NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

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PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

IN THIS ISSUE

COMMUNITIES OF QUALITY

NAHMA Supports New Section 8 Voucher Reform Bill

On June 23, 2011, the House Financial Services Subcommittee on Housing and Community Opportunity held a hearing on legislative proposals to reform the Housing Choice Voucher program. NAHMA Executive Director Kris Cook submitted testimony in support of the reforms, and NAHMA also signed onto a letter of support from 10 other industry organizations.

The proposed legislation, which used to be called Section Eight Voucher Reform Act (SEVRA), will be introduced as the Section Eight Savings Act (SESA). Committee staff is still receiving input from stakeholders and advocates about potential changes to the bill before it is introduced. Rep. Judy Biggert (R-IL) reportedly will be the lead sponsor.

On July 13, a coalition of industry stakeholders and advocates met with Sen. Tim Johnson's staff about Section 8 reform to show strong support for moving a bill in the Senate. NAHMA will keep its members updated as the legislation moves forward.

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Update on Appropriations

AT PRESS TIME, THE TRANSPORTATION-HUD MARK-UP SCHEDULED for mid-July had been postponed in the heat of battle over the debt ceiling. It was expected to take place before the end of July, and if it occurs after this issue of *NAHMA News* goes to press, NAHMA will send out e-alerts to its members.

Meanwhile, in June, the House passed HR 2121, the FY 2012 Agricultural Appropriations Act. The bill provides funding for USDA programs in FY 2012. The FY 2012 Agricultural Appropriations legislation cuts funding to every rural multifamily housing program and eliminates the Section 538 program.

The House set FY 2012 funding levels for USDA-RHS multifamily programs as follows :

Rural Rental Assistance: $883 million
- **FY 2012 Budget Request: $907 million**
- **FY 2011 Appropriation: $956 million**

Section 515 Housing Direct Loans: $58.1 million
- **FY 2012 Budget Request: $95 million**
- **FY 2011 Appropriation: $69.5 million**

Section 538 Housing Loan Guarantees: $0
- **FY 2012 Budget Request: $0**
- **FY 2011 Appropriation: $30.9 million; $3 million of this is set aside for multi-family housing guaranteed loans**

Multifamily Housing Revitalization Program: $10.9 million for housing vouchers
- **FY 2012 Budget Request: $16 million for housing vouchers**
- **FY 2011 Appropriation: $30 million; $14 million for vouchers, $15 million for the demonstration program, and $1 million for loans to non-profits**

The White House has publically stated that the Administration opposes the bill as currently written, but stopped short of issuing a veto threat.

In her testimony, Cook restated NAHMA's continued support of the Housing Choice Voucher program and stated that the proposed legislation represents a positive step toward simplifying the administration of rental assistance. Her testimony focused on the positive results that can be achieved by creating greater efficiencies in the housing choice voucher inspection process and authorizing a limited English proficiency technical assistance program at HUD. She also addressed NAHMA's views on certain administrative reforms proposed in this bill.

STREAMLINED INSPECTIONS

NAHMA's position on the inspection process proposed in SESA is that it would remove a major obstacle for voucher holders in tight rental markets. NAHMA strongly supports provisions in SESA which will:

- Permit housing agencies to approve lease-ups in properties which passed inspections under a program with standards at least as stringent as the Housing Quality Standards (HQS) such as the HOME or the Low Income Housing Tax Credit (LIHTC) program;
- Allow minor repairs to be made after the tenant moves into the apartment; and
- Give public housing agencies (PHAs) the discretion to inspect units occupied by voucher holders every other year, rather than annually, for the term of the HAP contract.

LIMITED ENGLISH PROFICIENCY

NAHMA strongly supports Section 13 of the SESA draft, which authorizes a process allowing HUD to better serve persons with limited English proficiency (LEP) by providing technical assistance to recipients of federal funds.

Section 13 of SESA is LEP authorization language which was crafted over several years by representatives of affordable housing providers, civil rights advocates and HUD staff. In late 2010, HUD staff requested a number of changes to the proposal. NAHMA is especially interested in the provisions which:

- Create a task force of industry and civil rights stakeholders to identify vital documents (to include both official HUD forms and unofficial property documents);
- Require HUD to translate the vital documents within six months;
- Create a HUD-administered 1-800 hotline to assist with oral interpretation needs; and
- Authorize appropriations.

Since the LEP authorization language was first proposed, HUD has received modest appropriations to provide LEP technical assistance to recipients of federal funds. Congress appropriated $380,000 in Fiscal Year 2008 and another $500,000 in each of Fiscal Years 2009 through 2011 for HUD to provide LEP technical assistance and document translations. The Department has used this funding to create a considerable number of translated forms, notices and fact sheets used to support its programs. The translations are available on the Fair Housing and Equal Opportunity page at HUD's website (www.hud.gov).

NAHMA commended HUD's progress in making translated documents available but strongly advocated for the authorization language, which would affirm Congress's commitment to provide consistency in the level of service for individuals with LEP. Secondly, through the task force created in the bill, the language establishes an ongoing, collaborative process for stakeholders and civil rights advocates to identify documents to be translated. These documents would include official HUD forms, unofficial property-level documents or other vital documents.

Ongoing review of documents by the task force is essential to ensuring that previous translations are updated as necessary (especially when there are changes to the English-language versions), and new documents are translated as needed. Once documents are identified by the task force, HUD would have six months to provide translated documents. NAHMA believes this deadline is important to ensure that property owners and other recipients of HUD funds have timely access to the translations.

Finally, the SESA draft bill provides an essential safe-harbor for oral interpretation services. Although HUD's LEP guidance provided a safe-harbor to help determine when written translations were necessary, no such guidance was provided for oral interpretation. This bill authorizes a HUD-administered interpretation service hotline to supplement resources available in the community. SESA authorizes $5 million for the telephone service, but if the cost exceeds $5 million, HUD is permitted to charge a reasonable fee to property owners and other funding recipients.

> **Ongoing** review of documents by the task force is **ESSENTIAL** to ensuring that previous translations are updated **as necessary**, and new documents are translated **as needed**.

RENT REFORM AND INCOME REVIEWS

Section 3 of the bill simplifies the requirements used to calculate rents and to deter-

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inside nahma

BY KRIS COOK, CAE

Drive the Message Home about HOME

THE HOME PROGRAM HAS BEEN under attack since May 15 when The *Washington Post* ran an article giving examples of problems at a relatively small number of HOME projects. Thus, the program, so valuable to so many involved in affordable multifamily housing—managers, owners, residents and communities across the country—continues to need our support expressed to members of Congress. To see what industry groups, including NAHMA, are doing, see the article on page 12.

Contrary to what the article reported, HUD has been making great strides in making sure that HOME grantees are completing projects and utilizing funds correctly.

HOME has achieved significant results. According to information about final block grant applications for FY 2010, which HUD released on May 27, 2011, HOME is the largest federal block grant to state and local governments designed exclusively to produce affordable housing for low-income families. Since 1992, HOME has produced 381,883 rental units, assisted 428,373 homebuyers, rehabilitated 197,780 owner-occupied units, and helped 242,768 tenants.

