure to obtain an occupancy permit thwarts the sale of the property. Noting that MCOCA was intended to ensure compliance after a new purchaser acquires the property, the bill creates a system that allows the transaction to take place and the buyer to work on the property. It creates temporary use and occupancy permits and temporary use permits where
occupancy is not safe. HB 1437 gives the new owner 12 months (or longer if agreed to by the municipality) for compliance, but it forbids municipalities from imposing a shorter time for compliance. The law leaves in place a conflict with local property maintenance codes which require compliance in a shorter timeframe, or worse, overrides local code enforcement because state law supersedes local.

Land Bank Exemption from the Realty Transfer Tax (RTT) was passed in July as part of the Revenue code bill. However, it only applies to the state portion of the RTT. See HB 1500, below, concerning the local share.

To be reintroduced next year:

HB 773 (Masser, R-Northumberland) provides a process for long-term residents to gain title to their properties after 10 years rather than the current 21, making it easier for them to maintain their homes. The bill would apply where the owner of record has died or disappeared, and the resident has occupied the property for at least 10 years. The bill only applies to single family (i.e., single household) homes on a ½ acre or less. HB 773 passed the House and was voted out of the Senate Judiciary Committee but died in the Senate.

HB 1500 (Caltagirone, D-Berks) encourages land banks to use property to address homelessness and also exempts land bank transactions from the Realty Transfer Tax. An exemption from the state share of the RTT was already passed in July, but legislation is needed to cover the local RTT. HB 1500 passed the House and was voted out of the Senate Urban Affairs and Housing Committee but died in the Senate.

SB 482 (Brewster, D-Allegheny) allows counties to create a rehab and demolition fund by assessing up to 10% of the purchase price of properties sold at tax sale. SB 482 passed the Senate and was voted out of the House Urban Affairs Committee but died in the House.

HB 613 (Ward, R-Blair) provides for tax abatements for mixed-used developments. Current law allows tax abatements on improvements to residential property (Improvement of Deteriorating Real Property or Areas Tax Exemption Act) or industrial and commercial properties (Local Economic Revitalization Tax Assistance Act). HB 613 specifically covers mixed-use developments. The bill passed the House and was voted out of the Senate Urban Affairs and Housing Committee but died in the Senate.

OTHER STATE LEGISLATION

HB 2213 (Mustio, R-Allegheny) and SB 243 (Fontana, D-Allegheny) increase the allocation of Neighborhood Assistance Program (NAP) tax credits from $18 million to $36 million and $25 million, respectively. NAP has been funded at $18 million since its inception in 1967, except for two years during the recession when it was reduced. This model public-private partnership program can address many needs of low income people, including housing, education, crime prevention, and food insecurity.

Neither bill moved far, but support is growing. HB 2213 had a hearing in Pittsburgh and was then reported out of the House Finance Committee where it had been amended to increase the allocation to $36 million rather than $25 million. SB 243 saw the addition of both chairs of the Senate Appropriations Committee as co-sponsors. The bills will need to be reintroduced next year.
Paseo Verde housing development in Philadelphia was funded in part with Low-Income Housing Tax Credits from PHFA.
The Window Is Open!

PHARE / REALTY TRANSFER TAX AKA STATE HOUSING TRUST FUND REQUEST FOR PROPOSALS DUE EARLY IN 2017

The Pennsylvania Housing Finance Agency (PHFA) has opened the 2016-17 funding window for the PHARE / Realty Transfer Tax, aka State Housing Trust Fund. PHFA has announced that it is seeking unique and creative approaches that foster partnerships and leverage resources to address critical housing needs. Under this request for proposals, $12.67 million is being made available to fund projects that expand affordable housing options for Pennsylvanians.

Eligible applicants and uses are broad, and PHARE / RTT funding has been expanded to include all 67 counties in the Commonwealth, so competition most likely will be fierce. Projects to be considered for funding may include, but are not limited to: programs to reduce homelessness; programs to make housing available to people on low and moderate incomes; mortgage or rental assistance programs; and housing counseling and foreclosure assistance programs, among many other possibilities. Proposals may be submitted by:

• Units of local government (counties, cities, boroughs, townships)
• Redevelopment or housing authorities
• Non-profits such as economic or community development organizations, housing corporations or similar entities
• For-profit community development or housing entities, individuals, partnerships and limited liability corporations, and
• Business improvement districts and similar organizations incorporated as authorities

Three RFP training webinars were presented by PHFA to discuss eligibility as well as the application and approval process. The final PHARE / RTT Plan is posted at www.PHFA.org; scroll to the bottom of the homepage and click on the PHARE link under the “Resources” header. Proposals requesting funding must be received by 2:00 PM, January 13, 2017, with funding awards expected to be announced during the PHFA Board of Directors meeting in April. Take advantage of the time that is left to plan and partner before this funding window closes!

$80 Million in New Markets Tax Credits Allocated to Commonwealth Cornerstone Group

The Commonwealth Cornerstone Group (CCG), a non-profit community development group created by the Pennsylvania Housing Finance Agency, has secured $80 million in New Markets Tax Credit (NMTC) allocations.

NMTC are provided by the U.S. Treasury Department’s Community Development Financial Institutions (CDFI) Fund. Governor Tom Wolf states, “These tax credits have proven their ability to attract private sector investment to distressed and low-income areas, providing much-needed jobs and economic stimulus. These will be put to use helping provide an economic spark for communities across the commonwealth.” CCG plans to use the NMTC to provide loans and equity investments for business expansion, mixed-use development, and community facilities across Pennsylvania. More information concerning the CDFI Fund can be found at www.cdfifund.gov. To learn more about CCG and its impact on Pennsylvania communities, please visit www.commonwealthcornerstone.org.
HOW CAN HOUSING AND REDEVELOPMENT AUTHORITIES TAKE CHARGE OF ENERGY COSTS WHEN EVERY DOLLAR COUNTS?

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THE POWER OF SAVINGS
Disclaimer: Although the Centralia coal seam fire does exist, this article also contains a hypothetical situation designed to engage and encourage everyone to consider and implement smart energy solutions.

The Centralia mine fire is a coal seam fire that has been burning underneath the borough of Centralia, Pennsylvania since at least May 27, 1962. The fire is suspected to be from deliberate burning of trash in a former strip mine, igniting a coal seam. The fire burns in underground coal mines at depths of up to 300 feet over an eight-mile stretch of 3,700 acres. As of 2016, the fire continues to burn. It has burned for more than 53 years. At its current rate, it could burn for over 250 more years. The blaze has resulted in most of the town being abandoned. The population dwindled from 2,761 in 1890 to only 7 in 2013, and most of the buildings have been leveled.

**FRACKING BANNED IMMEDIATELY! ENERGY SHORTAGES CAUSE PRICES TO SKYROCKET!**

Governments around the world have given orders to close down all fracking operations. Troops have been deployed to enforce the shut-down. Overwhelming evidence led to this conclusion as the largest earthquake ever recorded struck Colorado near the location of numerous waste water injection wells. Simultaneous earthquakes occurred in Ohio, Pennsylvania, North Dakota and Texas causing violent upheavals but little loss of life due to the remote locations of injection sites. Hundreds of gas and oil producing wells exploded and are in flames as the surface substrate of the earth shifted and ruptured pipelines once thought to be safe. Water reservoirs face contamination as fracking fluids are found at all levels.

Rationing of oil, natural gas, electricity and gasoline is now in place as shortages are predicted to continue.

Natural gas fired power plants are being curtailed as the once endless supply of cheap gas has been shut off. Electricity brownouts and blackouts will begin in days as fuel supplies dwindle. Coal and nuclear power plants that have not been demolished will take weeks or months to be recommissioned and restarted. The few solar and wind power plants can barely keep essential locations in operation.

Okay, none of this really happened…yet. But what if it did? Recent news stories report that doctors are worried about fracking fluids and fumes released at well sites. Earthquakes have been connected with the injection method that disposes waste water from fracking.

The world is running on cheap energy. If it ends what will happen? I close what I hope has been a thought-provoking hypothetical message with lyrics made famous by Blood, Sweat and Tears, “I swear there ain’t no heaven, but I pray there ain’t no hell.”

Tony DeFilippo, President
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PHADA’S HIGHEST PRIORITY IS LEGISLATION: 1) that streamlines the oversight of PHAs, 2) that reduces the size of the regulatory burden, and 3) that frees housing agencies to preserve or expand their affordable housing inventories for current residents and those waiting for affordable housing. Congress passed H.R. 3700, the Housing Opportunity Through Modernization Act (HOTMA) just before Congress adjourned in July. HOTMA provides some helpful measures for PHAs, but because of the limited time available after recess it could be the last housing-related bill passed in the current session. PHADA’s top three priorities listed below will likely need to be re-introduced in the next session that begins in January.

1. SHARP Bills
   S. 2292 (Tester, D-MT; Fischer, R-NE) and H.R. 4816 (Palazzo, R-MS; Ashford, D-NE; Bishop, D-GA) – Small Public Housing Agency Opportunity Act (SHARP)
   Passage of SHARP legislation would have positive and consequential impact on more than 2,700 small agencies nationwide. SHARP – “MTW for small agencies” – would create new efficiencies and cost savings at housing agencies and at HUD as the Department “right-sized” its monitoring of small, low-risk agencies. SHARP is good governance and commonsense legislation that is especially needed now when funding is dangerously low and the regulatory burden is enormous.
   PHADA strongly supports both bills. The Senate bill, S. 2292 has 10 co-sponsors; the House bill has 39 co-sponsors. Please urge your Senators and Representative to sign onto the bills!

2. Moving To Work
   H.R. 5137 – Moving To Work Reform and Expansion Act (Majority Leader McCarthy, R-CA)
   This bill would deem all but troubled PHAs eligible to participate in the successful Moving To Work program. It would allow 25 housing agencies to enter the MTW program annually. Importantly, the bill would allow agencies to operate more efficiently by eliminating many of HUD’s regulatory and reporting excesses that burden the traditional public housing program.
   Leader McCarthy hopes that the bill will provide many more housing authorities the opportunity to identify and implement their own local reforms that best suit the needs of their communities. PHADA supports H.R. 5137 and urges members to talk to their Representative about supporting the bill. There is no companion Senate bill.

