

# monitor

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

Summer Edition 2023

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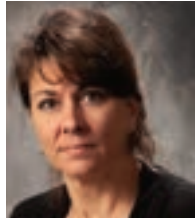
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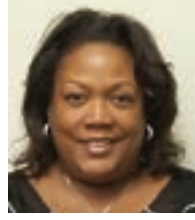
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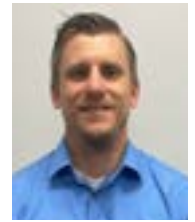
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Pennsylvania Association of Housing & Redevelopment Agencies



# FOREWORD

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



Good news! HUD has recently announced the extension of some of the provisions of HOTMA, which is a welcome time extension for all of us as we prepare for major changes in some of the ways we conduct our business. It's welcome news to see this gift of time to prepare. It is also welcome news to know that our voices were heard. NAHRO, PHADA, PAHRA and certainly all of us have been advocating for an extension, but this is no time to rest because there are plenty of new changes still on the way.

On the federal housing side, NSPIRE is here and while portions of HOTMA were extended, others are required to be implemented. On the state level, PHFA has recently updated the Qualified Allocation Plan (QAP) for the LIHTC program and they are asking for comments. Keep a close eye on the calendar because those applications are due soon. Speaking of state level changes, DCED has recently undergone major staffing changes. A few very knowledgeable, high ranking team members in the CD&H program have recently retired. While this may not mean program changes, it will at least mean changing faces and/or roles at DCED. Rest assured, one thing will not change at DCED, and that is Deputy Secretary Rick Vilello's willingness to give out his cell phone number. If you don't have it, let me know. I'll be happy to give it to you. Better yet, ask him, he will gladly provide it.

How do you keep up with all these changes? PAHRA does our best to keep you informed, but we can't do it without your help. Now is as good a time as any to get involved. As was mentioned at our Spring Conference & Showcase held at Seven Springs Mountain Resort, it is worth repeating, our committees and committee meetings are open to anyone interested. If you see a need for further clarification, additional information, or an opportunity to help PAHRA grow, committee involvement is a great place to start. The work of our PAHRA committees shapes what we do as your state association. During the afternoon prior to the official start of each conference, in-person committee meetings are held. The meeting schedule is published as part of each conference itinerary. I encourage you to come a few hours early, and plan to participate in a committee meeting or two. Leadership of each committee is listed below. Their contact information can be found on the PAHRA website or in the Member Directory.

- Diversity, Equity, Inclusion Committee – Co-Chairs Steve Fischer, Tonya Mitchell-Weston
- Finance Committee – Chair Alicia Zazzera, Vice-Chair Brad Kanuch
- Human Resources Committee – Chair Tonya Mitchell-Weston, Vice-Chair Debra Johnson
- Legislative Committee – Co-Chairs Andrew French, Regina Mitchell
- Member Services Committee – Chair Holly Nogay, Vice-Chair Alex Kline
- Professional Development Committee – Co-Chairs Penny Campbell, Renee Daly
- Scholarship Committee – Chair Barbara Wilson, Vice-Chair Stacey Keppen

Enjoy the rest of your summer! I hope to see you in Lancaster County for the Annual Conference & Awards to be held October 22-25 at the Wyndham Lancaster Resort, and I invite you to submit an entry for the Best Practices Showcase this year. Watch your mailbox for entry forms and submission details.

As always, thank you for the opportunity to serve as your President!



# THE LEGISLATIVE REPORT

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## PA State Budget

While the FY 2023-24 State Budget has been approved by the House and Senate, a promise by Governor Shapiro to line-item veto school vouchers has delayed final enactment of the spending plan. On Friday, June 30<sup>th</sup>, the State Senate passed the general appropriations legislation, HB611, adding \$100 million in funding for “lifeline scholarships” or the Pennsylvania Award for Student Success (PASS) program in the \$45.5 million plan. After House leadership indicated that the PASS provision was dead on arrival, Governor Shapiro announced he would line-item veto PASS in the interest of avoiding a prolonged budget fight. In protest of the Governor’s promise to strike out a top priority, at the time of this writing Senate Republicans have no current plans to reconvene to take final steps to send the legislation to the Governor’s desk or approve budget enabling code bills.

## PHARE Cap Update

Increasing PHARE funding was promising in the final days leading to the budget deadline, but without a tax code bill, the measure cannot be included in the budget. As we remain in a holding pattern—for possibly weeks or months—we are hopeful that a tax code bill will pass with the budget or be offered later this year that will include the PHARE cap.

## Blight and Land Bank Legislation

We are closely monitoring and lobbying for the passage of several bills to enable and empower redevelopment authorities and land banks.

**SB 466—Sen. Rosemary Brown:** Environmental Protection for Land Banks. Passed Senate, House Committee, and it was tabled in the House. **Last Action:** Laid on the Table in the House, May 24<sup>th</sup>.

**SB 149—Sen. Jim Brewster:** Counties may charge a fee up to \$250 on the sale of property pursuant to mortgage foreclosure to be used to establish a demolition and rehab fund. The Fund would be available to any entity that contracts with the county or land bank / redevelopment authority. **Last Action:** Reported from Senate Appropriations June 22<sup>nd</sup>.

**SB 517— Sen. Dave Argall:** Increases County Demolition Fund of up to \$1 at the discretion of each county and allows for inflation adjustments tied to Consumer Price Index. **Last Action:** Re-referred to Appropriations June 27<sup>th</sup>.

**SB 802— Sen. Frank Farry:** Would create a Blight Remediation Loan Fund for Redevelopment Authorities. DCED would offer low interest loans (2% per year) for Redevelopment Authorities. The legislation requests a \$10MM appropriation for max loans of \$500K. **Last Action:** Reported from Senate Urban Affairs and Housing Committee, June 21<sup>st</sup>.

**HB 1062—Rep. Mike Sturla:** Creates a statewide blight data collection system using property code violations. Managed by DCED, the Property Maintenance Code Violations Registry will be populated with property maintenance code violation reports filed by municipalities. Adding this new tool will allow municipalities, along with appropriate state agencies, to begin remediation of the blight and avoid having owners of blighted properties to continue the same practice in municipalities throughout the state. **Last Action:** Re-committed to House Committee on Rules, June 26<sup>th</sup>.

**HB 1163—Rep. Abigail Salisbury:** Amends Title 68 to allow a municipality to designate a blighted or abandoned property as available for acquisition by a land bank. This would only be done if an owner demonstrates they are not using the property through years of neglect and abandonment. The bill will require a municipality to provide advance notification to a property owner and give ample opportunity for the owner to remediate the property. Additionally, the bill provides an appeal process should a property owner wish to contest the designation. **Last Action:** Passed the House 130-73 on June 28<sup>th</sup>.

**HB 1347—Rep. Joe Hogan and Tina Davis:** Companion to SB 802. **Last Action:** Referred to House Housing and Community Development Committee on June 7<sup>th</sup>.

**HB 255—Rep. Robert Merski:** Establishes a program to provide grants to municipalities to establish code enforcement programs and to hire code enforcement personnel. **Last Action:** Referred to Senate Urban Affairs and Housing Committee, June 13<sup>th</sup>.

**HB 775—Rep. Tim Twardzik:** Establishes the “Vacant Property Registration Act” that allows communities to create and maintain a vacant property registration, which is a blight fighting, smart growth tool used to stabilize and re-develop communities. **Last Action:** Laid on the Table (House), May 24<sup>th</sup>.

**HB 859—Rep. Dan Williams:** Provides local governments the power to deny a permit to an LLC not only when the LLC has delinquencies but also if one of the principals of the LLC has delinquencies in the municipality. **Last Action:** Passed the PA House 124-79 on July 7<sup>th</sup>.

## **Federal Appropriations Update**

The U.S. House and Senate Appropriations Committees released topline funding allocations for the Transportation, Housing, and Urban Development (THUD) fiscal year (FY) 2024 spending bill. Senate Appropriations Committee Chair Patty Murray (D-WA) and Vice Chair Susan Collins (R-ME) provided \$88.091 billion for THUD funding, for both vital HUD and Department of Transportation (DOT) programs.

This year, amidst increasing rents, inflation, and lower Federal Housing Administration (FHA) receipts, HUD is facing an expected budget shortfall of \$15 billion.

House Republicans are proposing to cut FY24 spending by over \$22.12 billion, a 25% reduction from FY23 enacted levels. If enacted, it is estimated that over one million households would lose rental assistance. Additionally, over 24,000 fewer people experiencing homelessness would receive services needed to find and maintain housing; and the country’s shortage of 7.3 million affordable, available units for extremely low-income renters would continue to grow. According to HUD Secretary Marcia Fudge, such extreme funding cuts would make it impossible for HUD to stave off mass evictions.

*Aaron Zappia, Senior Government Relations Manager, Housing Alliance of Pennsylvania*



## 2023 PAHRA LEGISLATIVE SUMMIT

Representatives of the PAHRA Board of Directors and the PAHRA Legislative Committee hosted a Legislative Summit in Harrisburg this spring. It was an active and impactful day at the Capitol building where:

- Testimony was presented to Rep. Mike Sturla and members of the House Committee on Housing and Community Development by Legislative Committee Chairs Andrew French, Executive Director of Fayette County Redevelopment Authority; Regina Mitchell, Executive Director of York Housing Authority; and Aaron Zappia, Senior Government Relations Manager, Housing Alliance of Pennsylvania, PAHRA’s government relations consultant.
- Listening sessions and informational meetings were also held with:
  - House Majority Leader Rep. Matt Bradford’s office;
  - House Majority Appropriations Chair Rep. Jordan Harris’ office;
  - Senate Majority Leader Senator Joe Pittman’s office; and
  - Senate Majority Housing and Urban Affairs Committee Chair Senator Frank Farry’s office.