Also, according to HUD, in the past two decades HOME produced more than one million homes for low income families. HOME funding is cost-effective, leveraging nearly $4 in other investments for each HOME dollar spent. All HOME funds must be used to help low-income families. More than 96 percent of families who receive HOME-funded, tenant-based rental assistance and over 80 percent of families in rental units developed with HOME funds have incomes below 50 percent of area median income. Over the life of the program, HOME has leveraged more than $80 billion of other funds for affordable housing for lower-income families.

In short, the damaging *Washington Post* article painted a very inaccurate picture of the HOME program and HUD's management of it.

NAHMA MEMBERS AND HOME

NAHMA has created a webpage highlighting successful properties developed or rehabbed by its members through the HOME program across the country. Currently highlighted are properties in California, Colorado, Florida, Hawaii, Idaho, Iowa, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia and Wisconsin.

If you own a property that received or hopes to receive HOME funding in a state that is not listed above, please contact NAHMA staff member Lauren Eardensohn to add your property to the list. Our advocacy efforts will be greatly enhanced when we can show the impact these funds make on the creation and preservation of affordable housing.

I highly recommend that you visit our HOME Grassroots Advocacy Page and add your sites to the NAHMA HOME Properties List (both at www.nahma.org). We all need to educate our members of Congress about the need for this important program. **NN**

Kris Cook is Executive Director of NAHMA.

mine income eligibility for rental assistance. NAHMA is especially supportive of provisions that would replace the annual income certification requirement for families on fixed incomes. Instead, the PHA or property owner would review these family incomes at least once every three years. NAHMA believes this change will greatly assist elderly and disabled households whose income and sources of income do not vary much from year-to-year.

ENHANCED VOUCHERS

On several occasions, NAHMA has called on Congress to provide enhanced vouchers to tenants whose rents would be unaffordable after the HUD mortgage matures and the affordability requirements (which are linked to the mortgage) expire. The draft bill creates a new eligibility event for enhanced vouchers when HUD-insured mortgages mature. However, this provision is limited to properties with maturing mortgages which would have qualified for enhanced vouchers if the owner had prepaid the mortgage before the maturity date. Although it is limited in scope, NAHMA believes Section 8 of the draft SESA represents an important first step in protecting tenants who live in buildings with maturing mortgages.

PROJECT-BASED VOUCHERS

Project-based vouchers are an important tool in expanding the supply of affordable housing, particularly when used with the tax credit program. These vouchers allow owners to build affordability into their properties. NAHMA supports changes in Section 9, which extend the maximum allowable housing assistance payment (HAP) contract term between the PHA and owner from 15 to 20 years. In NAHMA members' experience, lenders prefer 20-year rental assistance contracts to short-term contracts. The long-term HAP contracts help developers to secure more favorable underwriting terms.

MARK-TO-MARKET REAUTHORIZATION

NAHMA is pleased that Section 14 of the draft SESA extends HUD's authority to restructure mortgages under the Mark-to-Market program. The Multifamily Assisted Housing Reform and Affordability Act (MAHRA) of 1997 requires HUD to hold Project-based Section 8 rents to market levels. This part of the statute is permanent. However, MAHRA also gave HUD authority to restructure the debt on FHA-insured properties with expiring Section 8 contracts in order to recapitalize the property and allow it to operate successfully with lower rents. Unless Congress extends HUD's restructuring authority under MAHRA, it will expire on October 1, 2011. SESA extends HUD's authority to restructure the mortgages to October 1, 2015. This extension preserves an incentive for properties to continue participating in the project-based Section 8 program under market-based rents.

FAIR MARKET RENT

HUD's FY 2012 budget sought to eliminate the statutory requirement for the Department to publish Fair Market Rents (FMRs) on October 1. NAHMA is pleased that Section 13 of the draft SESA preserves this mandate. NAHMA also stressed that interested stakeholders and members of the public also continue to need a meaningful opportunity to comment on FMRs before they take effect.

Cook noted that "Timely, predictable publication of the FMRs is essential, because FMRs are necessary to calculate the income limits used to determine rents in Low Income Housing Tax Credit properties." Furthermore, HUD has proposed a number of substantial regulatory changes to the methodology for calculating FMRs. These changes will affect the Section 8 voucher program and other rental assistance programs. In this context, NAHMA believes it is inappropriate to implement major statutory FMR changes that have unknown ramifications across housing programs until HUD stabilizes the regulatory changes it is implementing to this important indicator.

> NAHMA is especially **supportive** of provisions that would **REPLACE** the annual income certification requirement for families on fixed incomes. Instead, the PHA or property owner would review these family incomes at least **once every three years**.

RESULTS IN COST SAVINGS

In addition to its written testimony, NAHMA signed onto an industry letter that noted "these reforms would provide for a significant budget savings. At the same time, these revisions would allow more working families to qualify for vouchers, particularly in rural areas."

NAHMA will continue to support a strong Section 8 reform bill. It will continue working with the House Financial Services Committee to advance the important reforms proposed in the draft SESA bill. NAHMA also will continue to urge the Senate Banking Committee to move forward with Section 8 reform legislation.

Please continue to check NAHMA Grassroots Action webpage at www.nahma.org/content/grassroots.html for updates on assisting in advocacy efforts. **NN**

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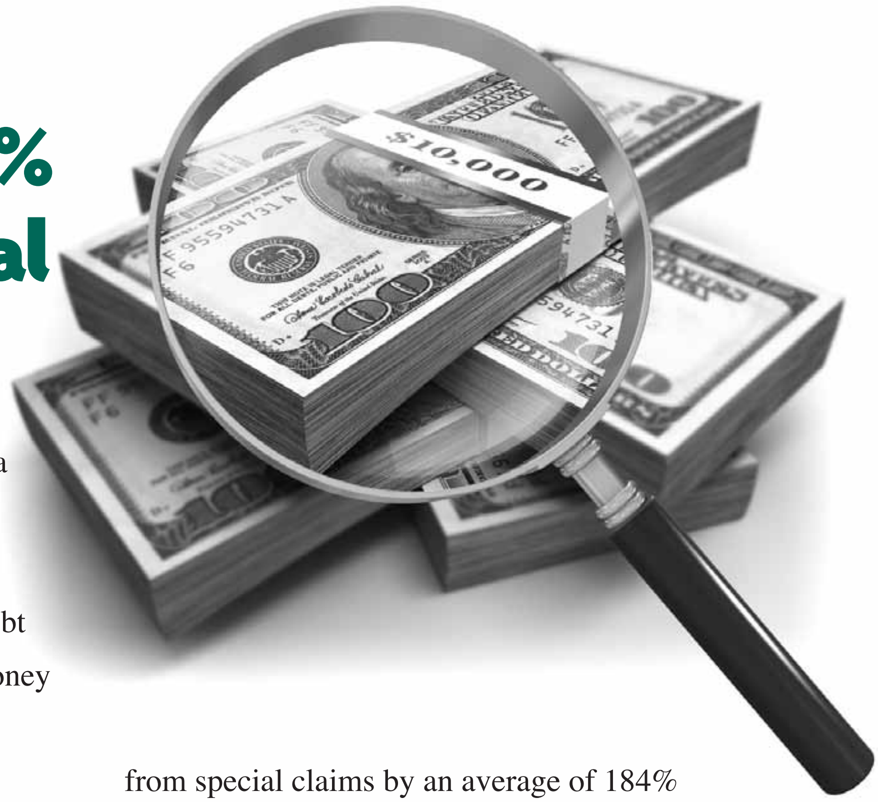

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BY MICHELLE KITCHEN

Section 8 Reform Is Attractive, Barring Amendments

I WOULD LIKE TO BEGIN THIS month's article on a high note. The House Financial Services Republican Majority staff has stated on several occasions that they want to pass a Section 8 reform bill. In fact, the committee held a hearing in late June to invite feedback on a discussion draft bill, the Section 8 Savings Act (SESA). Please see the article beginning on page one for more details about NAHMA's testimony.