3. Housing Tax Credit
   S. 2962 and S. 3237 – Affordable Housing Credit Improvement Act (Cantwell, D-WA; Hatch, R-UT)
   These bills would expand the Low Income Housing Tax Credit (LIHTC) incrementally over five years in order to boost affordable housing production nationwide. The Treasury housing tax credit program attracts private debt and equity to create approximately 100,000 rental housing units annually for working-poor households. S. 2962 would raise the current $1.75 per capita amount for annual state allocations to $3.53 by 2020. This expansion in available housing tax credits might make it easier for PHA housing development and RAD-conversion properties to compete for and secure critically needed tax credit equity. PHADA supports the Cantwell/Hatch tax credit bills.
Health and Safety

The Flint, MI, water contamination crisis has spurred the introduction of bills to address lead in the environment and in federally assisted housing. It is too early to know the impact or costs associated with these proposals on public housing and voucher units.

S. 2631 (Durbin, D-IL; Menendez, D-NJ) and H.R. 4694 (Ellison, D-MN) – Lead-Safe Housing for Kids Act. Requires that HUD update its lead-contaminated dust and soil standards to the Center for Disease Control (CDC) levels. Requires an assessment of all assisted housing built before 1978 where children under the age 6 live or might live. The bills also offer emergency relocation of families with young children if lead exposure is identified. They call for a GAO report on the magnitude and costs of lead contamination.

S. 2821 – True LEADership Act (Cardin, D-MD). A comprehensive bill that addresses lead in water, infrastructure and homes. The bill includes S. 2631 – Lead Safe Housing for Kids Act – as a subtitle. It also offers several responses to the Flint lead poisoning crisis like water infrastructure financing, school testing grants and mitigating the effects of lead in children.

There is also proposed legislation that would create more unfunded mandates for housing agencies. These are bills that do not preserve existing housing resources or provide new housing opportunities. They neither improve the quality of life for current residents nor shrink the huge and costly regulatory burden on housing agencies. PHADA has serious concerns about the following bills:

S. 3047 (Lee, R-UT) and H.R. 5360 (Jordan, R-OH) – Welfare Reform and Upward Mobility Act. These bills are a radical proposal to bundle together eleven HUD rental assistance programs (including public housing, TBRA and PBRA), define them as “welfare” programs and send them (and their current funding amounts) to the states for implementation. This proposal to “devolve” responsibility to the states language has been included in recent iterations of the Ryan Poverty Plan offered by the House Speaker. The bills are considered companion pieces to the most recent Ryan plan, “A Better Way: Our Vision for A Confident America.” The bills would define federal housing assistance programs – as “means-tested housing programs” and end federal funding for such programs on October 1, 2017. The combined amount of authorized expenditures for these programs for FY 2016 would be sent as block grants to states to administer. The FY ’16 funding level would continue through FY 2022 and then be reduced annually by 10 percent in succeeding years. Total funding for all of these housing programs would reach 50 percent of FY ’16 levels in FY 2027. PHADA strongly opposes legislation that would effectively end the federal responsibility for affordable housing for the neediest families.

H.R. 5085 – Fair Chance at Housing Act (Waters, D-CA). This bill seems to codify the criminal records “guidance” recently issued by the Office of General Counsel (OGC) to establish screening and eviction policies for assisted housing. The bill intends to make it easier for persons with criminal records to secure and/or retain federally assisted housing. PHAs would have new reporting requirements to track the number and disposition of applicants/residents served including those screened/evicted for covered criminal activity and the disposition of those identified cases. This data collection would be reported to the HUD Secretary annually.

H.R. 5401 – Landlord Accountability Act (Velezquez, D-NY). This bill would prohibit discrimination by landlords against rental housing applicants wishing to use Section 8 housing vouchers. It also would assess civil money penalties on landlords who intentionally allow the physical condition of their rental properties to deteriorate so that the units fail to meet inspection standards of the voucher program. The bill also requires HUD to publically disclose complaints against landlords and to provide a tax credit incentive for housing maintenance.

S. 3219 – Housing Accountability Act (Rubio, R-FL; Nelson, D-FL). This bill would require Performance Based Contract Administrators (PBCA) to twice annually survey residents of “each structure covered under a housing assistance payment contract for the purpose of identifying consistent or persistent problems with the physical condition of the structure or performance of the manager.”

Visit the PHADA website at: www.phada.org for more information about the funding and policy needs of public housing during this unparalleled time of chronic underfunding and costly over-regulation.

Submitted by: Timothy Kaiser, Executive Director, PHADA
The U.S. Department of Housing and Urban Development’s (“HUD”) Rental Assistance Demonstration (“RAD”) is all the rage, with HUD boasting 185,000 units of public housing in the queue for conversion from public housing to site-based Section 8 assistance under Component 1 of RAD (the maximum number of units currently permitted by Congress) and many more units currently sitting on a wait list.

Like many new programs, the standards HUD applies to review and approve particular sites for RAD conversions are still evolving. Nowhere is this more apparent than in the context of “front end” fair housing and civil rights reviews conducted by HUD’s Office of Fair Housing and Equal Opportunity (“FHEO”) under RAD Component 1. If a front end review is triggered, FHEO is given the opportunity to review and approve a proposed RAD conversion to ensure that applicable fair housing and civil rights requirements will be met upon conversion.

NEW HUD GUIDANCE FOR CIVIL RIGHTS AND FAIR HOUSING REVIEWS FOR RAD CONVERSIONS

On November 10, 2016 HUD published PIH Notice 2016-17 (HA) (the “New Guidance”). At the time this article was submitted for publication, the New Guidance remained open for public comment for thirty (30) days. As such, it is possible that HUD will make subsequent revisions to the New Guidance based on comments received. Nonetheless, the New Guidance provides clarity on circumstances where a front end review is triggered.

Although the New Guidance lists a number of circumstances that will trigger FHEO’s front end review, this article will focus on FHEO front end reviews of conversions involving new construction, whether on a new site or on a current site, in an “area of minority concentration”. If a proposed RAD transaction involves new construction in an area of minority concentration, HUD will allow the RAD conversion to move forward only if (i) sufficient, comparable housing opportunities for minority families in the income range to be served by the proposed project exist outside areas of minority concentration; or (ii) the project is necessary to meet overriding housing needs that cannot be met in that housing market area.

The New Guidance provides detailed and extensive criteria that will guide FHEO’s determination of whether a particular site is located in an area of minority concentration. Generally speaking, a site is considered to be in an area of minority concentration when either (i) the percentage of persons of a particular racial or ethnic minority within the area of the site is at least 20% higher than the percentage of that minority group in the housing market area as a whole or (ii) the total percentage of minority persons within the area of the site is at least 20% higher than the total percentage of minorities in the housing market area.

Under the New Guidance, HUD will consider the “area” of the site to be the census tract in which the site is located and will consider the “housing market area” to be the geographic region from which it is likely that residents of housing at the proposed site would be drawn for a given multifamily housing project. However, in each case, HUD may deviate from these metrics if there is strong evidence to support an alternate determination.

WHAT IF MY PROPOSED NEW CONSTRUCTION RAD CONVERSION SITE IS LOCATED IN AN “AREA OF MINORITY CONCENTRATION”?

Many, if not most, public housing properties available for a RAD conversion are located in what HUD would consider to be an area of minority concentration. The location of these public housing properties is inextricably linked to broad historic and political considerations and policies at the national and local level that public housing authorities (“PHA”) have little to no control over. As such, many PHAs planning to construct new RAD units on their public housing property will have to convince HUD that the conversion should move forward based on one of the two exceptions available—that there are either sufficient comparable opportunities or the development is necessary to meet overriding housing needs.

The New Guidance provides a long list of relevant factors that HUD will consider in determining whether either of these two exceptions is met, but notes that HUD will consider “the totality of the circumstances” and “all relevant facts” in making such a determination. While it is...
encouraging that HUD is adding more clarity to the factors FHEO will consider in front end reviews, the open-ended nature of the review process still risks leading to delays, headaches and additional costs for PHAs planning new construction as part of a RAD conversion on properties in areas of minority concentration.

That said, the New Guidance does provide two instances where HUD will presume, absent information to the contrary, that a site located in an area of minority concentration has met the exception that “sufficient comparable opportunities exist”. They are as follows:

(1) If least 50% of the comparable hard units in the PHA’s portfolio, including project-based voucher developments using the PHA’s subsidy, are outside areas of minority concentration; and

(2) If a set of RAD conversions from a single public housing property, individually or in combination, will result in the creation of as many similarly-affordable housing units outside areas of minority concentration as are constructed on the original public housing site.

Keep in mind that the New Guidance sets forth an extensive list of situations where front end civil rights and fair housing reviews of RAD conversions are required and that the foregoing discussion is by no means exhaustive. PHAs and their developer partners should become familiar with the New Guidance to adequately plan for such front end reviews.

For additional information about HUD’s front end civil rights and fair housing reviews of RAD conversions, please contact Alec Stone (e-mail: astone@cohenlaw.com; telephone: 412.297.4645) or Michael Syme (e-mail: msyme@cohenlaw.com; telephone: 412.297.4965).

For additional information about the refederalization of COCC funds, please contact:

Alec Stone
(e-mail: astone@cohenlaw.com; telephone: 412.297.4645) or

Michael Syme
(e-mail: msyme@cohenlaw.com; telephone: 412.297.4965).

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TOP TEN TIPS: Successfully Completing Your AFH

Submitted by: Ira Mabel, Mullin & Lonergan Associates

While HUD entitlement communities have always had to monitor for compliance with federal fair housing law, the way in which they do so is changing. Under HUD’s final Affirmatively Furthering Fair Housing rule, all HUD grantees must submit a highly specific analysis called the Assessment of Fair Housing, or AFH, before the start of each five-year planning cycle. Mullin & Lonergan Associates has recently completed two of the first AFH documents in the nation, both of which were joint efforts between an entitlement community and a local housing authority.

Based on our recent experiences, we’ve collected our best advice for successfully completing a quality AFH.