Summit participants also visited the Pennsylvania Housing Finance Agency where they conferred with PHFA Executive Director and CEO Robin Weissman, PHFA Strategic Planning & Policy Director Bryce Maretzki, and PA DCED Deputy Secretary Rick Vilello before closing this very productive day in our Commonwealth’s capitol.



## NAHRO CAPITOL HILL DAY

The National Association of Housing and Redevelopment Officials (NAHRO) held their annual Capitol Hill Day in conjunction with their Washington Conference on March 23<sup>rd</sup> in Washington, DC. Twenty-nine PAHRA members participated. We partnered with NAHRO to coordinate Hill Day activities including meetings with:

- Senator Bob Casey’s office and Senator John Fetterman’s office; as well as
- Offices of the following members of the House:
 

Rep. Susan Wild	Rep. Summer Lee
Rep. John Joyce	Rep. Chrissy Houlahan
Rep. Guy Reschenthaler	Rep. Dwight Evans
Rep. Glenn Thompson	Rep. Matt Cartwright
Rep. Scott Perry	Rep. Chris Deluzio
Rep. Lloyd Smucker	

It is imperative that we advocate and educate members of the both the Pennsylvania legislature and U.S. Congress to share legislative and regulatory priorities, inform our elected officials of critical needs and crucial issues facing our housing, redevelopment, and community development agencies, to help ensure adequate and appropriate funding for the programs we operate, as well as the communities and residents who utilize the services that we provide.







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## PHFA Posts Profile Data on Web for all 67 Pennsylvania Counties

*Posting is intended to share useful information and highlight the level of housing needs*

The Pennsylvania Housing Finance Agency has posted current profile data for all the state's counties that will be useful for a wide variety of audiences. The new, online county profile document devotes a page to each of the state's counties and covers its residents' income levels, demographics, transportation usage, access to technology, employment levels, and, of course, its housing resources and affordability.



The 67 county profiles are now available on the PHFA website:

[https://www.phfa.org/forms/housing\\_study/phfa2023countyprofiles\\_5\\_10.pdf](https://www.phfa.org/forms/housing_study/phfa2023countyprofiles_5_10.pdf)

“This county data is part of our Comprehensive Housing Study that we are currently updating in partnership with the University of Pennsylvania,” said PHFA Executive Director and CEO Robin Wiessmann. “Of course, we find the housing data of the most significance. But a variety of useful data is provided on demographics, employment and more that researchers and the public should find helpful and interesting.”

The housing portion of each county's profile covers things like the median gross rent, the rent burden for residents and the homeownership rate. Color bar charts are provided that illustrate housing affordability for renters and homeownership affordability for people at different income levels. In some of the tables, data from 2010 are provided so that changes over the past decade can be noted. For some of the data, the state average is provided as a point of comparison.

This up-to-date county data should be of interest to housing researchers, developers, local municipal officials, community revitalization organizations and other stakeholders interested in gaining insight into the status of housing affordability at the county-level.

People wanting to know more about this county profile document can contact Bryce Maretzki at PHFA by calling (717) 780-1867 or by email at [bmaretzki@phfa.org](mailto:bmaretzki@phfa.org).



## **AUGUST ADVOCACY – The Extended Version!**

By the time you read this issue of the PAHRA Monitor, NAHRO will be entering week 3 or 4 of our August Advocacy campaign. You read that right – we started on July 17, right after getting back from our amazing Summer Symposium (more on that later). While this means that August Advocacy is more like July-August-and-a-bit-of-September Advocacy, the timing is more important than the name. The full House Appropriations Committee advanced their version of Transportation-HUD appropriations bill in mid-July and the Senate put forth their version in late July, so we needed to activate our NAHRO advocates earlier than usual.

Thank you to all who've already sent your letters, and who continue to send letters every week. We've made it easy for you to contact your elected officials in three easy steps that can take less than a minute!

- 1) Go to [www.nahro.org/advocate](http://www.nahro.org/advocate)
- 2) Review (and customize, if you want to!) the letter and fill in your information;
- 3) Click Send!

During the month of August, we're providing you with letters each week on a different topic that impacts affordable housing and community development. Please check back every week and send each letter. Our goal this year is to send at least 50,000 letters to Capitol Hill and the White House. Let them know that housers and community builders nationwide need resources to provide safe, affordable homes in thriving communities – send a letter each week to help us reach that goal!

You don't have to be a NAHRO member to use our Advocacy Action Center, so please share this resource with your colleagues, friends, and community! The more letters we send, the louder our voices will ring on Capitol Hill.

## **NAHRO at 90: COLLABORATE - Then CELEBRATE!**

I'd also like to thank each and every one of you who attended our Summer Symposium – NAHRO at 90: COLLABORATE! From our opening Future of Housing panel, to HUD Deputy Secretary Adrienne Todman's first visit with us since her time as NAHRO CEO, to Principal Deputy Assistant Secretary Richard J. Monocchio's breaking announcement that HUD would delay compliance for HOTMA Sections 102 and 104 until January 1, 2025, to our buzz-filled session rooms, to our plenary speakers Leah Rothstein and Dr. Marcie Beigel, to our concluding reception complete with a surprise appearance and some kind words from HUD Secretary Marcia Fudge herself, we had an exciting, educational, and inspirational time. I am grateful to everyone who took time out of their busy schedules to both consider the Big Picture of affordable housing's future and learn actionable strategies about succession planning, leadership development, federal partnerships and more. While the NAHRO staff worked hard to build this event for you, you are the ones who made it great.

And now it's time to CELEBRATE! Registration is open for our National Conference in New Orleans from October 6-8, and we're so excited! Here's just some of what we've got in store for you:

- Pre-conference workshops, including High-Performance Management, Commissioners Fundamentals, and a free Executive Director Bootcamp
- Inspiring plenary speakers
- More than 40 concurrent sessions on timely HCD topics
- An exhibit hall full of trusted vendor partners
- And more!

So who are we celebrating? You! The wonderful work you do in your communities, the children whose lives you touch and who win the *What Home Means to Me* poster calendar contest, our NAHRO scholarships, and of course the 90<sup>th</sup> birthday of this amazing association of housers and community builders to which we all belong. Please find more information at [www.nahro.org/national23](http://www.nahro.org/national23).

See you in New Orleans this fall!

*Mark Thiele, CEO, National Association of Housing and Redevelopment Officials*



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# Chrislynn Energy



## THE HISTORY & BENEFITS OF COSTARS: WHY IT IS IMPORTANT TO HAVE THE POWER TO CHOOSE

*"Allegheny County has used state contracts for many years. We have found the contracts to be effective vehicles from which to purchase a broad array of goods and services. The ability to use Commonwealth contracts is one of many tools that public purchasing professionals should keep in their "toolbox." Thomas E. Youngs, Jr., Chief Purchasing Officer, Allegheny County*

### WHAT IS COSTARS?

Breaking down the meaning, COSTARS is the Commonwealth of Pennsylvania's cooperative purchasing program for public procurement units and state-affiliated entities. COSTARS main purpose is to provide cooperative purchasing using the purchasing power of local entities plus the Commonwealth to obtain more competitive pricing. In addition, it allows for more power of choice compared to what individual purchasers might be able to obtain on their own, while also permitting more efficiency in the procurement process for both members and suppliers of COSTARS.

### HOW DID THE COSTARS PROGRAM GET STARTED?

In the spring of 2004, the Department of General Services (DGS) developed the program to increase the cooperative options available to its members. Again, the focus was to allow the power of choice. Prior to 2004, the Commonwealth Procurement Code limited the local public procurement units (LPPUs) ability for cooperative purchasing options regarding numerous statewide contracts.

### WHAT ARE THE BENEFITS OF COSTARS?

By far the biggest advantage of COSTARS is the annual dollar savings. Purchasing in volume results in lower prices due to using the established state contracts that are provided. It eliminates the need for advertising and bid evaluation. Furthermore, using state contracts facilitates the purchase of goods and services by simply issuing a purchase order to one of the many services available. Another benefit is the flexibility and variety that comes with being a member. More than 200 state contracts with over 2,000 suppliers are available for its members. This variety allows local public agencies the option of keeping their procurement dollars in their economy, thus granting them the chance to generate more jobs.

Chrislynn Energy has been a member of COSTARS for 5+ years in energy consulting services. We are proud to be in the top 1% of energy management firms that have earned and maintained COSTARS status. For nearly 40 years, Chrislynn Energy has worked with customers on choosing the right energy supplier at the right price. While our in-depth process is detailed and strategic, our goal for you is simple: save money on your utilities.

If you have any questions or would like more information, please contact our team of knowledgeable energy consultants at [info@chrislynnenergy.com](mailto:info@chrislynnenergy.com), call toll free at 888-431-1553, or visit our website [www.chrislynnenergy.com](http://www.chrislynnenergy.com).