Although the SESA bill has not been formally introduced as of press time, we know that Insurance, Housing and Community Opportunity Subcommittee Chair Judy Biggert will be the leading sponsor. The draft SESA includes many reforms from previous versions of the Section 8 Voucher Reform Act (SEVRA), which would have saved an estimated $731 million over five years. Based on NAHMA's meetings with House Appropriations Committee staff, the possibility of achieving substantial program savings makes SESA quite attractive at a time when money for housing programs is extremely tight.

AMENDMENTS CAUSE FOR CONCERN

As the process moves forward in the House, there are several amendments that Committee members may offer during the mark-up. These include but are certainly not limited to:

1. Making Section 8 assistance conditional on work requirements;
2. Placing time limits on Section 8 assistance; and
3. Striking the section which authorizes HUD to provide limited English proficiency technical assistance such as translated documents, an interpretation hotline, etc.

NAHMA has serious concerns about the impact that implementation of these amendments would have on property managers and residents.

First, HUD's data show that only four percent of Project-based Section 8 residents receive most of their income from welfare. This figure is 11 percent for voucher holders. In many cases, Section 8 tenants are already working, but simply not earning enough money to pay their rent without assistance. If the work requirements were imposed, somebody would have to oversee the tenants' compliance. NAHMA would oppose placing the responsibility on owners and agents for ensuring that residents comply with any work requirements.

Our concerns about time-limiting assistance are also substantial. First, HUD's data show that more than half of Project-based Section 8 tenants are elderly households. In the voucher program, 18 percent of households receiving assistance are elderly. NAHMA would vigorously oppose time limits on assistance to elderly or disabled households. Likewise, in the current economic climate, it is not clear that local judges would enforce evictions on Section 8 families who cannot pay their rent because their Section 8 assistance was terminated due to an arbitrary time limit.

Finally, some NAHMA members expressed concern that time-limiting assistance would simply move the family out of the Section 8 programs into the homeless pool.

NAHMA adamantly opposes any effort to derail the limited English proficiency authorization. This language was drafted by a coalition of multifamily stakeholders and civil rights advocates in consultation with HUD and congressional staff. It creates a process for stakeholders to identify documents for translation, sets a time limit by which HUD must produce the translations, creates a HUD-administered 1-800 interpretation hotline to supplement resources in the community and creates a Housing Information Resource Center to facilitate language services.

The LEP authorization is a more efficient use of scare housing dollars than requiring each property to translate its own documents. It also provides greater assurance that LEP residents will have access to accurate, quality translations regardless of the property's resources. We are actively working to educate committee members about why this legislation is so important and why it belongs in SESA.

No immediate actions on Section 8 reform legislation are planned in the Senate. A coalition of multifamily housing providers, public housing agencies and tenants' advocates are working to generate support for a bill in the Senate. Please check NAHMA's grassroots action webpage, www.nahma.org/content/grassroots.html, to find out how you can help!

WERE APPROPRIATIONS BROUGHT TO A HALT?

Members should be aware that the lack of a finalized congressional budget resolution, and the uncertainty over the depth of spending cuts that would be agreed to in the debt limit negotiations brought the appropriations process to a halt over the summer. Nevertheless, NAHMA strongly urges members to contact your senators and representatives to remind them that you support federal affordable housing programs. **NN**

Michelle Kitchen is Director, Government Affairs for NAHMA.

BY GREGORY PROCTOR

Low-Income Buildings Damaged by Casualty Events

THERE HAS BEEN QUITE A BIT of misunderstanding about how casualty losses are handled within the low-income housing tax credit industry. The misunderstanding and confusion has generated a great deal of questions, and those questions have generated some answers that have raised a few eyebrows and even created a few ah-ha moments.

The rash of major disasters that have occurred this year and in recent years have caused the IRS and Congress to provide legislation and procedures to help the owners and residents of affected affordable housing recover from such disasters. The problem is that with the legislation, casualty events are many times treated differently.

CASUALTIES TREATED DIFFERENTLY

As stated in Revenue Procedure 2007-54, a building (1) that is beyond the first year of the credit period and (2) that, because of a disaster that led to a major disaster declaration, has suffered a reduction in qualified basis that would cause it to be subject to recapture or loss of credit, will not be subject to recapture or loss of credit if the building's qualified basis is restored within a reasonable restoration period.

The agency that monitors the building for compliance with §42 determines what constitutes a reasonable restoration period, not to exceed 24 months after the end of the calendar year in which the president issued a major disaster declaration for the area where the building is located. If the owner of the building fails to restore the building within the reasonable restoration period determined by the agency, the owner loses all credit claimed during the restoration period and suffers recapture for any prior years of claimed credit under the provisions of §42(j)(1).

To put this in layman's terms, a taxpayer can continue to claim the credits for casualty events in presidentially declared disaster areas. However, this does not extend to properties suffering casualty losses outside of these declared disaster areas. It does not extend to the owner of a building that suffers a major fire that damages many of the units. Internal Revenue Code 42(j)(4)(E) provides relief from recapture of previously earned credits if the building is restored by reconstruction or replacement within a reasonable time. However, it does not provide authority for claiming the credit during the time that the building is being restored.

So, we have two casualty losses, two separate outcomes.

EFFECT ON OWNERS

These disparate outcomes have spurred lively conversations, questions and ah-ha moments. The biggest ah-ha moment is the fact, reiterated by the IRS, that credits, after the first year, are annual credits. As stated by the IRS, the credit is determined at the close of the taxable year under IRC §42(c)(1). Credit is determined on a monthly basis only for the first year of the credit period under IRC §42(f)(2)(A), and for additions to qualified basis under IRC §42(f)(3)(B). Otherwise, there is no authority to disallowing credits on a monthly basis.

How does this affect owners of properties suffering from casualty losses, you ask? Simple. Owners of buildings in presidentially declared disaster areas do not have to worry about loss of credits if the building is not placed back in service by the end of the year.

> An owner could have a unit that was in compliance for the entire year but have a fire in December that is not restored by December 31 and not be eligible to take credits for the entire year.