1. PARTNER WITH OTHER GRANTEES IN YOUR REGION
   Collaborating on a joint AFH is not required, but we strongly recommend it for a number of reasons:
   - Because each grantee must complete a similar analysis on the same or similar geographic region, collaboration helps avoid duplicating efforts.
   - Many of the action steps recommended by independent AFHs will probably be similar. Collaborating will avoid fragmented initiatives.
   - Because objectives must be assigned to specific organizations, collaborating on goals and metrics helps spread the work (and costs) efficiently.
   - Collaborating means sharing data and information on overlapping topics, which improves the analysis. Entitlements will likely have to approach their local PHA for information anyway, whether collaborating or not.
   - HUD is encouraging it. In fact, the AFFH Rule Guidebook and other guidance contain detailed instructions for collaboration, including adjusting program years to sync up.

2. MAKE A DETAILED PROJECT SCHEDULE (AND STICK TO IT)
   The full AFH process takes much longer than you might think. HUD estimates about 250 working hours to complete the AFH, but this is probably too low. Before starting, set a realistic schedule that can accommodate all of the necessary published notices, public hearings, committee meetings, etc. If partnering on a joint AFH, compare the requirements for the different agencies involved to make sure your schedule can accommodate everyone. For example, PHAs must allow for a 45-day inspection period before the final public hearing, while entitlement communities only need 30 days. Visit our website for a sample project schedule to get started (mandl.net/what-we-do/fair-housing).

3. AMEND YOUR CITIZEN PARTICIPATION PLAN
   If you have not amended your CPP since August 17, 2015, then you MUST amend it before you start the AFH. Do this as early as possible so it does not delay the rest of the process and create a late-inning time crunch. Don’t forget to include your CPP amendment public display period and local approval in the master project schedule.

4. REVIEW HUD WEBINARS
   HUD Exchange hosts a clearinghouse for AFH information, training, and guidance. Much of the material is devoted to the nuances of the regulations in the AFFH Rule. Two of the webinars are excellent resources when it’s time to sit down in front of your first draft:
   - “Overview of the Assessment of Fair Housing Webcast” is a series of videos that explains each part of the AFFH Rule using a hypothetical case study.
   - “AFFH User Interface (UI) Webcast” is a brief overview of the online user interface through which final AFHs must be certified and submitted. The system is
relatively intuitive, but very different from other HUD interfaces such as IDIS.

5. FINALIZE YOUR COMMUNITY ENGAGEMENT PLAN
HUD is emphasizing a thorough and vigorous community engagement effort while preparing an AFH. We find it helpful to determine an engagement budget first, then create the initiatives that are achievable based on that budget, with your CPP serving as a baseline. Try to think outside the box of traditional strategies - utilize partnerships, get on the regular meeting agendas of local and regional nonprofits, use social media, have accessible meeting locations, provide translation, etc. More is always better.

6. IDENTIFY STAKEHOLDERS AND LOCAL DATA SOURCES
Local fair housing advocates and practitioners are often the most valuable source of local knowledge. Include interviews with these groups as a cornerstone of your information gathering. For many communities, reaching out to local stakeholders can be the most involved step in the AFH process, especially if this was not done in the past.

7. PROCESS ALL DATA UP FRONT
It’s useful to first organize all the AFH components in one place. Transfer the prompts from the online AFH tool into a Microsoft Word document, then insert all the HUD-provided maps and tables, along with local data (from PHAs, municipal departments, etc.) in the appropriate places. The AFH tool’s appendix has good information about which tables and maps are meant for which question. This step is optional, since the entire AFH can be completed within the online UI, but saves time and facilitates sharing and editing.

8. PREPARE FOR SUBMISSION FIRST, NOT LAST
Read the AFH tool, appendices, and guidebook completely before you begin writing. It’s easy to start answering a question you think you should be asked or shoehorn in ill-fitting content without actually addressing the prompts. Also, keep the UI template in mind when phrasing your analysis or adding additional elements to the AFH. Drifting too far off script or creating content that will not easily upload into the UI will only cause stress at submission time. Remember - the AFH tool was designed to guide grantees’ analysis. Let it do its job.

9. MAKE ADJUSTMENTS ACCORDING TO LOCAL CONTEXT
You may need to reframe some of HUD’s national data under your local context. For example, there may be no racial or ethnic concentrations in your jurisdiction using HUD’s national thresholds. This does not mean you shouldn’t analyze racial concentrations in a local context. Search for local data and knowledge to fill in the gaps, keeping the “intent” or “spirit” of the questions in mind.

10. SET GOALS TO FIT YOUR 5-YEAR CONSOLIDATED PLAN
AFH goals and priorities need to fit into Consolidated Plan strategies and Annual Action Plan activities. Metrics should be specific but not overly restrictive, especially if a goal involves collaboration, political decisions, or other forces outside your control. HUD is much more interested in seeing a few implementable goals than a laundry list that may or may not be addressed. Just keep asking yourself, “Will we fund this?”

If your AFH is due on October 4, 2017, you should already be underway! Develop your project schedule, amend your CPP, and identify local groups and organizations to collaborate with on the Community Engagement Plan. Just get started!

Ira Mabel is a housing and community development planner in the Pittsburgh office of Mullin & Lonergan Associates. He was the project manager for the joint AFH prepared for the City of Harrisonburg, VA and Harrisonburg Redevelopment and Housing Authority. You can reach Ira at iram@mandl.net or at (412)323-1950.
The Changing Landscape of Housing Admissions for Landlords: Life in the Wake of the April 4, 2016 OGC Guidance

By: Leigh A. Poltrock, Esq., Pepper Hamilton LLP

The message from HUD is certainly confusing: don’t discriminate, but use your discretion. It is enough to strike fear into the heart (and liability insurer) of even a seasoned property owner and manager. The common advice to date has been to adopt a standard policy and apply it to everyone; however, HUD now wants landlords to look at applicants on an individual, case-by-case basis, which represents a sea change from longstanding “best practices” in admissions policies and puts management employees squarely in the middle of rendering discretionary but non-discriminatory decisions.

WHY THE CHANGE?

According to statistics published by the Justice Department in 2014, nearly one-third of the adult population in the United States has a criminal record of some sort. Those individuals face significant barriers to securing housing, including federally assisted housing. Those same statistics demonstrated that African Americans and Hispanics are arrested, convicted, and incarcerated at rates disproportionate to their share of the general population. Thus, denials based on criminal background checks can lead a landlord to violate the Fair Housing Act. This is true if its policy for denying applicants with criminal histories has an unjustified discriminatory effect, even if the landlord had no intent to discriminate.

CONSIDERING PRIOR CONVICTIONS

Owners and operators of federally assisted housing have been on notice since at least November 2, 2015 that denials of admission cannot be based solely on arrests and not convictions. (See Notice PIH 2015-19). Moreover, given that there are only two types of convictions that lead to mandated exclusion (a lifetime ban on registered sex offenders and those convicted of manufacturing methamphetamine in federally assisted housing), any other convictions are not an automatic bar to admission. So, how does a landlord decide who to admit and who to reject when considering prior convictions?

The April 4, 2016 Guidance from HUD’s Office of General Counsel (OGC) addresses the likelihood that the Fair Housing Act is being violated when housing providers use blanket policies in refusing admission or lease renewal based on an individual’s criminal history because such policies are likely to have a disparate impact on racial minorities. Moreover, “bald assertions based on generalization or stereotype that any individual with an arrest or conviction record poses a greater risk than those without such records are not sufficient.” Landlords and property managers must be able to prove through reliable evidence that blanket policies actually assist in protecting residents and property.

BEST PRACTICES

There are two requisites for an admissions policy regarding prior convictions that will withstand scrutiny: a reasonable look-back, and a reasonable connection to the health, safety, and welfare of current residents.

While OGC did not explicitly define what constitutes a reasonable look-back, it is clear that certain policies will be deemed unreasonable. For example, a policy that forever excludes those with a felony conviction of any kind cannot withstand scrutiny. A policy or practice that does not consider the amount of time that has passed since the criminal conduct occurred is unlikely to be deemed reasonable. Similarly, a policy that treats old misdemeanor convictions the same as felony convictions is bound to fail. The policy must discern between conduct that is a risk to safety and property, and conduct that is not. If a felonious forger is treated the same as an individual with a felony assault record, then the policy requires revision.

Most troubling to landlords, the Guidance suggests that criminal records should be reviewed on a case-by-case basis, considering the nature, severity, and recency of the criminal conduct. This type of individualized assessment
of mitigating information is deemed inherently better than blanket or categorical exclusions that do not consider other information.

The method used to gather this additional information is left to the discretion of the landlord. You may decide to add a space to your application requesting additional information from the applicant regarding any convictions. Alternately, you may elect to conduct a follow-up interview with an applicant with a criminal background that might otherwise lead to denial of admission. The 2015 Notice identified such an interview as a “best practice,” and noted that it had the potential to produce cost savings, as it can lead to a decrease in the number of complaints about denials of admission. Relevant mitigating information to be sought from the applicant may include: “the facts or circumstances surrounding the criminal conduct; the age of the individual at the time of the conduct; evidence that the individual has maintained a good tenant history before and/or after the conviction or conduct; and evidence of rehabilitation efforts.” OGC also noted that by delaying consideration of criminal history until after an applicant’s credit and other qualifications are verified, a landlord may help minimize any additional costs related to the individualized process.

THE NEW NORMAL

While landlords may still use criminal histories to make decisions, those records cannot be used to discriminate or be allowed to have an unjustified discriminatory effect. Policies that deny admission to applicants based on their criminal history must be narrowly tailored to serve the landlord’s substantial, legitimate, nondiscriminatory interests and take into consideration such factors as the type of the crime and the length of the time since conviction. Policies that do not take those factors into consideration are unlikely to withstand scrutiny. This type of case-by-case analysis requires both a well-articulated written policy for staff to follow and in-depth training for front-line staff on how to consider these factors and make decisions in a non-discriminatory way.

Leigh A. Poltrock is of counsel in the Affordable Housing and Community Development Practice Group of Pepper Hamilton LLP, resident in the Pittsburgh office. Ms. Poltrock concentrates her practice on multifamily affordable housing development and the administrative, regulatory, litigation and general corporate matters that arise in connection with these projects. Her clients throughout the country include public housing authorities, developers, nonprofits, for-profit owners and other recipients of HUD funds. Ms. Poltrock can be reached at poltrockl@pepperlaw.com or 412-454-5026.
The case for housing organizations using drones seems self-evident. Monitoring the physical conditions of the buildings that house your tenants is part of any regular inspection program. You may also inspect following a weather event or complaint. What follows is one or more of your employees standing on a roof, or pulling out a ladder to get a closer look. The time required (setting up the call, dispatching the crew, and documentation) will be repeated when repairs are ordered.