**Chrislynn Energy Services, Inc., 3416 Babcock Blvd., Pittsburgh, PA 15237**



The harm caused by the phenomenal growth in median rents during 2021-2022 has taken a tremendous toll on low-income renters. Even amid slowing rent growth, renters face a troubling landscape: rents are still too high; emergency resources are depleting; pandemic-era benefit programs are being phased out; and housing instability is on the rise.

The National Low Income Housing Coalition’s (NLIHC) *Out of Reach* report documents the significant gap between actual wages throughout the United States and what a full-time worker must earn to afford a modest rental dwelling.

For more details, please visit [www.NLIHC.org/oor](http://www.NLIHC.org/oor) where you can view the full 2023 NLIHC *Out of Reach* report, download an abbreviated version, and access housing costs and wage data specific to Pennsylvania that provides a valuable tool to advocate for affordable housing and living wages.

PENNSYLVANIA
#27\*

In **Pennsylvania**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$1,228**. In order to afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn **\$4,092** monthly or **\$49,109** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of:

**\$23.61**  
 PER HOUR  
 STATE HOUSING  
 WAGE

**FACTS ABOUT PENNSYLVANIA:**

STATE FACTS	
Minimum Wage	<b>\$7.25</b>
Average Renter Wage	<b>\$20.38</b>
2-Bedroom Housing Wage	<b>\$23.61</b>
Number of Renter Households	<b>1,586,866</b>
Percent Renters	<b>31%</b>

130

Work Hours Per Week At  
Minimum Wage To Afford a 2-Bedroom  
Rental Home (at FMR)

106

Work Hours Per Week At  
Minimum Wage To Afford a 1-Bedroom  
Rental Home (at FMR)

3.3

Number of Full-Time Jobs At  
Minimum Wage To Afford a  
2-Bedroom Rental Home (at FMR)

2.7

Number of Full-Time Jobs At  
Minimum Wage To Afford a  
1-Bedroom Rental Home (at FMR)

MOST EXPENSIVE AREAS	HOUSING WAGE
Philadelphia-Camden-Wilmington MSA	<b>\$28.27</b>
Pike County	<b>\$27.73</b>
Allentown-Bethlehem-Easton HMFA	<b>\$26.85</b>
East Stroudsburg MSA	<b>\$25.13</b>
Lancaster MSA	<b>\$24.73</b>



MSA = Metropolitan Statistical Area; HMFA = HUD Metro FMR Area  
 \* Ranked from Highest to Lowest 2-Bedroom Housing Wage. Includes District of Columbia and Puerto Rico.  
[WWW.NLIHC.ORG/OOR](http://WWW.NLIHC.ORG/OOR) | © 2023 NATIONAL LOW INCOME HOUSING COALITION



# Climate Funding for Housing Authorities



July 2023

[www.phada.org](http://www.phada.org)

## Federal Financial Assistance

The Inflation Reduction Act and the Bipartisan Infrastructure Law include substantial financial assistance targeting buildings to reduce energy use and costs, reduce emissions, and increase resiliency in the face of increasing natural disasters.

Below are links, brief descriptions, and current status of a broad range of federal funding and financing opportunities that can be utilized individually, or in combination, to support upgrading public, assisted and unassisted housing and/or other properties. Most programs are subject to the Justice40 Initiative (<https://bit.ly/3O1z151>), which targets at least 40 percent of all climate-related funding to underserved areas, creating an incentive for affordable housing owners.

### States Play a Key Role

Many states have their own programs, and many federal programs are administered by states or other intermediary entities. Search the Database of State Incentives for Renewables & Efficiency (DSIRE) at: <https://bit.ly/44xQsb2>.

## Department of Housing and Urban Development (HUD) Grants and Incentives

### Multifamily – Green and Resilient Retrofit Program (<https://bit.ly/3pCTkxD>)

- Grants and loans to properties in the PBRA, 202, 811, or 236 programs to reduce carbon emissions, improve utility efficiency, incorporate renewable energy, and protect from climate hazards (flood, wind, power outages, etc.)
- NOFO released; rolling application periods in three categories of projects:
  - **Elements grants** support incorporating proven strategies (heat pumps, Energy Star windows, clean energy generation systems, etc.) into a recapitalization transaction up to \$40K per unit or \$750K per property. Next deadline is September 28.
  - **Leading Edge grants** support “ambitious” retrofit activities to achieve an advanced green certification. Best as part of a recapitalization effort. Up to \$60K per unit or \$10 million per property. Next deadline is October 31.
  - **Comprehensive grants** will fund highest need properties for climate resilience and utility efficiency upgrades. Support includes commissioned property assessment to plan redevelopment to meet the property’s needs and the GRRP objectives. Next deadlines are August 31 and November 30.
- FAQ’s on the GRRP program are available at: <https://bit.ly/43E69FQ>.

### Public Housing Operating Fund Incentives – HUD PIH Energy Branch (<https://bit.ly/3DId6AX>)

- **Energy Performance Contracts (EPC)** where future utility savings from reduced use pay the debt for efficiency upgrades (<https://bit.ly/3NZh5Ir>).
- **Rate Reduction Incentive (RRI)** allows agencies to retain half the savings of securing a reduced utility rate, or 100% if combined with an EPC. Submit requests by July 31st prior to the funding period when the RRI would be applicable. Savings calculations are due September 30 (<https://bit.ly/44x4LzX>).
- **Small and Rural Frozen Rolling Base Program (SR-FRB)** allows eligible small and rural HAs to freeze their 3-year rolling base consumption level (RBCL) and retain any savings due to utility consumption lower than the frozen rolling base. Can be frozen for up to 20 years, and can be combined with other incentives. Application period will be September 12-28. See PIH 2022-32 ([hud.gov](http://hud.gov)) for details (<https://bit.ly/3Dknbhs>).
- **Utility Partnership Program (UPP)** supports EPCs executed in partnership with a utility company, which can often leverage additional resources (<https://bit.ly/44wF6Oc>).
- This HUD presentation focuses on combining these incentives with solar technology and incentives (<https://bit.ly/3DkoKwo>). Questions can be sent to: [pihenergybranch@hud.gov](mailto:pihenergybranch@hud.gov).



## Other Evolving Federal Programs

Utility regulation and capacity, governing law and jurisdictions, company structures, and economies vary tremendously from state to state. Program design is therefore geared towards state and regional entities who will further disburse resources. Most of the programs listed are in various stages of the federal rules and administrative

process, which will define the state/regional planning requirements of the grant and incentive programs. HUD is working with DOE, EPA, and Treasury to consolidate access to information via Build for the Future – HUD Exchange website (<https://bit.ly/44AeBXt>). A funding navigator function is planned for the site.

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## Environmental Protection Agency (EPA) Greenhouse Gas Reduction Fund (GGRF) – \$27 Billion

Three competitive grant programs via States and Non-Profits. Contact your local partners today.

- **Solar for All** (<https://bit.ly/3pCTqW1>). \$7 billion for community solar projects targeting low-income, disadvantaged communities. Sixty grants to States, Tribal governments, municipalities (including COGs) and eligible nonprofits who will then provide subsidies and other financial and technical assistance, including workforce development, to residential rooftop and residential-serving community solar projects. Grants can be from \$25 million to \$400 million. NOFO released June 28. Applications due September 26.
- **National Clean Investment Fund** competition (<https://bit.ly/43CoIAN>). \$14 billion for grants to two-to-three national clean financing institutions to facilitate delivery of financing for clean energy investments. Applications are due October 12, so actual requirements to receive financing will not be available until sometime in 2024 at the earliest.
- **Clean Communities Investment Accelerator** (<https://bit.ly/3DiYmm9>): \$6 billion for grants to two-to-seven hub nonprofit organizations, enabling them to provide funding and technical assistance to public, quasi-public, not-for-profit, and non-profit community lenders working in low-income and disadvantaged communities (CDFIs, credit unions, green banks, housing finance agencies, minority banks, etc.) to provide access to financing for cost-saving and pollution-reducing clean technology projects. Applications are due October 12, so actual requirements to receive financing will not be available until sometime in 2024 at the earliest.

More EPA Funding Programs can be found at EPA Funding Announcements from the Bipartisan Infrastructure Law and the Inflation Reduction Act (<https://bit.ly/3XYS7NY>). The EnergyStar Program has a resource page for Multifamily housing properties with links to energy-related resources appropriate for a wide range of audiences at Multifamily Housing (<https://bit.ly/3DnAwWw>).

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## Department of Energy (DOE) State and Community Energy Programs

Multiple Grant Programs to States and some non-profits and others.

- \$3.5 billion increase in the **Weatherization program** (<https://bit.ly/3pDGcZc>). The How to Apply for Weatherization Assistance link can help you identify who administers weatherization funding in your state. Engage with those entities to encourage them to modify their programs to accommodate multi-family and assisted housing and utilize unexpended funding.
- \$8.8 billion via states for **Home Energy Efficiency Rebates** (<https://bit.ly/3JLvB57>) and **Home Electrification and Appliance Rebates** (<https://bit.ly/3JQwqtX>). Guidance and regulations, including mechanisms to monetize rebates, incorporate workforce development, and guide state programs are still in development by DOE.
- Find your state energy office at **State Energy Offices** website (<https://bit.ly/3Q8ojfR>).
- Browse programs by state at **State and Community Energy Programs Project Map** (<https://bit.ly/3OoLruj>).