However, owners of buildings not in a declared disaster area will lose credits for the year if their units are not back on line by December 31. Because there is no way to calculate credits on a monthly basis after the first year, either a unit is in compliance on December 31 or it is not. The unit is either eligible for the credits or it is not. An owner could have a unit that was in compliance for the entire year but have a fire in December that is not restored by December 31 and not be eligible to take credits for the entire year.

So how do we deal with this problem? The obvious answer is, "Don't have a fire in December!" This treatment of ordinary casualty loss, down units and any other non-compliance on December 31 reminds us that we must keep our units in safe, decent and sanitary condition, we must keep certifications up to date, the households must be qualified and all other conditions of Section 42 must be followed. If this is not done on December 31, then credits cannot be claimed for the entire year, no matter if the units were in compliance every other day of the calendar year.

PRACTICAL SOLUTIONS

How do we really deal with this problem? There are a couple of answers here.

The first is for owners to protect themselves against these casualty losses (and any other non-compliance) that carry over to the next year by purchasing insurance against such losses. Insurance actually is available for loss of credits and can be quite reasonable, especially compared to the total loss of credits for the year.

The second is to affect a change in the way the IRS treats all casualty events. Most in the housing industry believe that the rules should be the same across the board. Whether the property is in a presidentially declared disaster area or not, the treatment should be the same, the opinion goes. That does make sense. Either all properties should be able to continue to take the credits or they should not be able to take them during the restoration period. There should not be a difference.

In either case, owners should look into ways to protect themselves from potentially catastrophic loss of credit in the same way they protect themselves from liability and loss of rents. **NN**

Gregory Proctor is the Chief Executive Officer of Windsor Compliance Services, Inc., of Lexington, Kentucky.

New PBCA Transitions Stalled

After two negative Inspector General reports were issued on its management of Performance Based Contract Administrators (PBCAs), HUD revised its Annual Contributions Contract (ACC) and launched a rebidding process for all PBCA positions in early 2011.

However, after the new PBCA selection announcements were made public in early July, a number of PBCAs filed protests with the Government Accountability Office (GAO) regarding some of the PBCA contract rebid outcomes. As of August 4, confirmed bid protests had been filed with GAO for PBCA contract awards in 34 of the 53 total states and territories which were rebid. However, the deadline for filing protests with GAO had not expired at press time.

WHAT THE CHALLENGES MEAN

On Friday, July 29, NAHMA participated on a conference call with HUD staff and industry colleagues to receive an update on the PBCA transition process.

At that time, HUD staff reported that the agency would continue the PBCA transition process in states for which challenges had not been filed with GAO. HUD planned to send out "grant award agreements" and relevant documents in mid-August. The new PBCAs were scheduled to assume their responsibilities on October 1.

However, HUD subsequently decided to suspend the PBCA transition process. At press time, NAHMA was waiting for HUD's formal announcement on the status of the PBCA transition. Current PBCA contracts end September 30, 2011.

IMPETUS, APPLICANTS AND METHODOLOGY

The impetus for requesting submissions to serve as PBCAs was two Inspector General reports on HUD's management of PBCAs which purported that the Department was not adequately controlling costs, did not protect resources from waste, did not emphasize quality in performance standards and was inadequate in its monitoring of PBCAs.

HUD informed NAHMA and industry colleagues that the rebid would save the Department close to $100 million in Project-based Section 8 administration for FY 2012 when compared to FY 2011 administrative costs, which are $326 million.

HUD received 150 applications from potential PBCAs for 53 contracts. HUD received two or more applications for most contracts. Only 10 contracts had no competition.

In terms of methodology, HUD stated that it first rated each applicant on a quality score based on capacity, technological proficiency, quality control plans, etc. A threshold quality score was set, and applicants above this score went on to the second phase of the selection process.

In the second phase, HUD looked at each fee proposal and divided the quality score by the fee proposal to come up with a ratio of quality-by-fee to determine rankings. HUD explained that this methodology resulted in selections based on quality and cost. The highest-ranked applicant for a state received the contract.

The contracts under the rebid were to have two-year terms. HUD said after the first year, it would evaluate the PBCAs and the process to determine whether to rebid some or all of the contracts, or whether to extend the contracts.

In cases where the rebid resulted in a contract transition between PBCAs, HUD intended to ask software providers to do a PBCA-to-PBCA transfer of the five-year data baseline. HUD also said the Department would work to ensure that owners were not negatively impacted by the transition.

NAHMA is closely following these developments and will continue providing updates on the PBCA transition process as more information becomes available. **NN**

Industry Rallies in Defense of HOME

In early May 2011, *The Washington Post* ran a series of front-page articles alleging mismanagement of HUD's HOME funds. The timing of the articles was especially unfortunate, as they coincided with HOME facing the possibility of severe cuts in the FY 2012 budget.

The articles had immediate repercussions, with the House Financial Services Committee scheduling an Oversight Hearing on the HOME Program for June 3.

As soon as the original articles appeared, NAHMA and other industry groups went into action. NAHMA sent a series of urgent messages to its members asking them to contact their members of Congress and describe their successful HOME-funded communities. NAHMA also collected success stories and submitted them to committee members en masse. It also bolstered its online Grassroots Action Center so that its members could understand the issues at hand, read the viewpoints of multiple stakeholders and respond from a foundation of accurate information.

Concurrently, The National Council of State Housing Agencies (NCSHA) worked with other industry groups to draft a letter in support of the HOME program, which was eventually signed by NAHMA and some 40 other organizations. NCSHA sent the letter to all members of the House Financial Services and Senate Banking Committees and to members of the House and Senate T-HUD Appropriations Subcommittees. Once those committees received it, the letter was sent to all members of the House Oversight and Government Reform Committee and all other members of the House and Senate Appropriations Committees.

After the Oversight Hearing, during which testimony was presented by HUD's Assistant Secretary for Community Planning and Development Mercedes Mãrquez and HUD's Assistant Inspector General for Audit James Heist, HUD Secretary Shaun Donovan published an op-ed article in *The Washington Post* entitled "The HOME Program I Know," in which he defended HOME and refuted the *Post*'s allegations of waste, fraud, mismanagement and abuse. (The op-ed article is at www.washingtonpost.com/opinions/the-home-program-i-know/2011/06/09/AGW6zqNH_story.html.)

DEFENDING THE MISREPRESENTED HOME PROGRAM

The articles in *The Washington Post* described HOME projects that were never completed and/or never begun. The reporter described in detail how developers and nonprofits allegedly received HOME funds but did not provide the promised housing and attributed the problems to lax oversight. The reporter also noted several times that HUD does not have authority to compel repayment of HOME funds. (To read the original articles, go to www.washingtonpost.com/investigations/special-reports/HUD-funding/.)

The letter prepared by NCSHA countered these allegations by noting that the articles distorted HOME's record by focusing on a very small percentage of HOME developments. "The reality is that HOME has successfully and cost effectively produced more than 1 million affordable homes for ownership and rental, as well as made additional homes affordable for tens of thousands of families with rental assistance," the letter said.

The letter noted that, in response to the *Post* article, HUD analyzed a majority of the developments that appeared to meet the Post's criteria for delayed developments and found that many of them are not actually delayed. In fact, a number of these "delayed" units are not only complete, but families are calling them home.