What if the first step, the inspection, could be done faster and with less risk for your employees? That’s the benefit of drone technology.

With its low cost (drones with high definition cameras average $750-$2,000), many housing professionals are examining the possibilities. Before you take the leap, though, you should consider what is required and how you would implement the program.

**LEGAL REQUIREMENTS:**

The Federal Aviation Administration (FAA) published Part 107 – Small Unmanned Aircraft Regulations on August 29, 2016, establishing the requirements for any business using drones.

- ‘Pilot’ certification: Your employee ‘pilot’ will need a remote airman certificate issued by the FAA. These certificates are earned by passing an exam at an FAA-approved knowledge testing center. There are centers located in every state, and you can find the one closest to you by going to the following link: (https://www.faa.gov/training_testing/testing/media/test_centers.pdf)

  The material needed to pass the exam is available on the FAA’s website, including both a manual and a self-study guide. Your pilots, once certified, will require regular recertification, though this may be offered electronically.

- Registering drones: In addition to certifying your pilot, each drone you own will need to be registered through the FAA’s electronic portal. Your business will be issued an identification number, and that number should be affixed to each drone. This assumes you will maintain your inventory with the FAA. If you buy, sell, or retire a drone, you will need to update its status through the FAA portal.

- Reporting accidents: If there is a reportable accident involving your drone, you will be required to log it through the FAA’s on-line system. The definition of ‘reportable’ includes accidents involving property damage valued at $500 or more, or ‘serious’ injury to a person, although what is considered ‘serious’ is open to interpretation.

**POLICY CONSIDERATIONS:**

Once you have identified your pilot, had him or her trained, and registered your drones, you should develop your policy.

- Privacy is the number one concern associated with drone use. The idea of a vehicle with a camera flying past windows can give rise to legitimate worries. The policy you create should include some basic guidelines and rules:
  - Drones are secured and can only be tagged out by your pilot for specific purposes
  - The date, times, and purpose of your drone flight should be posted in advance, informing tenants to close drapes and blinds during those hours
  - Provide contact information for tenants and others to report any concerns
  - Reinforce cordoning off a corridor of at least five feet around the building so that the drone won’t fly over anyone not involved in its operation. This is an FAA rule
Reinforce with your pilot that the drone should be in their line of sight at all times. If the drone is being used to inspect the roof, it’s understood there may be moment it is out of sight, but that should be momentary.

There are other rules published by the FAA and you’ll want to consider insuring your drones, however, by following the guidelines, you should find that using this ‘tool’ provides substantial benefits to your housing inspection program.

Interested in learning more? Visit www.housingcenter.com/drones to sign up to be the first to receive part I of HAI Group’s e-Book series on drones: “Understanding the Drone Regulatory Landscape.”

Lynn R. Crisci, CPCU, ARM is the Assistant Director for HAI Group Product Development. Prior to joining HAI Group, Lynn worked at The Hartford in their Specialty, Middle Market, and TPA Claims divisions. She brings 30 years of industry experience, developing new and innovative insurance products and programs serving the needs of the public and affordable housing industries. Lynn can be reached at lcrisci@housingcenter.com.

HAI Group is a family of companies founded by and dedicated to serving the public and affordable housing community. We deliver innovative, tailor-made solutions to protect assets, improve efficiency, empower employees, and move housing strategies forward. Our portfolio includes insurance, software, capital, research, advocacy, and learning solutions.
Shared-Work Plans

Submitted by Debbie Gross / U•COMP Member Service Representative

When you experience temporary decreases in business due a slowing of the economy or for other reasons, there is an alternative to layoffs. The alternative is Pennsylvania’s Shared-Work Program. A Shared-Work Plan enables the employer to reduce the number of work hours of a group of employees temporarily and to divide the number of available hours equally among these department employees. This Plan allows for all the employees of a given department to remain employed while receiving a percentage of their Unemployment Weekly Benefit Amount. The employees will work a reduced schedule until such time as the employer is able to increase their hours to their original schedule as outlined in the employer’s Shared-Work Plan.

ADVANTAGES TO EMPLOYERS:

- Shared-Work allows the employer to retain their workforce during temporary declines in business and then to quickly increase their operations without having to hire, re-hire or recruit new employees.
- The Shared-Work Plan helps the employer save money by eliminating the expense of training because they do not have to hire new employees when the workload increases. They simply increase the existing employees’ hours to the level prior to the slowdown.
- It helps employers retain experienced employees.
- It protects employees from the adversities of a full lay-off.
- It can help to keep employee morale up during a difficult time.

TO BE ELIGIBLE AS A SHARED-WORK EMPLOYER:

- You as the employer select which employees will be in the Shared-Work Plan. There must be a minimum of two employees in a Plan.
- You can have more than one Shared-Work Plan in effect at any given time if there is more than one unit affected.
- You must complete an application. Applications can be found at www.uc.pa.gov/SharedWork. You must provide information about the affected “unit”, the percentage of the reduction and the beginning and end dates of the Plan.
- You are eligible to participate as an employer if you have filed all of your UC taxes for all quarters and paid all amounts due. If you are a contributory employer, you must have a positive reserve balance and you must have paid wages for the last 12 consecutive quarters.

Pennsylvania’s

SHARED-WORK PROGRAM

An Innovative Alternative to Employee Layoffs

HOW WILL THE SHARED-WORK PROGRAM AFFECT YOUR BUSINESS:

- If you are a contributory employer (if you pay a percentage to Labor and Industry for your unemployment claims), your rate could increase.
- If you are a reimbursable employer (if you pay dollar for dollar for every unemployment claim incurred), you will be paying for the unemployment claims incurred by the Shared-Work unit in a dollar for dollar manner.
- A main responsibility of the Program is that you agree not to lay-off any employee listed in the Plan for the length of the Plan, as well as to not reduce their hours by more than the reduction percentage in the Plan that is in effect.

The Shared-Work Program can help you retain your full staff for business growth in the future. For more information, please go to www.uc.pa.gov/SharedWork.

Educational benefits such as these are available to U•COMP members.

For more information on the U•COMP program or for a non-binding quote, please contact:

Debbie Gross
U•COMP Member Service Representative
Phone: 1-800-922-8063 x254
Email: dgross@pamunicipalleague.org
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A Service Program of the Pennsylvania Municipal League
On April 4, 2016, the U.S. Department of Housing and Urban Development’s Office of General Counsel issued “Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions.” The guidance addresses how the discriminatory effects and disparate treatment methods of proof apply in Fair Housing Act (“FHA”) cases in which a housing provider justifies an adverse housing action, such as a refusal to rent or renew a lease, based on an individual’s criminal history.

The guidance notes that a housing provider violates the FHA when the provider’s policy or practice has an unjustified discriminatory effect, even when the provider does not intend to discriminate. Thus, a facially-neutral policy or practice that has a discriminatory effect violates the FHA if it is not supported by a legally sufficient justification. So, where a policy/practice that restricts access to housing on the basis of criminal history has a disparate impact on individuals of a particular race, national origin or other protected class, such policy/practice is unlawful under the FHA if it is not necessary to serve a substantial, legitimate, nondiscriminatory interest of the housing provider, or if such interest could be served by another practice that has a less discriminatory effect.

STEP ONE

According to the guidance, discriminatory effects liability is determined under a three-step burden-shifting standard requiring a fact-specific analysis. In the first step, a plaintiff (or HUD) must prove that the housing authority’s criminal history policy has a discriminatory effect, i.e., that the policy results in a disparate impact on a group of persons because of their race or national origin. This burden is satisfied when the plaintiff presents evidence that proves that the challenged practice actually or predictably results in disparate impact.

STEP TWO

In the second step, the burden shifts to the housing provider to prove that the challenged policy/practice is justified, i.e., that it is necessary to achieve a substantial, legitimate, non-discriminatory interest of the provider. In housing cases, the interest is usually the protection of the residents and their property. The provider must be able to prove with reliable evidence that its policy/practice of making housing decisions based on criminal history actually assists in protecting resident safety and/or property. The guidance indicates that exclusions based solely on a prior arrest not resulting in a conviction do not actually assist in protecting resident safety and/or property. The guidance then discusses prior convictions and suggests that
a criminal record policy must take into account the nature and severity of an individual’s conviction as well as the amount of time that has passed since the criminal conduct. Thus, a policy/practice that fails to consider the nature, severity, and recency of criminal conduct is unlikely to be proven necessary to serve a “substantial, legitimate, nondiscriminatory interest” of the provider.

**STEP THREE**

The third step of the analysis is applicable only if a housing provider successfully proves that its criminal history policy or practice is necessary to achieve its interest. In the third step, the burden shifts back to the plaintiff (or HUD) to prove that such interest could be served by another practice that has a less discriminatory effect. The guidance suggests that individualized assessment of relevant mitigating information beyond that contained in an individual’s criminal record is likely to have a less discriminatory effect than categorical exclusions that do not take such additional information into account.

As an aside, the FHA provides that the Act does not prohibit “conduct against a person because such person has been convicted … of the illegal manufacture or distribution of a controlled substance…” Thus, a housing provider will not be liable under the Act for excluding individuals because they have been convicted of one or more of the specified drug crimes, regardless of any discriminatory effect that may result.

The guidance concludes by indicating that while the FHA does not prohibit housing providers from appropriately considering criminal history information when making housing decisions, arbitrary and overbroad criminal history-related bans are likely to lack a legally sufficient justification. Thus, policies/practices that exclude individuals based on criminal history must be tailored to serve the housing provider’s substantial, legitimate, and nondiscriminatory interest and take into consideration such factors as the type of the crime committed and the length of time since conviction. Where a policy/practice excludes individuals with only certain types of convictions, a housing provider will still bear the burden of proving that any discriminatory effect caused by such policy or practice is justified.

The purpose of the guidance is to assist housing providers in striking a sensible balance between its interest in providing a safe place to live for its residents and in allowing individuals who may have some criminal history but who do not threaten the safety interest to access safe, secure and affordable housing. In considering current or future policies and practices, housing providers should carefully consider the HUD guidance. Unfortunately, the HUD guidance does not provide a “safe harbor”. Instead, the guidance states that determinations of whether any particular criminal history-based housing restriction satisfies step two of the discriminatory effects standard must be made on a case-by-case basis. The guidance also recommends individualized assessments of relevant mitigating information beyond that contained in criminal records instead of categorical exclusions that do not consider such information.