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## Department of the Treasury - Renewable Energy Tax Credits

- Clean energy investment and production tax credits have been expanded and extended, with more information and resources available via the **EPA Green Power Markets** homepage at: (<https://bit.ly/46URlpj>). A useful summary of Inflation Reduction Act provisions related to renewable energy includes information on programs, types of projects and entities eligible, along with other valuable information (<https://bit.ly/3POhjof>).
- **Direct Pay** and transfer options to allow non-taxable entities to monetize tax credits. See *FACT SHEET: Four Ways the Inflation Reduction Act's Tax Incentives Will Support Building an Equitable Clean Energy Economy* (<https://bit.ly/46QLQbf>) for more information.

For additional resources on new technologies in home and multifamily building construction, visit PHADA's website at: <https://bit.ly/3OkHzFK>.

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# UPCOMING EVENTS

Mark Your Calendars



## 2023

September 17-19, 2023

PHADA Legislative Forum, Washington, DC

October 6-8, 2023

NAHRO National Conference & Exhibition, New Orleans, LA

**October 22-25, 2023**

**PAHRA Annual Conference & Awards, Lancaster, PA**

## 2024

January 7-10, 2024

PHADA Commissioners Conference, San Diego, CA

April 8-10, 2024

NAHRO Washington Conference, Washington, DC

**May 5-8, 2024**

**PAHRA Spring Conference & Showcase, Bethlehem, PA**

June 2-5, 2024

PHADA Annual Convention & Exhibition, New Orleans, LA

September 8-10, 2024

PHADA Legislative Forum, Washington, DC

September 26-28, 2024

NAHRO National Conference & Exhibition, Orlando, FL

**October 27-30, 2024**

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# MEET PAHRA PRESIDENT PAT MACK

By Leo A. Murray, HARIE Media Consultant

PAHRA President Pat Mack wears several different hats, all of which involve the public in one way or another.

He is the Deputy Executive Director of the Northumberland County Housing Authority where, under the direction of Executive Director Ed Christiano, they run an authority that has 340 units under its supervision. The agency is also heavily involved in activities to fight blight throughout the county, as well as the development of affordable housing in partnership with their non-profit affiliate, Housing Development Corporation of Northumberland County.



Mr. Mack also serves on the Northumberland County Planning Commission, the City of Shamokin Economic Development Authority, and the Anthracite Outdoor Adventure Authority (AOAA).

Mr. Mack was involved in the AOAA project in Coal Township. AOAA operates an extensive off-road trail system, which has turned out to be a big economic driver in the area where it's located -- on a piece of property virtually unusable for anything but an off-road adventure area.



Opened in 2014, the 8,000 acre adventure trail has earned the distinction of being named one of the top 10 destinations in the country for ATVs, full-sized vehicles, and dirt bikes.

Of course, the obvious result of having a facility that has become one of the top 10 in the nation translates into tourist dollars and more development, according to Mr. Mack. Signs of growth can be seen in the area around the trails, as new construction sites punctuate the area below the trails.

Mr. Mack said he is proud of the projects the housing authority has undertaken over the years and he is always on the lookout for funds available to continue the authority's mission.

When asked if he came into office with an agenda, the President said, "If something's not broke, don't fix it." Mr. Mack said he has great support from the PAHRA Board of Directors, and from the various PAHRA committees. "The support network we have is great," he said.

But, just like other organizations, PAHRA has that one go-to person who provides the glue that holds everything together. For Mr. Mack, that person is PAHRA Executive Director Kelly Hicks. "Everything starts with Kelly," said Mr. Mack. "She has outstanding organizational and leadership qualities."

President Mack's term will continue through September 2024.





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# AGING OUT

## THE THREAT TO HOUSING AUTHORITIES



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By Michael H. Syme

### MILLIONS REACHING RETIREMENT AGE DAILY

I just celebrated another birthday! Lucky me. I am one of the millions of baby boomers approaching retirement age. In 2011, that first round of baby boomers—those Americans born between 1946 and 1964—turned 65. From now until 2030, 10,000 baby boomers each day will reach retirement age. Millions will begin to officially retire, collect Social Security checks and sign up for Medicare. While that sounds great to me, it poses a major problem for employers, including public housing authorities, hoping to secure the future of their organizations.

As you look around your office, do you see what I see? A lot of us are graying. Our deputies, department heads, and other leaders are often nearing retirement. Not only are there not enough Gen Xers and millennials to replace the growing number of retirees, fewer younger people seem drawn to working in the affordable housing industry. This is true not just at public housing authorities, but also at law firms and development companies that specialize in affordable housing and even at the U.S. Department of Housing and Urban Development.

In the past, public housing authorities, like most companies, had little trouble hiring when a position opened due to an employee's retirement or departure. Sometimes headhunters were used and sometimes recruiting was done directly. Planning for departures and retirements was less urgent and thus often not done.

Unfortunately, those days of easily filling vacancies are gone. Public housing authorities already have gaps in most departments with some positions sitting vacant for years. With the most important positions nearing retirement age, authorities cannot afford to wait until the seat is vacated before beginning a search.

### START PLANNING NOW – YEARS BEFORE THE NEED IS ACUTE

Succession planning is the process of identifying very important positions in the organization and creating a talent pipeline by preparing employees to fill vacancies in the organization as they become vacant. A successor is someone with the knowledge, skills, and abilities to fill a vacant position. Succession planning helps ensure business continuity and performance, particularly during times of shifting leadership and change. Even when there is no identifiable successor within an organization, succession planning can help identify the knowledge, skills and training needed in a future external candidate.

Here in Pennsylvania most public housing authorities are bound by the civil service system. No determinations of who will succeed an employee can be made until all qualified candidates are provided an equal opportunity to apply and be considered for the position. Situations where a candidate is “pre-determined” before the competitive selection process is considered “pre-selecting”, or “pre-positioning”, and should be avoided. Instead, public housing authorities can determine *which positions* are best qualified to succeed another position rather than the individual people filling those positions at any given time. Focusing on the qualified positions rather than people offers a number of benefits: it builds a culture of trust and fairness; it can promote diversity and inclusion; and unexpected and highly qualified candidates may emerge through the process.



The primary steps to begin a succession plan begin with determining the most critical and most vulnerable positions. These are positions that have no identifiable successor, or positions that are most vulnerable to knowledge loss, such as the Executive Director or the Chief Financial Officer. They also include positions where a vacancy in the position would impact the organization's ability to accomplish its mission. Moreover, critical positions often extend beyond senior leadership roles to include technical and management positions.

The next step is to develop a profile and the performance expectations of the position. In other words, prepare detailed and targeted job descriptions before going out to hire. With this in hand, the organization can start the process of determining if it has the people in-house to fill important leadership positions in the future or whether an external search would make more sense.

If an external search makes sense for a particular position based on the organization's existing workforce capacity, it is always important for the long-term wellbeing of the organization to approach recruitment with a deliberate long-term succession plan in mind and, just as importantly, with data. It

will be helpful to keep good records of which sorts of hiring methods have worked and not worked for hiring and retaining talented individuals who are equipped to become future leaders at the workplace. There is little sense in spending the considerable time and money it takes to recruit employees using methods that have not proved their worth. By way of example, if records reflect that a particular career fair that the public housing authority pays to attend has not led to quality, long-term hires, a different approach may be warranted.

Hiring to meet the longer-term goals of the organization rather than just to meet the immediate need on an ad hoc basis ensures that the organization can sustainably fulfill its mission into the future. Starting the succession planning process now can eliminate many of the growing pains that public housing authorities will inevitably face from the coming wave of retirements and departures.

If you are interested in learning more about the succession planning process, please contact Michael Syme, [msyme@foxrothschild.com](mailto:msyme@foxrothschild.com), 412-391-2450, or Alec Stone, [ajstone@foxrothschild.com](mailto:ajstone@foxrothschild.com), 412-391-2523.



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



*Alec J. Stone is a partner in the Real Estate Department. His practice is centered on real estate, low-income housing and complex development financing. His work includes handling matters involving mixed-finance projects, low-income housing tax credits and public housing regulations.*

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# Want to Build New Deeply Affordable Housing? Check Out the Faircloth-to-RAD Program



Despite an estimated **shortage of 7.3 million rental homes** affordable and available to extremely low-income families, public housing authorities (PHAs) nationwide have not received congressional funding to build new deeply affordable housing in their communities in decades. PHAs' hands became even more tied after Congress passed the Faircloth Amendment, which capped PHA public housing stock at the number of public housing units they operated as of October 1, 1999 (known as their 'Faircloth Authority'). This created a de facto ban on building new public housing.