"The *Post* article also neglected to include in its discussion of delayed HOME developments the impact of the current housing and economic crisis, which has upended many planned developments, as well as some HOME ones," the letter stated.

In addition, "…the *Post* failed to report the bigger picture. HOME has produced 381,883 rental units, assisted 428,373 homebuyers, completed 197,780 rehabilitations, and helped 242,768 tenants since 1992. All HOME funds must be used to help low-income families. More than 96 percent of families who receive HOME-funded tenant based rental assistance and more than 80 percent of those in HOME-built rental units have incomes below 50 percent of area median income."

The letter noted that HOME funds are leveraged at a rate of $4 for every $1 of HOME funds, and that HOME funding is a vital piece in financing numerous affordable housing developments—many of which would otherwise not be able to go forward. "HOME complements and supports many critical federal housing programs, including Section 202 housing for the elderly, rural housing programs, and the Low Income Housing Tax Credit, making development financing feasible and achieving deeper income targeting. It also enables for-profit and nonprofit developers to provide affordable housing in their communities," the letter continued.

Signatories to the letter stated that "Any report of misspent taxpayer dollars is disturbing and we fully support efforts to ensure all HOME funds are properly used. However, the isolated issues that were the focus of the *Post* article are not representative of either the administration or the outcome of HOME funds.

"We are proud of the impact that HOME has made in communities across the country."

The letter urged legislators to support the HOME program "and help it to continue building on its solid legacy of producing decent, affordable homes." **NN**

FMR Demo Project Raises Concerns

On April 20, 2011, HUD's final notice establishing the Small Area Fair Market Rent (FMR) Demonstration Project and requesting participation from metropolitan public housing agencies was published in the *Federal Register*. The purpose of the demonstration is to evaluate whether setting FMRs at more localized areas would allow public housing agencies (PHAs) greater fiscal efficiency and provide assisted families increased housing opportunities.

In general, the FMR for an area is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent and safe rental housing of a modest (non-luxury) nature with suitable amenities.

The FMR demonstration project will take certain pre-selected metropolitan areas and test the effects of setting FMRs for ZIP code areas.

Currently, metropolitan areas have only one FMR; however, HUD asserts there are typically areas within a metropolitan area where the market rents are much lower or higher than FMR, potentially causing rent inflation in some areas, and effectively shutting out voucher families in others.

However, HUD intends to use the most recent five-year (2005-2009) ACS data to calculate small area FMRs for PHAs participating in the demonstration. HUD believes the ACS will have sufficient data at the small area level available to permit the calculation of statistically reliable FMRs for many metropolitan areas.

The demonstration program's success, according to HUD, is contingent upon having participation from voucher programs in a metropolitan area that covers a majority of tenants in that area. Demonstration PHAs must administer at least 80 percent of the voucher tenants in that metropolitan area. A PHA which represents a smaller percentage of the voucher population may only participate by making a joint request with other PHAs in the same metropolitan area.

PHAs needed to apply for the demonstration project by June 6, 2011. Although HUD was expected to select PHAs to participate in the demonstration on or around July 1, 2011, at press time they had not yet been announced.

The Small Area FMRs are expected to alter some administrative responsibilities of PHAs that administer HCV programs, but HUD has said it is unknown what the net effect on administrative costs will be.

PHAs needed to apply for the demonstration project by June 6, 2011. Although HUD was expected to select PHAs to participate in the demonstration on or around July 1, 2011, at press time they had not yet been announced.

DEMONSTRATION

The demonstration program only applies to the Housing Choice Voucher (HCV) program. All other programs will continue to use area-wide FMRs established by the October 4, 2010 Federal Register notice, located at www.gpo.gov/fdsys/pkg/FR-2010-10-04/pdf/2010-24465.pdf.

Project-based voucher (PBV) units for which a notice-of-owner selection was issued as of the effective date of the PHA's participation in the demonstration will not be subject to the Small Area FMRs. This includes PBVs that are currently under a Housing Assistance Payment (HAP) contract.

The area-wide FMRs will continue to apply to these PBV units, thus ensuring the viability of PBV projects that were in the development pipeline and had obtained financing based on area-wide FMRs. However, any PBVs for which a notice-of-owner selection is issued after the PHA is selected to participate in the demonstration will be subject to the Small Area FMRs.

PHAs interested in project-based units and owners interested in participating in the PBV program after a PHA is participating in the demonstration should be aware of the Small Area FMRs in place, and owners are expected to project costs and plan accordingly. HUD has said it will monitor the impact on PBV units closely throughout the demonstration, will continue to assess the likely impact of Small Area FMRs on other programs, and will provide another opportunity for public comment on the issue at a future date.

HUD intends to maintain the state minimum as its Small Area FMR floor in conjunction with current practice.

NAHMA'S TAKE ON THE DEMONSTRATION

Late last year, in the context of negotiations on HR 3045, the Section 8 Voucher Reform Act (SEVRA) legislation, NAHMA participated in conference calls with HUD and congressional staff about changes to FMRs. At that time, HUD was pushing for statutory language to allow it to set FMRs at the smallest area practical, which NAHMA believes would have implemented the Small Market FMR without any evaluation of the effects.

Although NAHMA has serious

concerns about potential effects of this demonstration, a demonstration program is a preferable option compared to a statutory change that would have impacted all metro FMRs. A voluntary demonstration program will give HUD the opportunity to evaluate the impact of FMRs by ZIP code in metro areas before it decides if the program should be expanded. HUD has stated it will provide a public opportunity to review and comment on the results of the demonstration program before making any changes or expanding it.

NAHMA members are concerned the Small Market FMRs will result in lower rents in less desirable rental markets, which would create additional challenges for properties—especially those with low-income housing tax credits (LIHTCs) and a high number of voucher holders—operating in those markets. Properties that have ongoing vacancy issues may find themselves in more difficult financial situations under the Small Market FMRs than they experienced under the current metropolitan-based FMRs. The properties in less desirable areas often have limited cash flow. If this policy results in additional vacancies, the financial solvency of a project may be in jeopardy.

NAHMA members also worry that setting FMRs at the ZIP code level could significantly change FMRs for some properties in high-rent markets. The Small Market FMR program would create a single FMR in ZIP codes with multiple rental markets—meaning that particular FMR would apply across urban, suburban and/or sparsely populated areas.

NAHMA is also very concerned by the large number of unknowns, including:

- The overall impact of Small Market FMRs on housing choice vouchers;
- The impact of the new Small Market FMRs on property operations, especially in low-income housing tax credit properties with voucher holders;
- The accuracy of voucher rents in the small markets, when compared to the current metropolitan FMRs;
- Whether the Small Market FMRs program will ultimately be expanded to all vouchers in metropolitan areas and
- When that roll-out might occur; and
- If HUD might consider using the Small Market FMRs in the future to help determine project-based Section 8 rents in metropolitan areas.

NAHMA COMMITTED TO MONITORING CHANGES

NAHMA will continue to monitor HUD's proposed changes to FMRs, including this new Small Market FMR demonstration program.