As this guidance was just issued in April 2016, it remains to be seen how courts will utilize the guidance in future cases. However, as with past guidance, housing providers should assume that HUD will view its guidance as having the force of law.
# 2017 PAHRA ANNUAL CONFERENCE

Conference Schedule (as of December 1, 2016)

Visit [www.pahra.org](http://www.pahra.org) for updated information on training sessions, speakers, events and other conference news.

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| 8:30 a.m. – 9:30 a.m. | Opening Plenary Session: Federal H&CD Issues  
*John Bohm, Acting Chief Executive Officer, NAHRO  
Tim Kaiser, Executive Director, PHADA* |
| 9:30 a.m. – 9:45 a.m. | Mid-Morning Refreshment Break |
| 9:50 a.m. – 12:30 p.m. | Concurrent Educational Sessions |
| 12:30 p.m. – 1:45 p.m. | Conference Luncheon – Greg Kaufmann, Senior Fellow, Poverty to Prosperity Program, Center for American Progress (invited) |
| 1:50 p.m. – 3:00 p.m. | Concurrent Educational Sessions |
| 3:00 p.m. – 3:20 p.m. | Afternoon Pick-Me-Up |
| 8:00 p.m. – 12:00 a.m. | Evening Networking Event – Party at the Pub - Mulligan’s |

**Monday Concurrent Educational Sessions Include:**

**What’s Happening in Washington? Post-Election Predictions**  
Our national housing advocacy groups share their respective legislative agendas and discuss the potential impacts of the transition to a new administration  
- Where is H&CD located on the new political landscape  
- John Bohm, Acting Chief Executive Officer, NAHRO  
- Tim Kaiser, Executive Director, PHADA

**Annual Legal Workshop** *(multi-session)*  
- Employment in Real Life: Actual situations including FMLA, ADA, Attendance, Discipline, Termination and more!  
- Self-Developers: Agencies Take on the Role of Developer  
- Project-Based Vouchers: A Whole New World  
- CLE’s Available

**Mandated Reporting: It’s the Law** *(multi-session)*  
- Attend the first state-approved curriculum for recognizing and reporting abuse or neglect under the Child Protective Services Law

**New Weapons in the Blight Fight Battle**  
- Using the Tool of Conservatorship: Real World Case Studies

**Assessment of Fair Housing (AFH) Forum**  
- Open discussion to share thoughts and experiences on tackling the task
### Tuesday, February 28, 2017

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
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</thead>
<tbody>
<tr>
<td>7:30 a.m. – 8:15 a.m.</td>
<td>Continental Plus Breakfast</td>
</tr>
<tr>
<td>8:00 a.m. – 12:00 p.m.</td>
<td>Registration</td>
</tr>
<tr>
<td>8:15 a.m. – 9:30 a.m.</td>
<td>Morning Plenary Session:  State Policies and Programs</td>
</tr>
<tr>
<td>9:30 a.m. – 9:45 a.m.</td>
<td>Mid-Morning Refreshment Break</td>
</tr>
<tr>
<td>9:50 a.m. – 12:20 p.m.</td>
<td>Concurrent Educational Sessions</td>
</tr>
<tr>
<td>12:30 p.m. – 1:45 p.m.</td>
<td>Lunch On Your Own</td>
</tr>
<tr>
<td>1:50 p.m. – 3:00 p.m.</td>
<td>Concurrent Educational Sessions</td>
</tr>
<tr>
<td>3:00 p.m. – 3:20 p.m.</td>
<td>Afternoon Pick-Me-Up</td>
</tr>
<tr>
<td>3:30 p.m. – 4:00 p.m.</td>
<td>Annual Housing Awareness Event at Capitol Rotunda</td>
</tr>
<tr>
<td>4:00 p.m. – 5:00 p.m.</td>
<td>Tour of Jackson Tower – Harrisburg Housing Authority</td>
</tr>
<tr>
<td>6:00 p.m. – 8:00 p.m.</td>
<td>Capitol Conference Reception – Senate Majority Whip John Gordner</td>
</tr>
</tbody>
</table>

#### Tuesday Concurrent Educational Sessions Include:

**State Policies and Programs**
Discuss current events and issues affecting the H&CD industry in Pennsylvania with representatives of:
- PA Department of Community and Economic Development
- Pennsylvania Housing Finance Agency
- Housing Alliance of Pennsylvania

**Pennsylvania’s Five-Year Affordable Housing Strategy (multi-session)**
- An Overview of the Plan With a Focus on Housing and Redevelopment Roles
- Town Hall Meeting:  Let’s Talk

**Alphabet Soup: HUD’s Pot is Simmering (multi-session)**
- HOTMA – Review financial implications of this recently passed legislation
- PHAS & SEMAP – Discuss HUD updates under consideration and the potential impact on your agency’s designation
- HCV – Highlighting policy and procedural changes to improve program success
- VASH – Success stories shared, tips to enhance VASH effectiveness

**Pennsylvania Prevailing Wage Rate Roundtable**
- Come join the discussion

**PIC / EIV: HUD Leads the Way on Your Path to Peak Performance (multi-session)**
- HUD Philadelphia Regional Office, Office of Public Housing Presenting

**Relationship Building: Get to Know Your State Civil Service Representative**
- “Meet and Greet” with Staff of the Policy Assistance and Audit Division
- Presentation of Civil Service Processes and Procedures

**Make Your Mark: Advocate and Educate**
- Attend our 4th Annual Housing Awareness Event in the Capitol Rotunda
- Schedule Meetings With Your Elected Officials and Invite Them to Our Capitol Conference Reception

### Wednesday, March 1, 2017

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30 a.m. – 10:00 a.m.</td>
<td>Conference Closing Breakfast</td>
</tr>
<tr>
<td></td>
<td><strong>Keynote Speaker:</strong>  To Be Announced</td>
</tr>
</tbody>
</table>

(See next page for conference registration form.)
2017 PAHRA CAPITOL CONFERENCE

Name: __________________________________________________________
Title: __________________________________________________________
Organization: ____________________________________________________
Address: _________________________________________________________
City: __________________________________ State: ______ Zip: ____________
Telephone: __________________________ Fax: _______________________
Email: __________________________________________________________

FULL PACKAGE:  O Member - $300  O Non-member - $340  O Guest/Spouse - $100
DAILY SESSIONS: O Member - $170  O Non-member - $200  O Specify date: ________________

Total Amount: $ __________________________ Please copy and complete a separate form for each attendee.

Don’t forget the PAHRA Member Bonus –
for each two full registrations, the third full registration is half-price!

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$167 per night single
$ 95 per night double
Reserve before January 27, 2017 to receive the PAHRA Group Room Rate.

Attendees are encouraged to email registration forms to kelly@pahra.org with payment to follow.
Please copy and complete a separate form for each attendee. Please make check payable to PAHRA and mail with a copy of your completed registration form to:
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PO Box J
New Florence, PA 15944

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- **Maintenance-Free:** Battery never needs replacing. No need for maintenance personnel to change batteries.
- **Tamper Resistant:** Ensures uninterrupted performance and reduces liability.
- **Product Lifelong Warranty:** Alarms are UL Listed, and last 10 years.
- **Save time and money by investing in Worry-Free 10-Year Alarms!**

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Room specific features like a super-bright LED in the hallway and reduced nuisance alarms in the kitchen, make it simple and easy to pick the right alarm for the right location. Plus, save $40 over the life of each alarm in battery costs.

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Save up to $40 in batteries over the life of alarm.

IDEAL FOR MULTIFAMILY APPLICATIONS

Apartments/Condominiums
Universities/Dormitories
Hotels/Motels
Public Housing / Assisted Living Facilities
With the passing of time, it’s inevitable that building systems will age. What’s less certain is the definitive line between retrofitting a system and replacing it. Critical factors like deferred maintenance and overall system design — not to mention the organization’s mission and overall budget — all affect this decision.

Retrofitting a system involves leveraging the existing system and improving upon an application within the system, provided that the system can still function as designed. In contrast, replacing a system is a complete overhaul, involving the full removal of the existing system and engineering and installing a new system as a replacement. This can be a viable option when the system is at the end of its useful life, which can occur after lengthy periods of deferred maintenance that result in downtime and negatively impact costs and operations.

Ultimately, the retrofit-versus-replace decision is complex due to its resulting implications. And there are steps to take to protect the investment to retrofit or replace. Striking this delicate balance is part of a complex equation that requires a holistic approach to a building system.

FOUNDATIONAL CONSIDERATIONS

As buildings age, associated systems, such as building automation and HVAC, can show signs of stress — particularly if deferred maintenance is a factor. This can lead to downtime, not to mention affecting comfort and creating other issues, like increasing operating costs to keep systems functioning. Eventually, the question must be asked: can the issues be addressed with a system retrofit? Or is a full replacement in order?

Initial steps can help set the stage for making an informed decision, which should leverage a holistic view of the building and how the systems work in concert.

First, take stock of the full range of systems within a building — from chillers, boilers and air handlers, to packaged rooftops and split systems—and how they are controlled, whether it’s through digital or pneumatic methods in conjunction with a building automation system.

Next, evaluate a facility’s renovation history. Renovations can affect a building’s performance and behavior based on modifications — the design intent — which also impacts how building systems perform. For example, while a building renovation can change dimensions of a specific space, how a building’s HVAC system is serving these spaces may remain as intended for the original dimensions, which may not be optimal.

With that, two pivotal questions emerge:

- If the renovated building space received a new system, would the system’s intent, design and application be different from before?
- If different, what would modifying the existing system to accommodate the new application entail?

If the answer to the first question is yes, change is in order to ensure the space is optimally served by the associated building system. Determining whether to replace or retrofit the system should entail evaluating the difficulty of each — as well as the necessary investment and associated payback.

SETTING THE PROCESS IN MOTION

Following the foundational considerations, an audit of the systems working in concert can establish a second layer in reaching a retrofit-or-replace decision. This process involves performing a system analysis that marries a focus on comfort, energy efficiency or other goals, as well as looking at the other factors, from system criticality to maintenance history.