The U.S. Department of Housing and Urban Development (HUD) recently rolled out Faircloth-to-RAD, a new program that could allow up to 1,101 PHAs to build up to 235,730 new deeply affordable housing units to replace public housing that was demolished or disposed after 1999. Read on to learn more about:

- Why developing deeply affordable housing has been difficult
- How Faircloth-to-RAD is structured
- How to determine if your organization is eligible
- Strategies for success



*The Galveston (Texas) Housing Authority utilized Faircloth-to-RAD to rebuild hurricane-damaged deeply affordable housing units. The Oleanders at Broadway is a 348 mixed-unit development and is scheduled for completion in August 2023.*

*(RPGA Design Group, Inc. rendering)*

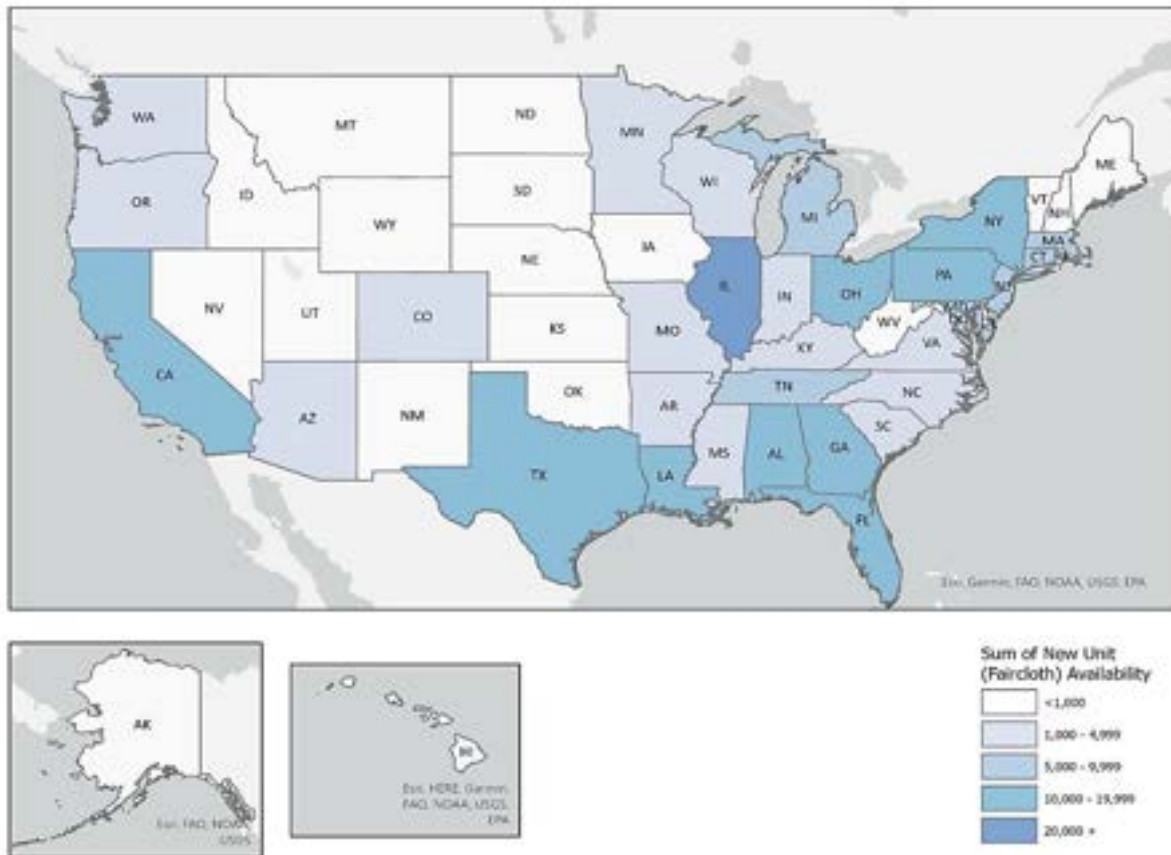
## THE CHALLENGE

Chronic disinvestment from Congress has also made it difficult for PHAs to maintain their current public housing stock. PHAs currently face **\$70 million dollars in backlogged capital needs** to address deferred maintenance at their public housing properties. As a result of long-term disinvestment from Congress, approximately **10,000 public housing units are lost each year** due to demolition or disposition. While PHAs that have lost public housing since 1999 have dipped below their Faircloth Authority and can legally build new public housing, capital fund deficits have prevented these agencies from acquiring funding to build and replace public housing that was lost.

## FAIRCLOTH-TO-RAD: A NEW TOOL TO BUILD DEEPLY AFFORDABLE HOMES

In 2021, HUD launched the Faircloth-to-RAD (Rental Assistance Demonstration) program to help PHAs with Faircloth Authority build new deeply affordable housing in their community. Faircloth-to-RAD allows PHAs to build public housing through HUD’s public housing mixed-finance program on a temporary basis.

Through the program, HUD grants PHAs pre-approval to convert the property to a Section 8 funding stream once construction is complete. While Faircloth-to-RAD doesn’t provide funding to help PHAs build new affordable housing directly, it provides long-term operating subsidies that can be used to secure private capital to catalyze construction efforts. Lenders and investors are more familiar with the structure and revenue certainty Section 8 contracts provide, which enables them to underwrite the construction of these properties more confidently. PHAs can fund the initial construction of these properties leveraging a combination of programs, such as Low-Income Housing Tax Credits (LIHTC), housing bonds, national Housing Trust Fund, Project Based Vouchers (PBVs), state and local subsidies, or other organization funds.



The map displayed shows the number of Faircloth units available by state. This visualizes the number of units that could be built, using Faircloth-to-RAD conversions.

## CAN YOUR ORGANIZATION LEVERAGE FAIRCLOTH-TO-RAD?

As of 2021, up to 235,000 new deeply affordable homes could be built by PHAs through Faircloth-to-RAD. Of the 1,101 PHAs that have lost housing since 1999, more than 500 across 49 states have 20 or more units available to be built through their Faircloth Authority. Review **RAD Resources** at [www.hud.gov](http://www.hud.gov) to see if your organization has units available to develop using Faircloth-to-RAD.

## TIPS FOR SUCCESS

Since the launch of the program one year ago, **21 PHAs have added nearly 1,850 new deeply affordable homes to the construction pipeline** using Faircloth-to-RAD. While the number of PHAs leveraging the program during the first year was limited due to uncertainty and challenges in acquiring financing, industry stakeholders believe its use will expand after developers, PHAs, and HUD identify a template for success. The biggest challenge hampering development efforts using Faircloth-to-RAD is the low rents (and thus operating subsidies) these new units receive through HUD's funding formula.

Early adopters of Faircloth-to-RAD suggested the following strategies to leverage the program, as summarized by the Turner Center for Housing Innovation at UC Berkley:

- **Combining Faircloth-to-RAD with Project-Based Vouchers (PBVs)** allows PHAs to cross-subsidize their Faircloth-to-RAD units to make development and operation costs pencil out. While residents living in homes assisted by both PBVs and Faircloth-to-RAD only pay 30% of their income towards rent, PBVs generally have higher-contract rents. This means that the government pays the property owner a larger subsidy to operate the PBV units, increasing income for the property. These higher rents can offset the lower rents required in units funded through Faircloth-to-RAD. This strategy is only available to PHAs with Housing Choice Vouchers (HCVs) available to project base. Generally, PHAs can project base up to 20% of their HCVs. PHAs can project base an additional 10% of their vouchers if they are used in a low-poverty neighborhood, target veterans or homeless populations, or provide supportive services to residents. Combining Faircloth-to-RAD with PBVs is particularly effective among PHAs in high-cost markets with low voucher utilization rates.
- **Supplementing Faircloth-to-RAD rents using Moving to Work (MTW) authority** is another way PHAs can meet the operating costs of these properties. More than 100 housing agencies participate in the MTW demonstration program, which grants them funding and regulatory flexibility to increase cost-effectiveness, promote workforce engagement, and increase housing choice. PHAs with MTW authority have the ability to reallocate their funds to supplement Faircloth-to-RAD rents as long as they continue to serve at least the same number of families and don't exceed RAD rent caps. Cambridge Housing Authority was able to justify using its MTW funding flexibility to supplement Faircloth-to-RAD rents by demonstrating that it would be a third of the cost of administering a voucher.
- **Partnering with developers** interested in building affordable housing targeted to extremely low-income or very low-income households is another opportunity. This can be especially appealing in states with set-asides or incentives for assisting extremely low-income families when allocating LIHTCs. While many PHAs have shifted their operating models to leverage tax credits to build and preserve affordable housing for their residents, partnering with developers can be an effective strategy for PHAs looking to leverage Faircloth-to-RAD if they have less experience financing properties with LIHTC.

## INTERESTED IN LEARNING MORE?

**HAI Group Online Training** offers a comprehensive curriculum and certifications in key programs, including the RAD PBV program, standard PBV program, tenant-based HCV program, LIHTC, MTW, and more.



*Kelly McElwain has spent the past decade advancing the preservation of affordable housing through her research and strides to improve data accessibility. She is currently the industry intelligence and research manager at the Public and Affordable Housing Research Corporation (PAHRC), where she is responsible for managing the National Housing Preservation Database and researching affordable rental housing programs. Before joining PAHRC, Kelly assisted nonprofits with research projects, donor stewardship, and grant writing as an intern and consultant. Kelly holds a master's degree in public policy and a Certificate in Survey Research from the University of Connecticut, and a Bachelor of Science in Policy Studies and Biotechnology from Syracuse University. Contact Kelly at [kmcelwain@pahrc.org](mailto:kmcelwain@pahrc.org).*

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# PAHRA PROUDLY PRESENTS 36<sup>TH</sup> ANNUAL SCHOLARSHIP AWARDS

Read on to learn more about the deserving recipients of PAHRA's 36<sup>th</sup> annual scholarship awards. These six inspiring individuals truly exemplify the motivation and effort required to accomplish goals and achieve success.