NAHMA invites its members to provide additional feedback on how this change in FMR may impact their properties if implemented on a national scale. In the meantime, NAHMA is particularly interested in hearing about impacts from members whose PHAs participate in the Small Market FMR program later this year. **NN**

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Together we'll go far

NAHMA Takes Vegas by Storm!

NAHMA MEMBERS WHO ATTENDED ITS SUMMER MEETING in Las Vegas were not disappointed in the return on their investment. For the second straight year, NAHMA's meeting on housing policy was co-located with National Apartment Association's (NAA) Education Conference and Exposition, making it possible for participants to have the maximum opportunity for learning and networking

Held at the beautiful Mandalay Bay Hotel and Casino, NAHMA members were treated to a wide range of stimulating, educational and enjoyable events. There were also committee meetings, special events like the presentation of the Vanguard Awards, a keynote address by then HUD Deputy Assistant Secretary of Multifamily Housing Carol Galante, and a very entertaining House of Blues party.

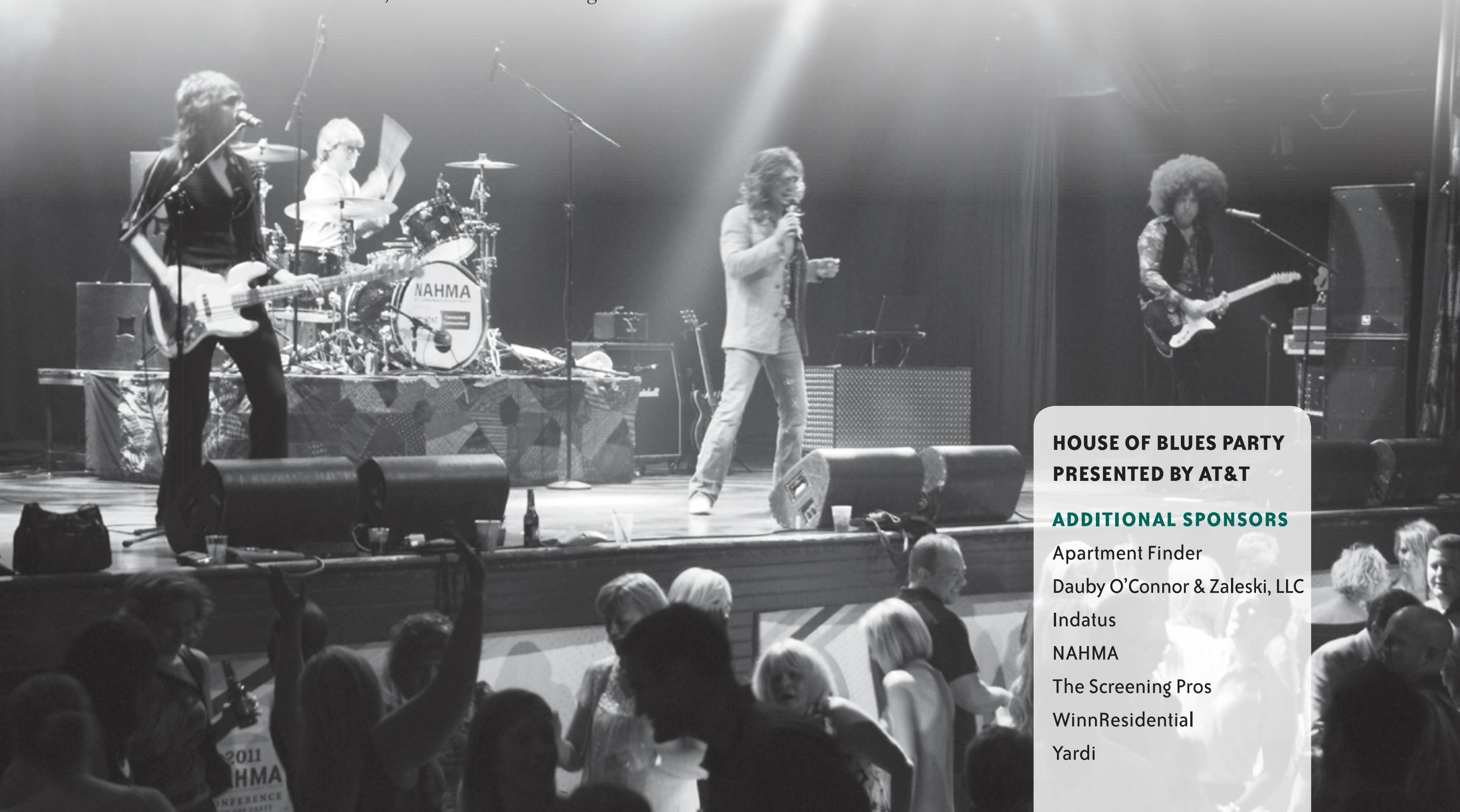
NAHMA was also well represented at the NAA meeting, where its members presented four sessions. These included:

- Case Studies on Creative Turnaround of Troubled Properties into Award-Winning Affordable Housing
- Preserving Aging Affordable Housing, and When to Green and Not to Green in the Process
- Top Ten Tips for Preparing for and Successfully Completing Your Tax Credit Compliance Reports and Inspections
- Managing Conflicting Requirements in Multi-Financed Affordable Housing

NAHMA's next annual meeting will be held this fall in Washington, D.C., from Oct. 23-25. For more details, visit www.nahma.org. **NN**

ABOVE: **Tim Zaleski speaks at NAHMA's Managing Conflicting Requirements in Multi-Financed Affordable Housing panel presentation.**

BELOW: **NAHMA hosted a lively welcoming reception at the House of Blues at Mandalay Bay.**



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VANGUARD AWARDS

Innovation in New Construction and Major Rehabilitation

In June, NAHMA announced the newly selected second annual Vanguard Awards, which recognize innovation in newly developed or substantially rehabbed affordable multifamily housing communities. The awards showcase high-quality design, unique financing strategies, and enhanced resident services that result in enriching housing experiences for residents.

The Vanguard Awards celebrate success and new benchmarks in the multifamily affordable housing industry. The award:

- Pays tribute to developers of high-quality affordable housing;
- Demonstrates that exceptional new affordable housing is available across the country and is a positive addition to any neighborhood;
- Demonstrates that the affordable multifamily industry must be creative and innovative given the financing and other challenges to development;
- Highlights results of private-public partnerships required to develop today's affordable housing; and
- Shares ideas for unique design and financing mechanisms with industry practitioners to further stimulate creative development, resulting in exceptional properties in the affordable multifamily industry.

There are three winners in two categories of Vanguard Awards. (Details follow and can also be found at www.nahma.org/content/vanguard.html). The winners are:

Vanguard Award for New Construction:

- Small Property (under 100 units)—City Arts, Baltimore, MD
- Large Property (over 100 units)—Commons at Buckingham, Columbus, OH

Vanguard Award for Major Rehabilitation of an Existing Rental Housing Community:

- Ashland Village—San Leandro, CA

The judges of this year's Vanguard Awards were NAHMA owner/developer members from across the country. They included Raquel Guglielmetti (Northwest Real Estate Capital Group); Carole Glodney (G&K Management Company, Inc.); Jim McGrath (PRD Management); Michael Johnson (ALCO Management, Inc.); and Dan Murray (Corcoran Jennison Management).