The analysis process also includes evaluating capital budget plans, utility bills, and historical budgets. These can help identify indicators of systems efficiency, criticality and deferred maintenance to determine the true cost of operations.

MAKING AN INFORMED DECISION

As part of the system analysis, a building systems audit professional can assist with making the decision to retrofit or replace a system. Ultimately, the decision should be made within the context of the larger organizational
goals as well, however. The decision should be viewed as a cost-effective investment for an organization, whether it ultimately ends in a system retrofit or replacement—or combination of the two.

PROTECTING INVESTMENTS

The work doesn’t stop once a decision is made to retrofit or replace a system. Instead, it’s important to take steps to protect the investment, extending system life through measures like proper maintenance. Traditionally, at a minimum, this has entailed preventive maintenance based on standards.

Most recently, new ways of extending system life are emerging, thanks to technology advancements. Now, service and maintenance can leverage measures such as smart devices and cloud-based technology to monitor, manage and optimize building systems, using software and analytics in real time to evaluate system performance, identify faults, analyze trends and predict failures immediately. Instead of maintaining systems based on a best-guess calendar, maintenance visits by a service technician are based on exactly when the system needs servicing. Issues are then prioritized and addressed appropriately — whether through remote connectivity or an in-person site visit.

MAPPING A SUCCESSFUL PATH

Rapid technological change is a common reality, and building systems are not immune. Regardless of the decision to retrofit or replace, organizations should expect and anticipate additional system changes. These changes can introduce new functionality, increased efficiency and enhanced system performance. Understanding how the manufacturer is working to improve its products can help organizations establish long-range budget planning, and ensure that critical building systems and their applications continue to support the system design.

Coupling these considerations with the right maintenance program can ensure an organization is getting the most out of its retrofit or replacement investment. This approach can also help build the case for the next retrofit or replace project.

For more information or if you need assistance with these types of evaluations, please contact Rick Sawicki at 330-655-0753 or richard.sawicki@honeywell.com, or visit buildsolutions.honeywell.com.

Need a loan for your community project?

Contact an FHLBank Pittsburgh member institution and ask about low-cost lending for affordable housing, small businesses and economic development through the Community Lending Program. Find a member near you at www.fhlb-pgh.com.
By Brian T. McCall, CPA, CGFM, Partner

The Governmental Accounting Standards Board (GASB) is once again clarifying their stance on the reporting of component units for governmental entities, with the release of GASB Statement No. 80, “Blending Requirement for Certain Component Units”. This standard amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

The requirements of this Standard become effective for reporting periods beginning after June 15, 2016 (June 30, September 30, and December 31, 2017 financial statements). GASB 80 clarifies that a non-profit entity that is 100% controlled by a PHA (Public Housing Authority) should be reported for financial reporting as a blended component unit. That seems straightforward enough – but the complexity comes in when that non-profit entity has ownership stakes and varying levels of control in different partnerships.

Component unit existence, and therefore financial reporting for PHAs has become more prevalent over time, with the use of component units to facilitate mixed financing deals and more recently with RAD (Rental Assistance Demonstration) deals. The advent of RAD has also brought about changes in REAC (Real Estate Assessment Center), whereby properties must now be further defined as to whether they are mixed finance or RAD within REAC. This has also led to discussions about which properties should be reported within Public Housing, Business Activities, or Component Unit columns within the FDS (Financial Data Schedule).

What if the other partner in the partnership with the non-profit entity is the PHA? What if the other partner is another related entity? What if the other partner is the financial institution, who might own 99% or more of the partnership, but the mixed finance property is built on land leased from the PHA, the PHA is the main lender to the partnership, and is also the management agent? While the answers to these questions might be straightforward, the most appropriate answer for external financial reporting following the GASB statements is rarely as straightforward, as GASB lacks specific guidance on reporting public/private partnerships of the type with which PHAs are involved.

Additionally, HUD’s requirements as to the reporting of these relationships with the financial reporting module of REAC adds another layer of complexity to the evaluation of how to account for these component unit relationships.

So, although this Statement does not impact the existing criteria for determination of what is a component unit, if you are a PHA that has created a not-for-profit corporation in which the PHA is the sole corporate member, your financial reporting may need to be reviewed to determine if a change in presentation is necessary. Therefore, now may be a good time to review your overall reporting of potential component unit entities.

Don’t hesitate to contact us if you have any further questions regarding this article:

Brian T. McCall, CPA, CGFM
bmccall@md-cpas.com
www.md-cpas.com
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WHAT IS RANSOMWARE?

Ransomware is a malicious software that cyber actors use to deny access to systems or data. The malicious cyber actor holds systems or data hostage until the ransom is paid. If the demands are not met, the system or encrypted data remains unavailable, or data may be deleted.

In 2016, Ransomware will cost small businesses in the United States over $75 billion in downtime. Yes, that is billions that businesses will lose this year alone.

Are you ready for more bad news? One out of four companies who pay the ransom never recover their indispensable data. That is why Infradapt strongly recommends that if you are ever in this predicament, NEVER pay up!

HOW DID RANSOMWARE COME INTO EXISTENCE?

The first ever Ransomware virus was created in 1989 by Harvard-trained evolutionary biologist Joseph L. Popp. It was called the AIDS Trojan, also known as the PC Cyborg. Popp sent 20,000 infected diskettes labeled “AIDS Information – Introductory Diskettes” to attendees of the World Health Organization’s international AIDS conference. The AIDS Trojan was “generation one” Ransomware malware and relatively easy to overcome. The Trojan used simple symmetric cryptography and tools were soon available to decrypt the file names. But the AIDS Trojan set the scene for what was to come.

Ransomware was still paralyzing businesses, but in September of 2013 a new threat took place that changed the dynamics almost overnight. CryptoLocker is the first cryptographic malware spread by downloads from a compromised website and/or sent to business professionals in the form of email attachments that were made to look like customer complaints controlled through the Gameover ZeuS botnet which had been capturing online banking information since 2011.

CryptoLocker uses an upload to a command-and-control server, and uses it to encrypt files with certain file extensions, and then deletes the originals. It then threatens to delete the private key if payment is not received within three days. With some versions of CryptoLocker, if the payment isn’t received within three days, the user is given a second opportunity to pay a much higher ransom to get their files back.

HELLO, MASS SPEAR PHISHING, MEET RANSOMWARE!

This destructive introduction took place in April 2016. Ransomware is now one of the greatest threats on the internet. Also, a new Ransomware strain called CryptoHost was discovered, which claims that it encrypts your data and then demands a ransom. The future of Ransomware? CryptoWorms. This is a sophisticated framework for next-gen Ransomware that will scare the pants off you. Also, a new strain of Ransomware called Jigsaw starts deleting files if you do not pay the ransom.

RANSOMWARE ON PACE TO BE A $1 BILLION DOLLAR BUSINESS IN 2016.

CNN Money reported that new estimates from the FBI show that the costs from so-called Ransomware have reached an all-time high. Cyber-criminals collected $209 million in the first three months of 2016 by extorting businesses and institutions to unlock computer servers.

So enough already… How do our friends from PAHRA protect their business from this pernicious intrusion? Here are a few steps that you should take immediately.

- **Risk Analysis:** Have you conducted a cybersecurity analysis of your organization?
**Backup your data:** Do you backup all critical information? Are the backups stored offline? Have you tested your ability to revert to backups during an incident?

**Business Continuity:** Are you able to sustain business operations without access to certain systems? If so, for how long? Have you tested this?

**Application Whitelisting:** Do you allow only approved applications to be entered into your system?

Infradapt is taking steps in an effort to help combat these problems. We are providing a free comprehensive assessment of your existing network environment and practices. This assessment can be used as a second opinion for your current IT staff or your outside provider.

During our assessment of companies that requested our Free No Obligation Cyber Analysis, we have uncovered breaches that many executives didn’t know existed. The lack of security was leaving vital company intelligence exposed.

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HARIE Elects New President, Seats New Board Member

By Leo A. Murray for HARIE

The Board of Directors of the Housing and Redevelopment Insurance Exchange (HARIE) recently announced the election of Edward P. Christiano as President and named Christopher H. Kerr to the Board, filling the vacancy created by the retirement of long-time Board member and former Board President Carl DeChellis.

Mr. Christiano has been the Executive Director of the Northumberland County Housing Authority for the past 19 years and has served on the HARIE Board of Directors for the past 15 years. In addition, Mr. Christiano is the Chief Executive Officer of the Housing Development Corporation of Northumberland County and is a past President of the Pennsylvania Association of Housing and Redevelopment Agencies (PAHRA – Term 2008 to 2010).

“It is my distinct honor to be President of HARIE’s Board of Directors,” Mr. Christiano said. “HARIE’S top priority is to provide reliable and affordable insurance coverage to the government entities we insure.”

With more than 27 years of experience in public housing, Mr. Christiano understands the bottom line associated with insurance expenditures. “The Board supports the efforts PAHRA and all government entities by providing dependable insurance and personalized service,” said Mr. Christiano. “Our non-profit status and direct ownership in HARIE allow us to provide competitive rates on all lines of insurance that drive operating costs down,” the new President added.

Christopher H. Kerr has been the Manager of the Municipal Authority of Westmoreland County (water utility) where he is responsible for the direct overall day-to-day operation of the largest Municipal Authority in Pennsylvania.

Mr. Kerr has been with the Municipal Authority of Westmoreland for the past 26 years, having served as Manager since 1992. The authority is responsible for supplying clean, potable water to more than 400,000 people on a daily basis.

Mr. Kerr said he is honored to have been named to the HARIE Board of Directors because of HARIE’s outstanding record in providing affordable multi-line insurance packages to housing and redevelopment agencies and many other governmental entities in Pennsylvania for three decades.

The Municipal Authority of Westmoreland County has been a client of HARIE for the past 20 years. “Our experience with HARIE has been outstanding,” said Kerr. “The cooperation between the risk management, underwriting and claims departments equates into unparalleled policy service,” he added.

As Mr. Kerr explained it, the Authority is a large agency and sometimes has from five to seven waterline breaks in a 24-hour period. He said it has been his experience that Excalibur Insurance Management Services, HARIE’s attorney-in-fact, has always acted in a swift, professional manner to respond to claims and to financially manage them to minimize any losses.