## **Paul G. Pecharko Memorial Scholarships** (*Adult-Ed*)

**1<sup>st</sup> Place \$3,000 Award – Kristen Noschese** - *Sponsored by Westmoreland County Housing Authority*



Kristen is pursuing her Bachelor of Science Degree in Religion with a cognate in Biblical and Theological Studies and a minor in Christian Counseling through Liberty University. Her goals are to establish a Christian counseling practice, and form a non-profit to open a residential treatment center for single mothers and their children. Having grown up in foster care and group homes, Kristen has a passion for providing supportive services and healing processes that are designed to empower mothers to break generational cycles of trauma and keep families together. She says her own personal hardships are “the catalyst behind my educational and career goals” in order to “leave a lasting legacy” for her own children, rather than “becoming just another statistic doomed to repeat the cycle of dysfunction.” Kristen is focused and excited to follow her calling and begin this new journey.

**2<sup>nd</sup> Place \$2,000 Award – Jahnia Treadwell** – *Sponsored by Allentown Housing Authority*



Jahnia is attending Bucknell University pursuing a double major in Psychology and Spanish with a goal of becoming a Clinical Psychologist. She has been awarded Bucknell's Community Engagement Merit Scholarship for her academic accomplishments and service to the community, and currently serves as Student Manager for the Weis Center for Performing Arts, as well as a Research Assistant for the Bucknell College of Management. While she sees herself contributing research to help address social injustices and implicit biases that perpetuate systemic discrimination, she intends to utilize her education to assist businesses, schools, police departments, and government agencies to become diverse, inclusive, and sustainable, Jahnia states that she will “contribute to society the most through my joy, kindness, faithfulness, and love.”

**3<sup>rd</sup> Place \$1,000 Award – Tamia White** – *Sponsored by Delaware County Housing Authority*



Tamia is attending the Philadelphia College of Osteopathic Medicine, where she is pursuing her Educational Specialist Masters' Degree in School Psychology, after having graduated cum laude from Drexel University in 2021. She has previously been a Special Education Teacher, and is currently employed as a Behavioral Technician, while juggling the demands of being a full-time student and single mom raising three children. Tamia plans to utilize her education and experience to “advocate for children with special education needs and provide them with the resources they need in order to be successful in the classroom.” She desires to be the best example as possible to her children to “show them that with hard work and dedication, nothing is impossible and that they can achieve anything they put their minds to.”

## L. DeWitt Boesel Memorial Scholarships (High School Seniors)

1<sup>st</sup> Place \$3,000 Award – **Ebony Gee** – Sponsored by Bethlehem Housing Authority



Following graduation from Liberty high School, Ebony will be entering Cedar Crest College this fall to major in Nuclear Medicine Technology. In 2023, she is carrying a 4.8 GPA with a rigorous schedule that includes Advanced Placement and honors classes, along with many medical-based classes in Project Lead the Way Biomedical Track. In addition to her academic success, Ebony contributes to her community through volunteer efforts including the Northeast Community Center Food Bank, the Center of Animal Health and Welfare, and the Historic Bethlehem Museum. Ebony's teachers describe her as "a student of immense academic promise and personal ambition" with "a creative, inquisitive and optimistic mindset." Cedar Crest College has recognized Ebony's potential by offering her a Dean's Scholarship of \$20,000 per year.

2<sup>nd</sup> Place \$2,000 Award – **Mia Rosa Colon** – Sponsored by Reading Housing Authority



As a graduating senior at Reading High School, Mia is looking forward to attending Temple University to study Tourism and Hospitality Management, with a goal of becoming a travel consultant or a related career that can combine her love of traveling with her desire to help others. Mia is a member of the Reading Muhlenberg Career & Technology Center National Honor Society and has been recommended for membership in the National Society of High School Scholars. She has been involved with the Boys & Girls Olivet's Club, and also volunteers with her church youth group to assist with fundraisers. Mia's school counselor states that, "she is a determined and conscientious student" who has "compassion and integrity". By working hard to prepare for future success, Mia hopes to "inspire others to take that big leap and reach for the stars."

3<sup>rd</sup> Place \$1,000 Award – **Zappula Lewis, II** – Sponsored by Housing Authority of the County of Beaver



Following a formidable schedule of Honors and Advanced Placement classes, in addition to dual enrollment through the Community College of Beaver County, Zappula has been awarded the Moe Rubenstein Scholarship for athletics and academics. He plans to attend Westminster College in the fall with a goal of becoming a Registered Nurse. A true scholar / athlete, he has participated in Junior ROTC, the Young Life Program, served as Vice-President of the Black Student Union, band, football, track, and is a volunteer coach for the female flag football team. Zappula was chosen by the Pittsburgh Steelers as a member of their All-Peer team. These character and leadership attributes have led to his teachers describing Zappula as a person of "great internal motivation" with a "tremendous attitude and morale that uplifts others."

PAHRA is proud to provide these scholarships as a positive economical and educational impact in helping to forge the foundations for promising futures that lie ahead for these stellar students.

# Congratulations



# Know When to Protest an Unemployment Claim

Submitted by Elizabeth Henry / U·COMP Trusts Member Services Manager  
With Contributions by John Fiorelli / Experian Senior Customer Success Manager

Unemployment compensation is typically awarded to individuals who have lost their job through no fault of their own. Unemployment compensation is meant to provide temporary income while the individual searches for a new job. When an employee files a claim, and you do not believe they meet the criteria to receive compensation, it is in your best interest to protest the claim as soon as possible. You may ask, “How do I determine if a claim is protestable?”.

Determining if a claim is protestable requires knowledge of the Separation Reason. Typical separation reasons are discharge, voluntarily quit, or lack of work.

Below are examples of protestable and non-protestable claims within each of the above claim types.

## DISCHARGE

Protestable:

- Misconduct related issues
  - *Deliberate violation of rules*
  - *Disregard of standards of behavior*
  - *Absenteeism/Tardiness*
  - *Insubordination*
  - *Drug/Alcohol testing: failure to submit to and/or pass*

Non-Protestable:

- Non-Misconduct related issues
  - *Non-intentional poor performance*
  - *Inability to perform duties due to no fault of their own*
  - *Inefficiency of time or resources*
  - *Unsatisfactory work performance*



## VOLUNTARY QUIT

Protestable:

- Without good cause
  - *No reasonable attempt to maintain the employer/employee relationship*
  - *For personal reason: family obligations, another job, job abandonment, school, retirement, relocation*

Non-Protestable:

- With good cause
  - *Safety/Medical*
  - *Harassment/Discrimination*
  - *Spouse following spouse for relocation*





## LACK OF WORK

### Protestable:

- Eligibility/Availability
  - Refusal of work
  - Not available
  - Leave of absence

### Non-Protestable:

- 40 hours a week
  - Job elimination
  - Seasonal
  - Hours reduced



## MISCELLANEOUS ISSUES

### Protestable:

- Failure to accept suitable work
- Work stoppage determined by the department to be a strike

### Non-Protestable:

- Able and available for suitable work
- Active search for work: Pennsylvania CareerLink®



When a separation does occur the form “UC-1609” should be provided to the released employee. This form will provide the separated employee with accurate employer information for their reference when filling out an application for unemployment benefits. It can greatly assist in making certain the separated employee receives all necessary mailings from the Pennsylvania Department of Labor and Industry after the claim is filed. This form can also help reduce the number of inaccurate claims and charges to the employer’s account. The form can be found on the [uc.pa.gov](http://uc.pa.gov) website, [uc.pa.gov/documents/uc\\_forms/uc-1609.pdf](http://uc.pa.gov/documents/uc_forms/uc-1609.pdf).

The U•COMP program provides our members with guidance and representation when protesting claims which can save you time and money.

For more information or for a non-binding quote, please contact:

**Elizabeth Henry**, U•COMP Trusts Member Services Manager, [ehenry@pml.org](mailto:ehenry@pml.org), 1-800-922-8063 ext \*250  
U•COMP, 414 North Second Street, Harrisburg, PA 17101



# U•COMP

Unemployment Compensation Trust

## 2023 PAHRA ANNUAL CONFERENCE & AWARDS

### growth: ideas & innovation

Conference Schedule (as of August 1, 2023)

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

#### Sunday, October 22, 2023

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

#### Monday, October 23, 2023

7:30 a.m. – 8:30 a.m.	Breakfast Buffet
8:30 a.m. – 9:35 a.m.	Welcome & Gathering Session – Annual Membership Meeting
9:40 a.m. – 12:20 p.m.	Select from Concurrent Educational Sessions
10:50 a.m. – 11:05 a.m.	Mid-Morning Refreshments (generously sponsored by Infradapt, LLC)
12:20 p.m. – 1:30 p.m.	Lunch On Your Own
1:35 p.m. – 4:00 p.m.	Select from Concurrent Educational Sessions
8:00 p.m. – 11:00 p.m.	Evening Networking Event (generously sponsored by Chrislynn Energy Services, Inc.)