A brief summary of the award-winning developments follows.

CITY ARTS is a striking new development whose construction is helping revitalize the Greenmount West Community of Baltimore, Maryland, which has seen no new housing development since the early 1900s. City Arts was a joint venture of three nonprofit organizations: Homes for America, Jubilee Housing and TRF Development. It is managed by Winn Residential. Envisioned in large part as affordable housing for artists in the area, City Arts features a large, first-floor gallery with floor-to-ceiling windows that draws the community into the building and helps resident artists sell their work. City Arts features 58 loft-style apartments for artists and 11 apartments set aside for very low income persons with disabilities. Support for the project came from a wide range of local groups, organizations and the city government, but it faced serious financial challenges. The project was awarded nearly $1.4 million in Low Income Housing Tax Credits but did not receive any low-interest Rental Housing Program funds from the state and initially had a funding gap of $2.5 million. Fortuntely, when Maryland received Tax Credit Assistance Program (TCAP) funds from HUD, City Arts competed for and received over $2.6 million of TCAP funds. Bank of America provided construction financing, a permanent loan and purchase of the LIHTCs. The project was completed two months ahead of schedule and was brought in $294,000 under budget. Resident services cater both to the artists, who are typically a younger group of 20-to-30 year olds, and the non-elderly persons with disabilities. City Arts has a service plan sensitive to the needs of both populations while making sure all of the residents are treated as a cohesive community.

From left, HUD Deputy Assistant Secretary of Multifamily Housing Carol Galante, City Arts Vanguard Award winners and NAHMA President Scott Reithel.

THE COMMONS AT BUCKINGHAM was developed in downtown Columbus, Ohio, by National Church Residences (NCR) to address the housing and supportive services needs of the formerly homeless and disabled. The 100-unit, four-story community offers 25 units for

The Commons at Buckingham representatives receive their award.

low-income disabled men and women, and 75 units offer permanent supportive housing for chronically homeless and disabled candidates of Columbus's Rebuilding Lives Initiative, which is administered by the Community Shelter Board. The Commons at Buckingham is unique in that it is the first NCR project to implement the "community engagement program," which requires residents to be engaged in employment, vocational or educational training, or volunteer community service within a year of moving into the property. It took seven different funding sources to develop The Commons at Buckingham, and the site had serious environmental issues to overcome. Still, it was built with energy conservation in mind and received a platinum rating from the Leadership in Energy & Environmental Design (LEED) certification program of the U.S. Green Building Council. Platinum is LEED's highest rating. This certification verifies that strategies were employed to improve energy savings, water efficiency, carbon emissions reduction, indoor environmental quality, and stewardship of resources. Residents benefit as well from on-site supportive services, including a professionally staffed Resource Center that helps residents prepare for and find jobs; a health and wellness clinic; and opportunities for socialization and recreation, among others. The Commons at Buckingham is owned by The Commons at Buckingham Housing Ltd. Partnership and is managed by NCR.

ASHLAND VILLAGE is a 142-unit affordable apartment community located in unincorporated Alameda County, California in an area called Ashland. The apartment complex was originally built in the 1980s, and before Eden Housing acquired the property, it was at risk of being converted to market-rate housing. Eden Housing's success in acquiring, renovating and preserving this affordable housing was jeopardized at the 11th hour by the national economic crisis. Its original lender went out of business, California froze state bond sales, and a technical violation of the tax credit's 10-year rule due to the inheritance structure had to be overcome.

Fortunately for Eden, Bank of America agreed to underwrite the loans without the bond program's deeper income targeting, and Alameda County agreed to increase its permanent loan by $5 million to bridge the potential gap during construction. Renovations of the $34 million project include numerous unit and exterior upgrades as well as a new community room. The most exciting design element of the rehab is the construction of a new, 2,600 sq. ft. community building, which contains space for meeting and socializing, a computer lab and other resources. Perhaps the greatest achievement is that existing and new residents have acclimated to the new rules and culture of the Eden management team, resulting in a safe and secure working and living environment for its residents, employees and the surrounding community. Ashland Village Apartments LP is the owner and Eden Housing Management, Inc. provides property management. **NN**

Representatives from Ashland Village accept their Vanguard award.

NAHMA Weighs in on USDA-RD Regulatory Burdens

In its April 20 *Federal Register* notice, USDA requested feedback on five questions intended to help the Department prioritize which regulations should be reviewed, which should be improved and which should be eliminated altogether in assessing how regulations could be made more effective and less burdensome.

NAHMA responded with written comments to USDA's Office of Budget and Program Analysis as the questions applied to USDA-Rural Development's (RD) multifamily rental assistance programs.

NAHMA urged USDA-RD to use its review as an opportunity to:

- Provide additional flexibility in the regulations to deal with economic and operational realities associated with rural housing;
- Discourage excessive focus over the processes owners and management agents must use to demonstrate regulatory compliance;
- Place an emphasis on the "reduction" component of the Paperwork Reduction Act as it applies to multifamily forms and information collections; and
- Keep its regulations current, easy to understand, and fully transparent.

USDA's questions, and NAHMA's specific recommendations, follow.

Q: Are there regulations or reporting requirements that have become outdated and, if so, how can they be modernized to accomplish their regulatory objectives better?

High Vacancies Equal Hardship: NAHMA noted that many rural multifamily properties that receive government assistance were underwritten with vacancy levels of three-to-five percent. However, economic realities have negatively affected populations in rural areas. Many prospective tenants, including the elderly or disabled, who have seen their incomes reduced or lost their jobs cannot afford to live in affordable rural housing without some form of rental assistance.

NAHMA believes properties with vacancies that exceed five percent for at least three consecutive years face serious financial challenges. If the vacancy rate reaches 10 percent, the property is in serious financial trouble. High vacancy levels are financially unsustainable and reduce the funding available for property operations and upkeep. NAHMA believes that USDA-RD can help increase property occupancy by requesting that Congress provide additional flexibility in the statute (42 U.S.C. 1485) and by revising its outdated tenant eligibility requirements (7 CFR 3560.152) and assigning rental assistance (7 CFR 3560.257) regulations.

7 CFR 3560.152 Tenant Eligibility Requirements (d) Ineligible Tenant Waiver: The ineligible tenant waiver offers a temporary solution to properties' vacancy problems; however, NAHMA members report the waivers are very difficult to obtain from RD field offices. Often, they report, RD field offices will only approve ineligible tenant waivers for properties experiencing vacancy rates of 25 percent or more, and the waiver may only be used for one year.

Department staff told NAHMA it closely restricts the waivers for ineligible tenants due to statutory language (42 U.S.C. 1485) that limits assistance for USDA-RD's direct loan programs to very-low, low and moderate-income tenants. The waivers are only intended as a short-term remedy; they are not intended to be used to ensure the long-term financial solvency of the property.