“For the past 15 years, Ed Christiano has been an integral part of HARIE’s commitment to offer quality insurance and affordable premiums to all levels of government and has contributed greatly to the growth of the non-profit’s rock solid $50 million plus in reserves,” said Chuck Volpe, Excalibur’s President and C.E.O.

“Mr. Christiano and Mr. Kerr manage multi-million dollar budgets annually and both are ‘bottom line’ focused individuals who know what it’s like to sometimes do more with less to keep operating costs down,” added Mr. Volpe.

According to the Excalibur C.E.O., Mr. Kerr is the first HARIE Board member seated who is not affiliated with a housing or redevelopment authority in the 30-year history of the insurance company.

“HARIE, through the efforts of a very dedicated Board of Directors, has grown in leaps and bounds to a point where it now writes insurance for more than 400 municipalities and authorities across the commonwealth and Mr. Kerr’s wealth of experience with budgets, risk management and claims will be a catalyst to HARIE’s future growth,” said Mr. Volpe. “With the election of Mr. Christiano as President and the addition of Mr. Kerr to the Board, HARIE’s mission to provide government entities with quality, low cost insurance coverage and exceed accepted standards in the industry will continue long into the future.”
The assisted housing industry is changing. Honeywell has the experience and expertise that housing authorities, re-development agencies and multi-family owners need to sustain success.

Now more than ever, it’s important to have partners who can bring sound, strategic planning to help level the playing field in an uncertain and challenging industry. Honeywell Sustainable Housing Solutions works to leverage such programs as Low-Income Housing Tax Credits (LIHTC), Capital Fund Finance Program (CFFP) and Energy Performance Contract (EPC), in addition to other sources of capital. We optimize operational funds while improving the marketability, safety and security of the communities we serve. Our extensive experience in the housing industry provides the opportunity for your program to achieve sustainability because we understand the unique issues facing stakeholders and diligently work to address challenges and find common solutions. Let us put your housing authority on the path of sustainability.

To learn more about Honeywell solutions, contact Rick Sawicki at 330-655-0753 or richard.sawicki@honeywell.com
PAHRA’S 60TH ANNIVERSARY

2016 Marks six decades since the establishment of the Pennsylvania Association of Housing and Redevelopment Agencies. Sixty years during which the winds of change have continuously blown through our industry, sometimes with gale force. Through it all, our association and our member agencies have stood together, strong and firm, to survive and perhaps even thrive in the toughest economic times, through devastating sequestration, amid ongoing budget cuts, numerous programmatic changes, regulatory upheaval, unfunded mandates, increasing oversight and more.

As we celebrate our diamond anniversary, we’ve taken this opportunity to reach out to several former PAHRA Presidents to learn what PAHRA means to them.

Richard Drnevich, President 1990-1992; Executive Director 1999-2011, refers to PAHRA as “A Place That I Call Home”. Richard states, “My involvement with PAHRA began in 1974 when I took a position with the Redevelopment Authority of Allegheny County as its Chief of Planning. I began to attend PAHRA in hopes of becoming more familiar with the Community Development Block Program that replaced the traditional redevelopment funded programs.”

“It was my privilege to be active with PAHRA for nearly 40 years, working on committees, chairing several of them, being elected to the Board and serving as an officer, then as President. I also represented PAHRA in Harrisburg and Washington, giving testimony before State and Congressional Committees concerning legislation and funding levels. It was a memorable experience, one of the things that I enjoyed most – affecting legislation.”

“The members and leaders of PAHRA exposed me to an interesting mixture of personalities, attitudes and ambitions. My eleven years as PAHRA’s Executive Director presented me with the opportunity to work with this great mix of people, helping them to serve the needs of their communities and citizens. I still retain a deep friendship with many current and retired PAHRA members. So, when I come back to visit PAHRA, it feels like coming home.”

Margy Coccodrilli, President 1996-1998, remembers, “I attended my first PAHRA Conference in September 1985, a few weeks after becoming Executive Director of the Wayne County Redevelopment Authority. I was a Board Member for nine years and President from 1996-1998, as well as serving and chairing many PAHRA committees. In 1999, I accepted a position with HUD in Community Planning and Development, and further continued my affiliation with the association, attending several PAHRA conferences presenting information on various topics related to the CDBG Program. After leaving HUD, I was appointed by the Wayne County Commissioners to the Boards of both the Wayne County Housing Authority and the Wayne County Redevelopment Authority, and I continue to attend PAHRA conferences whenever I can.”

“My children grew up knowing about PAHRA, and now think it’s humorous that I am still involved. There is no substitute for the information and connections gained from membership in the Association and attendance at the conferences. Congratulations to all past and present members who have done so much to keep the organization relevant to the industry and providing so much information and many resources to its members.”

Paul Flint, President 1982-1984, was able to join us for the 60th anniversary reception held at Omni Bedford Springs, where he shared that he would soon be celebrating his birthday – turning 92 years young! He is seen here reminiscing with Walter Kaminski, Deputy Executive Director of Westmoreland County Housing Authority, while his son and Mrs. Kaminski look on. Mr. Flint was the former Executive Director of Mercer County Housing Authority and was also one of the original founders of the Housing and Redevelopment Insurance Exchange.
Other past PAHRA Presidents present at the 60th anniversary celebration were:

Joe Kohut – President 2002-2004
Carl DeChellis – President 2004-2006
Ed Christiano – President 2008-2010
Frank Aggazio – President 2010-2014
Cheryl Johns – President 2014-2016

Past members of the PAHRA Board of Directors in attendance included:

Sandra (Stroka) McGuire – 1991-1999
Rose Smith – 1999-2008
Joan Popovich 2000-2009
Dan Kanuch – 2000-2010, 2014-Present
Kelly Hicks – 2001-2010
Karen Allen – 2003-2012
Andrew French – 2006-2015
HAI Group is a family of companies controlled by the housing industry and dedicated to making a difference in the housing community.

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Provided by Cynthia Witman Daley, Policy Director, Housing Alliance of PA, PAHRA Legislative and Government Affairs Consultant

The members of PAHRA’s Legislative Committee know that housing and redevelopment authorities can not serve their communities adequately without sufficient resources or when their hands are tied by cumbersome regulations. Members of the Committee have frequent contact with their legislators, especially our congressional delegation, to emphasize the benefits of federally funded programs to the communities.

PAHRA members met with legislative aides for Senators Casey and Toomey and many of Pennsylvania’s 18 congresspeople in conjunction with the annual NAHRO conference this past spring. When Congress was on recess in August, members sought out their legislators in their district offices.

The advocacy continued while the clock ticked on the federal budget Continuing Resolution (CR) which was set to expire December 9. Recently, Dan Farrell (Allentown Housing Authority), Dan Beers (Lehigh County Housing Authority), Steve Fisher (Chester Housing Authority), and Alan Jennings (Community Action Commission of the Lehigh Valley; Allentown Housing Authority Board of Directors) met with Rep. Charlie Dent (R-15th) to discuss the budget situation. They learned that some in Congress want a full year CR because it keeps spending at last year’s levels which are below the spending levels allowed by the Bipartisan Budget Act of 2015. Rep. Dent expressed hope that an omnibus budget bill would be in place by December 10 for the balance of the fiscal year.

Meeting in a legislator’s office is one thing; getting the legislator out to your site is another. Legislators deal with so many issues and so many mind-boggling line item figures that they may lose track of what funding for community development or public housing actually means. It is up to us to connect the dots, and that is just what two PAHRA Legislative Committee members recently did.

In October, the PAHRA Legislative Committee invited Senator Toomey’s staff to visit two public housing locations. John Crews from Senator Toomey’s D.C. office visited Allentown and Harrisburg to see recently renovated buildings and meet residents. Mr. Crews was joined in Harrisburg by Bob DeSousa, Senator Toomey’s State Director.

In Allentown, Mr. Crews visited Cumberland Gardens, a recently renovated property housing 200 families. The renovations were accomplished with Low Income Housing Tax Credits and other financing. Three residents were present to talk about the concerns they face and how much they appreciate the property improvements. Mr. Crews stated that it was good to see the property and to put faces to the programs.

In Harrisburg, Mr. Crews and Mr. DeSousa got a before and after tour of the Lick Tower and Jackson Tower senior properties. A complete renovation of Jackson Tower was just finished, including new mechanicals, windows, an outer shell, a community room, reading room, fitness room, nursing center, and laundry facilities. An Energy Performance contract was part of the financing. While there, Mr. Crews and Mr. DeSousa met with three residents who will move from Lick Tower to Jackson Tower and observed the senior community’s tenant association in action, receiving and preparing items delivered by the regional food bank. They also discussed some of the Harrisburg Housing Authority’s (HHA) senior-oriented programs with HHA’s Resident Relations Department staff. The legislative staff was very impressed by their visit.

The Legislative Committee encourages all PAHRA members to invite our senators and congresspeople to visit your properties and community development projects. There is no better advocacy than first-hand experience.
HOUSING CHOICE VOUCHERS APPEAR MOST EFFECTIVE INTERVENTION WHILE RAPID RE-HOUSING PROVES LEAST COSTLY

When a family with children seeks emergency shelter, there are a number of interventions to address their homelessness. The U.S. Department of Housing and Urban Development (HUD) released the results of an exhaustive study to identify the most efficient and cost-effective ways to house and serve these families. After tracking more than 2,200 families over a three-year period, HUD found that a long-term subsidy, typically a Housing Choice Voucher, led to far better outcomes for reducing family homelessness and improving family well-being.

HUD’s Family Options Study: Three-year Impacts of Housing and Services Interventions for Homeless Families discovered that 37 months after enrolling into the study and being randomly assigned to one of four interventions, the families offered a long-term subsidy experienced significant reductions in subsequent homelessness; housing and school mobility; adult psychological distress; intimate partner violence; and food insecurity. Families offered community-based rapid re-housing or project-based transitional housing had similar outcomes to families offered ‘usual care’ (defined below), but community-based rapid re-housing programs proved to be significantly less expensive than the project-based transitional housing and emergency shelter options in the crisis response system.

“The evidence from this study indicates that having access to deep long-term housing subsidies produces substantial benefits for families,” said Kathy O’Regan, HUD’s Assistant Secretary of Policy Development and Research. “While we continue to seek more housing subsidies to help families experiencing homelessness, we must also recognize that rapid rehousing is proving to be the most cost-effective tool that we have available within the crisis response system.”