#### Monday Concurrent Educational Sessions Include:

- **HOT-HOT-HOTMA! (Multiple Sessions)** – The Housing Opportunity Through Modernization Act (HOTMA) imposes numerous changes to federal housing programs triggering the need for significant updates to policies and PHA plans prior to the effective date of January 1, 2024. Mary Ann Russ joins us for a full day of HOTMA-related discussion & guidance including:
  - Income determination & adjustments
  - Calculation of assets, deductions, exemptions, and exclusions
  - Resident self-certification
  - Interim re-exams
  - Use of project-based vouchers
  - And much more
- **New & Improved RAD Tools (Multiple Sessions)** - HUD Office of Recapitalization will provide an overview of RAD/Section 18 Blends and Faircloth-to-RAD which, along with higher RAD rents, provide new tools for PHAs when considering repositioning of their housing portfolio
- **Effective Grant Writing, Reporting, & Compliance (Multiple Sessions)** – M&L Associates will share top tips for submitting a winning grant application, proper administration of the funds, awareness of regulatory and reporting requirements, to help you take control of your grant management process and maximize your grant dollars
- **Listen & Learn Legislative Session** – Chairs of the PA House and Senate Committees on Housing and Community Development have been invited to hear from you regarding current issues and concerns
- **Broadband Expansion in PA** – Funds are flowing through multiple resources for this high priority, critical challenge in PA. Where are those dollars going and what are they being used for?
- **Limited English Proficiency (Multiple sessions)** – HUD Region III FHEO reviews LEP requirements, the Four Factor Analysis, and offers guidance to reduce language barriers to best serve those for whom English is not their primary language
- **PAHRA Annual Membership Meeting** - PAHRA is YOUR association. We encourage you as stakeholders to attend our annual membership meeting to learn what has been accomplished throughout the past year, as well as PAHRA’s legislative and administrative priorities moving forward

## Tuesday, October 24, 2023

7:30 a.m. – 8:40 a.m.	Breakfast Buffet
8:00 a.m. – 12:00 p.m.	Registration
8:45 a.m. – 11:10 a.m.	Select from Concurrent Educational Sessions
11:15 a.m. – 11:30 a.m.	Mid-Day Refreshments (generously sponsored by Horizon Information Systems)
11:35 a.m. – 2:00 p.m.	Select from Concurrent Educational Sessions or Lancaster Lunch & Tour (see Modified Training Schedule explained below)
7:00 p.m. – 9:00 p.m.	Presidential Reception – Best Practices Showcase – Awards Presentations (generously sponsored by HARIE)
9:00 p.m. – 12:00 a.m.	After-Party (generously sponsored by American HealthCare Group)

### Tuesday Concurrent Educational Sessions Include:

- **Family Self-Sufficiency Forum (Multiple Sessions)** – An interactive and informative gathering of those currently operating or considering implementing an FSS program
  - Session 1 will address policy, best practices, and your Action Plan
  - Session 2 will focus on the challenges of case management, and more!
- **Gender Identity Bias & HUD’s Equal Access Rule (Multiple Sessions)** – Learn more about the Rule, designed to ensure that all programs and assistance are available regardless of a person’s actual or perceived sexual orientation
- **Housing & Health Connections** – Stressing the important link between housing & health. Begin now to form partnerships, build capacity and be competitive for many new funding opportunities
- **Chasing the American Dream: Homeownership** – Providing guidance, identifying resources, and sharing knowledge on how you may implement and administer a successful homeownership program
- **The Realities of Real Estate & Rental Markets / Current Construction Challenges Across the Commonwealth** – The PA Association of Realtors and the PA Builders Association discuss how the economy is shaping these industries
- **Seize the Opportunity: Conversion of Unused Real Estate** – Form unusual partnerships to create housing or other usable space by converting vacant office space, shuttered hotels, former student housing or convents
- **HARIE Working for You** – Member Benefits, Claims Handling, Certified Safety Training & Consulting, Safety Grants, Risk Management, Loss Control, Injury & Illness Prevention, Reduced Liability & Exposure
- **Lancaster Lunch & Learn Tour** – Tuesday afternoon tour highlighting interesting projects undertaken by our conference host agencies. Transportation provided
- **Tuesday Modified Training Schedule** – Delayed lunch break allows for proportionate number of training hours while allowing time for casual networking with your colleagues or exploring area attractions in the afternoon
- **Best Practices Showcase & Awards** – Browse through the showcase to explore innovative ideas, learn more about outstanding projects or interesting programs, efficient policies and effective procedures that are successful in other H&CD agencies

## Wednesday, October 25, 2023

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

Changes in employment, other income, or household composition often place consumers at the edge of a benefit cliff. Learn more about a pilot project that United Way is operating in Lancaster County that illustrates this phenomenon and its affect on struggling individuals and families. What are the lessons learned, how will the data be used, as they explore new ways to grow and scale the project and potentially incorporate the use of Housing Choice Vouchers into the program.

(See next page for conference registration form.)

# 2023 PAHRA ANNUAL CONFERENCE & AWARDS

(please use black ink and print clearly)

**Please note that PAHRA now accepts payments online. Email your registration form to [kelly@pahra.org](mailto:kelly@pahra.org), then visit [www.pahra.org](http://www.pahra.org) and click the MAKE A PAYMENT button.**

Name: \_\_\_\_\_

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## Don't forget the PAHRA MEMBER BONUS

**\$100 discount on each third full conference registration package!**

**FULL PACKAGE:**  Member - \$325  Non-member - \$375

**DAILY SESSIONS:**  Member - \$195  Non-member - \$225  Specify date: \_\_\_\_\_

**GUEST PACKAGE:**  Guest - \$100

**LANCASTER LUNCH & TOUR – PRE-REGISTRATION – NO ADDITIONAL FEE**

Transportation provided. Lunch is self-pay. Space is limited. Please check this box if you plan to take the tour.

Total Amount: \$ \_\_\_\_\_

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

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# Pennsylvania Working Families Still Struggling Post-Pandemic

*New ALICE Report Shows 1.4 Million Working Families Face Financial Hardships*

For any household, one of the largest expenditures in their budget is likely to be housing. Whether it is the cost of rent or a mortgage, the general rule of thumb is to spend no more than 30% of your budget on housing.

**ALICE** (*Asset Limited, Income Constrained, Employed*) household budgets are often spread very thin across the costs of all basic essentials, and housing is just one of many costs that need to share limited resources. The amount of budget dedicated to housing is dependent on household size, age of dependents, income, location, and other needs. Accordingly, access to affordable housing is a necessity for ALICE households.

**In Pennsylvania, 27% of households are ALICE.** When combined with those living in poverty, 39%, or 2-out-of-5, Pennsylvania households are living below the ALICE Threshold, the comparison of household costs to income. For those living below the ALICE Threshold, their budget is limited to basic household essentials, and there is no room for extras or errors. The Household Survival Budget calculates the cost of household essentials for each county in Pennsylvania for housing, childcare, food, transportation, health care, and a smartphone plan, plus taxes. The Household Survival Budget is a very conservative measure of the cost of living for ALICE. Housing is calculated at the 40<sup>th</sup> percentile Fair Market Rent for an efficiency, one-bedroom, or two-bedroom apartment (based on family size), adjusted in metro areas using the American Community Survey (ACS), minus utilities. Essentially, 6-out-of-10 apartments are higher priced and likely in better condition than those where ALICE resides.

As previously noted, the Household Survival Budget is a conservative measure, and the amount a lower-income household can spend on housing is dependent upon other basic needs. For example, according to the most recent ALICE Report @ a single adult is estimated to spend approximately \$519, or 25%, of their monthly budget on housing compared to a family of four with two in childcare, which is estimated to spend \$628, or 11.5%, of their monthly budget on housing. The amount spent on

housing is greatly limited due to the need for childcare. Without childcare one parent will not be able to work, which will impact income, further limiting the household budget. It is important to note that the aforementioned costs are for Pennsylvania budgets generally.

Where a person/family lives also plays a role in the cost of housing. Montgomery County, Pennsylvania's most affluent county, has the lowest population living below the ALICE Threshold at 30%, while Forest County has 53% living below the ALICE Threshold. In Montgomery County, a family of four, with two in childcare, will spend about \$1,260, or 18%, of their monthly budget on housing. That same family will spend \$432, or 9%, of their monthly budget on housing in Forest County. The annual wages for the family to survive in Montgomery County are \$85,344 as compared to \$58,008 in Forest County.

For many Pennsylvanians, access to affordable housing is an issue that was greatly exacerbated by the COVID-19 pandemic. For ALICE, budgetary constraints and affordable housing shortages are creating a major conundrum. Per **PA 211 Counts** data, PA 211 received over 928,000 calls, texts and web interactions for a variety of supports and services in 2022. Of those, over 218,000 calls, texts, and clicks were for housing-related supports and services. While we do not know the income of the requestors, we do know that housing-related supports continue to be the most requested among those made to PA 211.

The trend of housing-related requests also increased over the last three years. Looking at PA 211 Counts data for the same time period - January 1 through June 1 of 2021, 2022, and 2023 - United Way of Pennsylvania ascertained that calls and texts for housing supports and services increased 24% from 2021 to 2022, and 29% from 2022 to 2023. One thing is for sure, whether a person is ALICE or not, there is a major need for more affordable housing in the Commonwealth of Pennsylvania.