ABOUT THE REPORT

HUD launched the Family Options Study in 2008 to test which interventions work best for families with children that are experiencing homelessness. Abt Associates, in collaboration with Vanderbilt University, designed a rigorous random assignment study to measure the benefits and costs associated with four responses to family homelessness—long-term housing subsidy, community-based rapid re-housing, project-based transitional housing, and usual care, which left families to find their way out of shelter without priority access to a program that would provide them with a place to live. Over a 37-month period (between September of 2010 and October of 2013), a total of 2,282 homeless families (including 5,397 children) enrolled into the study from emergency shelters in 12 communities nationwide:

<table>
<thead>
<tr>
<th>Alameda County, California</th>
<th>Honolulu</th>
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<tr>
<td>Atlanta</td>
<td>Kansas City, Missouri</td>
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<td>Baltimore</td>
<td>Louisville, Kentucky</td>
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<td>Boston</td>
<td>Minneapolis</td>
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<tr>
<td>New Haven and Bridgeport regions, Connecticut</td>
<td>Phoenix</td>
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<tr>
<td>Denver</td>
<td>Salt Lake City</td>
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</table>

After spending at least seven days in an emergency shelter, these families were randomly assigned to one of four interventions:

1. Long-term housing subsidy, usually a Housing Choice Voucher, which could include help finding housing but no other supportive services.
2. Community-based rapid re-housing, which provides temporary rental assistance, potentially renewable for up to 18 months, paired with limited, housing-focused services to help families find and rent conventional, private-market housing.
3. Project-based transitional housing, which provides temporary housing for up to 24 months in agency-controlled buildings or apartment units paired with intensive supportive services.
4. Usual care, which is defined as any housing or services that a family accesses in the absence of immediate referral to the other interventions. Typically, this includes at least some additional stay in the emergency shelter from which families were enrolled.

Random assignment provided families with a direct referral to one of four different interventions—but families were not required to accept this referral and were free to pursue alternate arrangements. HUD measured outcomes for families in five key areas: housing stability, family preservation, adult well-being, child well-being, and self-sufficiency. HUD compared the outcomes of families assigned to each of the four interventions.
MAJOR FINDINGS: 37 MONTHS LATER

- Families offered a long-term subsidy experienced significantly less homelessness and housing instability than families offered any of the other interventions.
- Families offered a long-term subsidy continued to demonstrate significantly improved non-housing outcomes compared to families offered usual care, including adult well-being (reductions in psychological distress, intimate partner violence), child well-being (reductions in school mobility, behavior problems and sleep problems, and more pro-social behavior), as well as increased food security and decreased economic stress.
- Families randomly assigned to community-based rapid re-housing experienced similar outcomes to those families who were assigned to usual care, achieving no statistically significant reductions in subsequent emergency shelter use or housing mobility, but at significantly less cost than usual care.
- Families randomly assigned to project-based transitional housing with intensive support services experienced reductions in emergency shelter use relative to families assigned to usual care, but achieved no better non-housing outcomes.
- Families offered a subsidy or community-based rapid re-housing spent significantly less time in transitional housing than families assigned to usual care.
- Families assigned to usual care used roughly $41,000 in housing and services over the full 37-month period of study. Families assigned to the community-based rapid re-housing intervention incurred the lowest costs, using $4,000 less in housing and services than families assigned to usual care. Providing priority access to housing subsidies cost nearly $4,000 more over the three-year study period than families assigned to usual care, but that additional cost yielded substantial benefits. Costs of the housing and services provided to families assigned to project-based transitional housing exceeded the costs for families assigned to community-based rapid re-housing or usual care, but were slightly cheaper than the costs incurred by families offered a subsidy.
- Emergency shelter programs had the highest average per-family monthly costs of approximately $4,800, compared to transitional housing at $2,700/month, a voucher at $1,172/month, and rapid re-housing at $880/month.

The evidence documenting the high costs of transitional housing, coupled with the lack of demonstrated benefits to families, has led HUD to encourage local communities to review, and likely reduce, the number of transitional housing beds they support. Findings from HUD’s Family Options Study will continue to guide the Department’s effort to press state and local planners to target their limited resources to those strategies that demonstrate the best outcomes for families and their children.

Meanwhile, HUD’s proposed Fiscal Year 2017 budget includes a request for $11 billion over the next ten years to enable HUD to rapidly re-house nearly 550,000 families with children through targeted, evidence-based interventions.

Nearly 200 housing, redevelopment and community development professionals, speakers, PAHRA partners and affiliates gathered at the historic Omni Bedford Springs Resort for the PAHRA Annual Conference from September 18-21, 2016, co-sponsored by the Housing and Redevelopment Insurance Exchange. Conference host, Steve Spochart, Executive Director of the Redevelopment Authority of Somerset County, was joined by Somerset County Commissioners Gerald Walker, James Yoder and John Vatavuk, providing a warm welcome to the region.

Educational highlights of the conference included a two-day Capital Fund Program workshop presented by the Capital Programs Division of HUD’s Office of Public Housing Investments; an AFH Listening Session hosted by the HUD Office of Policy Programs and Legislative Initiatives and the Pittsburgh HUD Field Office. The Self-Determination Housing Project of PA presented their PREP Renter Education Program and the PA Behavioral Health and Aging Coalition delved into the depths of hoarding behaviors, demographics, assessment and treatment. Other professional development opportunities included sessions pertaining to RAD; Affiliates and Instrumentalities; refederalization of the Central Office Cost Center; collaborative partnerships between Redevelopment Authorities and Housing Authorities; and a financial health and wellness clinic with a focus on employee benefits compliance under the Affordable Care Act.

Jon Delano, KDKA-TV Money and Politics Editor and Adjunct Professor at Carnegie Mellon University, keynote speaker at the closing breakfast, offered an interesting and insightful analysis of the national and state elections, and what the results may mean for the average citizen.

Does it sound like you may have missed out on an excellent conference experience? Registration materials for the 2017 PAHRA Capitol Conference are included on pages 28-30. Don’t delay – register today!
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WE SPEAK YOUR LANGUAGE
You’re invited…

...to exhibit at PAHRA’s 2017 Spring Conference & Expo to be held June 4-7, 2017 at Seven Springs Mountain Resort.

Our Spring Expo offers a compact, one and one-half day format which offers plenty of time dedicated for conference attendees to view the exhibits and for you to greet both old and new customers in a relaxed, casual setting.

Booths are arranged around the exhibit hall where all major conference events are held. On Sunday, June 4th, a welcoming Pizza Party will be held in the exhibit hall to provide time for everyone to get acquainted. On Monday, June 5th, we host “Lunch with the Exhibitors”, which includes time for in-booth product demonstrations. Extended refreshment breaks are held in the exhibit hall. Exhibitors are also invited to the networking and hospitality events held each evening, providing even more opportunities for personal interaction with conference attendees. And perhaps, you will decide to stay after the Expo closes to enjoy additional networking during a round of golf or PAHRA’s country barbeque.

To get even more recognition for your company, you may want to sponsor or co-sponsor a conference event such as evening networking or a refreshment break. Go to the Marketing tab at www.pahra.org and follow the link to view PAHRA’s 2017 Advertising & Sponsorship Opportunities, then contact us about remaining availability.

EXHIBIT & AD DETAILS

Each exhibitor receives a FREE, full-page ad in the conference program. Ad copy is due Monday, May 1, 2017. Ad specs: 4.75” wide x 7.625” high, vertical orientation. Preferred format is a high quality PDF file.

<table>
<thead>
<tr>
<th>Booth reservations due:</th>
<th>Booth setup:</th>
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<tbody>
<tr>
<td>Monday, May 1, 2017</td>
<td>Sunday, June 4, 5 p.m. - 10 p.m.</td>
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<tr>
<th>Exhibit opens:</th>
<th>Exhibit closes:</th>
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<tbody>
<tr>
<td>Monday, June 5, 8 a.m.</td>
<td>Wednesday, June 7, 12:00 p.m.</td>
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</table>

| Exhibitor’s Prize Drawings | held 11:00 a.m. - 11:45 a.m. |

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<thead>
<tr>
<th>Booth costs:</th>
<th>Member</th>
<th>Non-member</th>
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<tbody>
<tr>
<td>Single, 8’ x 10’</td>
<td>$500</td>
<td>$ 650</td>
</tr>
<tr>
<td>Double, 8’ x 20’</td>
<td>$950</td>
<td>$1,200</td>
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Hotel reservations may be made directly with Seven Springs Mountain Resort by calling 800-452-2223 or 814-352-7777. Be sure to ask for the PAHRA group room rate which includes a delicious breakfast buffet daily and is available through May 8.
Exhibitor Registration Form

Company _____________________________________________________________

Address ___________________________________________________________

Description of products/services ________________________________________

Contact name ___________________________________________ E-mail ___________________________

Phone ___________________________ Fax ________________________________

Booth size:  [ ] Single, 8’ x 10’  [ ] Double 8’ x 20’

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

Name_________________________ Title ________________________________

Additional individuals representing firm (cost of $100 per person):

Name_________________________ Title ________________________________

Name_________________________ Title ________________________________

Membership

[ ] I would like to become a PAHRA affiliate member. Enclosed is $300 for 2017 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 display booths; 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 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 2017 Advertising and Sponsorship Opportunities or contact us by e-mail or telephone to discuss the benefits of a PAHRA partnership in detail.

Return this completed form with your payment to:
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.
By Leo A. Murray for HARIE

A pair of young women, one from Cambria County and one from Clinton County, are the recipients of the 2016 HARIE-sponsored Michael Stefan Memorial Scholarship Awards.

The scholarships, created in memory of Michael Stefan, an early organizer of HARIE in Western Pennsylvania, are awarded annually to students residing in public housing who have academically distinguished themselves in their junior and senior high school years.

The 2016 award recipients are Allison Lenz (Johnstown Housing Authority) and Mariah Cummings (Clinton County Housing Authority).

Ms. Lenz, of Portage, entered the Penn State Eberly College of Science in the pre-medicine curriculum this September. Ms. Cummings is pursuing a degree in accounting at Lock Haven University.

Each scholar received $2,000 from the scholarship committee at HARIE.

The members of the HARIE Board of Directors extend congratulations to Ms. Lenz and to Ms. Cummings and wish them much success in both their educational and professional careers.

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