For more information on the ALICE Project, visit <https://www.unitedforalice.org/> or <https://www.uwp.org/alice/about-alice/>. To learn more about PA 211 Counts, please visit <https://pa.211counts.org/>.



# RETIREMENT READY Series



## PART 5 – ESTATE AND LEGACY PLANNING:

### *I Don't Have Enough Assets to Have an Estate...Do I?*

Welcome to the fifth installment of our Retirement Ready Series. You can read our previous offerings in the past four *Monitor* issues of 2022 and 2023.

Author Don Waite recently sat down with Frank Zoracki. Frank joined Duncan Financial Group in 2016, but his financial and Insurance experience dates back to 1983. One of Frank's areas of expertise is Estate and Legacy Planning. He has guided hundreds of individuals and families down the path to successful end of life financial planning.

**Don:** Frank, thank you for taking your time to help our readers better understand Estate and Legacy Planning.

**Frank:** You are most welcome. This topic is one that I am very passionate about and it is fraught with misinformation.

**Don:** Let's start with the basics. What is this type of planning?

**Frank:** Estate Planning covers multiple areas:

1. What do you want to see happen to your assets at your death
2. Who do you want to be in control of the distribution of your assets
  - a. Yourself
  - b. Possible governmental agencies
3. Who is going to receive your assets
4. How are they going to receive those assets
5. What are the tax consequences of that asset transfer



The next important basics are the documents necessary for this planning:

1. Will
  - a. It dictates who you are
  - b. It dictates who you want to receive your assets upon your death
  - c. Establishes the Executor (male) or Executrix (female), who is the person who makes sure the terms of the will are performed, such as documentation, filings, and distribution wishes
2. Power of Attorney, also known as POA
  - a. Gives legal rights to transact financial and medical transactions for the benefit of an individual
  - b. Regular POA – ceases to be in force if the individual becomes mentally incapable
  - c. Durable POA – continues if the individual becomes disabled and ceases upon their death
  - d. The selection of the person to act as a POA should be carefully thought out, as they will have access to your financial assets and will be able to make what could be critical medical decisions
3. Advance Directives – Living Will
  - a. Legal documents that allow individuals to express their wishes about end-of-life care and treatment
  - b. Established to guide family, friends, and medical professionals
  - c. Federal law requires any facility receiving Medicare or Medicaid to use advance directives

All these documents should be formal and prepared by an attorney. Many legal firms offer them as an estate planning package.

**Don:** Are these the only documents or information a person should keep?



**Frank:** Absolutely not. There should be a record or inventory of all assets and their location. Here are some of them:

1. Bank Accounts
2. Insurance Policies
3. Investment Accounts
4. Collectables, such as coins, stamp collections, or firearms
5. Individual Bonds



This process helps an individual take stock of their possessions and make sure they are updated as necessary.

**Don:** Having these documents in place is critical to future planning, but things change, so how often should they be reviewed?

**Frank:** Generally, annually. While that review can be brief, if there are no material changes, it is a very good practice to help avoid unintended circumstances due to life changes.

**Don:** What about beneficiaries or survivors?

**Frank:** While we cannot change survivors, one can be sure that the provision for them is the best and most appropriate option. The situation for beneficiaries is completely different. A beneficiary designation is absolute once put in place and cannot be changed after death. This is very important when there are life changes like divorce or the death of a beneficiary. Individuals should also name contingent beneficiaries who will replace the primary beneficiary due to their death before the account owner or policyholder.

**Don:** I have heard it said if you have \$1.00 at your death, you have an estate. Is that true? Is there any bottom limit for the value of an estate?

**Frank:** That is correct. There is no minimum value of the size of an estate.

**Don:** Does that mean that there are estate taxes for any size estate and what are they?

**Frank:** There are absolutely taxes to be paid to the federal and state governments based on various criteria.

1. Federal Taxes – based on the value of an estate at the time of death
  - a. 2023 – paid over the threshold of \$12,920,000
  - b. Current tax rates are 18% - 40%
  - c. 2026 – the threshold lowers to \$6,200,000
  - d. 2026 – the maximum tax rate increases to 45%
2. State taxes – generally based on the state of domicile, unless other regulations apply
  - a. Estate Taxes
    - i. Based on the value of the estate and various state criteria
    - ii. Twelve states & D.C. impose estate taxes (WA, OR, MN, IL, VT, ME, RI, CT, MD, NY, MA, HI & DC)
  - b. Inheritance Taxes
    - i. Paid by heirs on the value of their inheritance and State requirements
    - ii. Spouses are exempt from tax
    - iii. 6 States impose Inheritance Taxes (NJ, IA, KY, PA, NY & MD)
    - iv. Pennsylvania Inheritance Tax
      1. Based on the value of assets inherited
      2. Spouses are exempt from the tax
      3. Parents of a child under age 21 are exempt from the tax
      4. Direct descendants, and other lineal heirs, grandchildren, are taxed at 4.5%
      5. Siblings are taxed at 12%
      6. Other heirs are taxed at 15%, except charitable organizations, exempt organizations, and government agencies that do not pay taxes
      7. Out-of-state heirs pay estate tax on real property and tangible property located in the state

**Don:** This all means that anyone, irrespective of income or estate size, could be subject to inheritance taxes in PA.

**Frank:** Absolutely. This is another reason to do Estate Planning if they want to minimize the effects of taxation on their accumulated assets.

**Don:** I've heard people say that they believe the establishment of a trust is a way to avoid estate or inheritance taxes. Is that true?

**Frank:** Trusts do not eliminate taxes, but some trusts can create favorable tax treatment. Here is a brief overview of the two basic trust types:

1. Revocable Trust
  - a. They can be changed by the originator, or grantor, of the trust
  - b. Does not avoid estate taxes
  - c. The grantor can also act as the trustee and maintain control of the assets in the trust over their lifetime
2. Irrevocable Trust
  - a. Cannot be changed or ended after creation, except under certain circumstances
  - b. Protects assets
  - c. Can reduce federal estate taxes
  - d. Helps avoid probate

Trusts of this type are implemented for a specific purpose that guides the wishes of the grantor and benefits the beneficiary. There are many different types of trusts, and they should be implemented with the guidance of legal counsel who understands the purpose, details, possible outcomes, and tax consequences of each type. All this said, the fact is that trusts pay taxes on taxable events.

**Don:** It sounds like we could do a whole article just dedicated to the different types of trusts and their functions, and probably would need to invite an attorney.

**Frank:** We absolutely could.

**Don:** You mentioned the term probate earlier. What is probate?

**Frank:** When a person dies there is a legal process called probate. Probate does the following:

1. Proof in court that a deceased person's will is valid
2. Identifying and inventorying the deceased's property
3. Having the property appraised
4. Paying debts and taxes
5. Distributing property
  - a. Per the will directions – by a named executor
  - b. By state law, if no will exists – by a person appointed by the Probate Judge
6. Official notification to relatives and creditors of the deceased
7. Assets may need to be sold to satisfy creditors or distribute funds to named individuals or institutions



Planning at the appropriate time of life can limit or eliminate the need for probate. Doing an adequate job to formally direct the disposition of assets can eliminate the conflicts that could be present after one's death.

**Don:** Gifting is another way to move assets from a person's estate, but there are rules about that process too, correct?

**Frank:** Yes, there are very specific rules.

1. The responsibility for paying the gift taxes is by the donor
2. Gift tax rates are between 18% -40%
3. Each individual has a 2023 federal exclusion limit of \$17,000
4. Each donor has a current lifetime exclusion of \$12,920,000 for gifts over the annual \$17,000 exclusion
5. There is a correlation between the Lifetime Gift Tax Exclusion and the Estate Tax Exclusion, but it only affects individuals with high estate values



**Don:** Another estate planning tool is life insurance. How does that work?

**Frank:** Life insurance is an excellent vehicle to move assets to the next generation. It affords the following benefits:

1. Life insurance proceeds are generally non-taxable
2. They are not subject to probate
3. They can be held in a trust
4. Offers multi-generational asset movement
5. Unless a policy has been held a long time and built a large cash value, it is unlikely the cost of the insurance would exceed the death benefit

**Don:** This article is titled Estate and Legacy Planning but, in fact, they are two different topics.

**Frank:** Correct. Estate Planning focuses on the **what and who**, directing what assets go where and to whom upon your death. Legacy Planning focuses on the **when and why**. It allows you to pass your wealth, of any amount, on smoothly and effectively to your family, selected charity or other organization. Estate and legacy Planning go hand-in-hand to direct a person's wishes for disposition of their assets after their death.

**Don:** Wow, this topic has so many facets that it can apply to almost anyone who will have assets remaining at the end of their life. It is very evident that planning and getting competent and legal advice is the key to a successful plan. It is also important that the details and information related to these processes remain current and be updated as circumstances change. Changes to marital status, family situations, and circumstances related to work or health can have unintended consequences if not addressed and updated properly in a timely manner.

Alex Kline, one of our coworkers, says, "*Father Time is Undefeated*". So, it's not a matter of **whether** we will need to address these issues, it's a matter of **when** we will.

Frank, thank you for sharing your expertise on these subjects. I know our readers can benefit immensely from a better understanding of these topics.



Look for the next installment of our **Retirement Ready Series** on Cyber Security coming in the next issue of the Monitor.

*This article is not meant to give specific legal or tax advice.*

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