NAHMA believes a long-term vacancy issue exists when a property experiences five percent or more vacancy for three years or more. NAHMA encouraged USDA-RD to revise the regulation to provide as much flexibility for the income ineligibility waiver as possible and ask Congress for a statutory change that would allow income ineligibility waivers for properties with demonstrated long-term vacancy problems.

7 CFR 3560.257 Assigning Rental Assistance: Under this regulation, USDA-RD provides rental assistance to qualified current residents first and then qualified households on the property waiting list, regardless of the severity of the need. Although this rule is well-intentioned, NAHMA members have found this regulation can work against increasing occupancy rates in rural buildings.

Often, there are tenants on the waiting list who cannot afford rents at a rural property without some form of rental assistance. When rental assistance becomes available, the rule requires that current residents who may qualify as rent-burdened receive the assistance, even if there is a family on the waiting list with a greater financial need. NAHMA members believe this is a missed opportunity to increase the number of very-low income households in rural properties while addressing vacancy problems. NAHMA urged USDA-RD to re-evaluate the current preference system.

Late Tenant Certifications
7 CFR 3560.702 Unauthorized Assistance Sources and Situations
7 CFR 3560.705 Recapture of Unauthorized Assistance
USDA-RD regulations allow the recapture of unauthorized assistance, when the assistance was obtained due to inaccurate, incomplete or fraudulent information, regardless of whether the resident or management agent provided it. Managers affiliated with NAHMA report instances in which they had to return their management fees to USDA-

RD when tenant certifications were late because of tenant noncompliance.

Although these managers made and documented good faith efforts to get the tenant to comply, they were required to forfeit fees. NAHMA strongly urged USDA-RD to provide more flexibility in the regulations to avoid penalizing management agents who act in good faith.

Q: Do agencies currently collect information that they do not need or use effectively to achieve regulatory objectives?

NAHMA's comments discussed eliminating the borrower certification within the annual financial reports to USDA-RD, as it is redundant, noting that all of this information is available in the annual property audit, which must be submitted to USDA-RD via the MINC system.

Q: Is there information that agencies should begin collecting to achieve regulatory objectives?

NAHMA encouraged USDA-RD to analyze existing vacancy data available through the MINC system. Further analysis would provide additional information on the trends and locations of the vacancies, which would help RD understand the extent of the growing vacancy problem and develop additional tools to address this issue.

Q: Are there regulations, reporting requirements or regulatory submission or application processes that are unnecessarily complicated?

USDA-RD, HUD and NAHMA participate in the White House's Rental Housing Harmonization Group, dedicated to identifying opportunities to streamline regulatory and statutory conflicts between the federal government's housing programs. NAHMA believes that streamlining USDA-RD's tenant certification and verification regulations with those issued by HUD would help the agencies move closer to the goals established by the harmonization group.

The regulation on tenant eligibility requirements and tenant certification and verification requires a full recertification of a tenant household every time their household income changes $100 or more per month. This results in a tremendous amount of work for site staff and residents alike. NAHMA encouraged USDA-RD to streamline the regulation with HUD's tenant certification and verification policies, which require one full recertification annually and an interim certification whenever a family's income changes by $200 or more in a month or when the family requests the interim certification.

Q: Can new technologies be used to modify, streamline, or do away with existing regulatory or reporting requirements?

NAHMA urged USDA to request a statutory change to permit the use of the EIV system for income verification in RD's multifamily housing programs.

Currently, only Section 515 properties that receive Project-based Section 8 assistance may access the EIV system. No other rural housing program may use it because USDA is not a party to the computer matching agreements with HHS and SSA. The computer matching agreements are governed by the Privacy Act and the Social Security Act. Statutory changes are necessary for USDA to join the agreements.

Access to the EIV system would allow rural housing providers to check reported income against Social Security (SS), Supplemental Security Income (SSI), new hires (W-4), and wage and unemployment compensation records, ensuring the right benefits go to the right people.

In addition, access to the system would streamline income certification regulations and reporting requirements between multiple programs.

NAHMA will continue to work with USDA-RD to resolve the growing vacancy problems and streamline the regulatory and statutory differences between USDA-RD and HUD's affordable housing programs. **NN**

House Considering Transfer of RHS to HUD

ON MAY 19, 2011, THE HOUSE OF REPRESENTATIVES ISSUED A DISCUSSION DRAFT of a bill cited as the FHA-Rural Regulatory Improvement Act of 2011, which proposed, among other things, that "all functions, personnel, assets, and liabilities of the Rural Housing Service of the Department of Agriculture" be transferred to HUD.

On Wednesday, May 25 the House Financial Services' Insurance Housing, and Community Opportunity Subcommittee held a hearing on this draft legislation, which would also increase the FHA mortgage capital ratios and down payments.

Several organizations, including the National Association of Home Builders (NAHB) and Self-Help Enterprises (testifying on behalf of the Housing Assistance Council and the National Rural Housing Coalition), said they believed the transfer would not streamline or improve services because HUD was not set up to deliver programs to small rural areas.

NAHMA has adopted a neutral position on the proposed RHS transfer in order to study the issue further. However, NAHMA opposes the draft bill as written due to its provisions on FHA mortgage capital ratios and down payments. NN

Foundation Awards 30 Scholarships in 2011

NAHMA Educational Foundation Chairperson Wayne Fox announced the awarding of 30 scholarships at the annual Summer Meeting in Las Vegas on June 22. The 2011 recipients listed here received grants ranging from $1,000 to $2,000 for a grand total of $34,500.

These students come from eight different AHMAs and represent a wide range of management companies. Competition for this year's awards was extremely rigorous. These selected students all have outstanding academic credentials, as well as a wide range of extracurricular activities and involvement in community service.

The chart at the right lists information for each scholar in the following order: AHMA, name and amount of scholarship, community, management company, school and major.

AHMA PACIFIC SOUTHWEST

MASHID JAMI—$1,000
Terraces Apartments, Escondido, CA
Solari Enterprises
California State-San Marcos
Biochemistry

NATALIE SAMARJIAN—$1,000
La Brea Franklin Apartments, Los Angeles
Thomas Safran & Associates
UCLA (Graduate Student)
Law

AHMA EAST TEXAS

ASHLEY GLOSTER—$1,000
Yale Village, Houston, TX
Interstate Realty Management Company
Xavier University
Pre-med

AHMA WASHINGTON

SHANNON FOUTCH—$1,000
Clarkston Gardens, Clarkston, WA
Cambridge Management
Walla Walla Community College
Nursing

RUBY LI—$1,000
Seattle, WA
Seattle Housing Authority
Fashion Institute of Technology
Fashion

NASRO MOHAMUD—$1,000
New Holly
Seattle Housing Authority
Washington State, Pullman
Undeclared

QADRO MOHAMUD—$1,000
New Holly
Seattle Housing Authority
Washington State, Pullman
Undeclared

KIM RICE—$1,000
Cottonwood Glenn, Clarkston, WA
Cambridge Management
Lewis & Clark State, Lewiston, ID
Nursing

JAHMA

LEAH BARTELS—$1,000
Princeton Community Village, Princeton, NJ
Princeton Community Housing
Brandeis University, Waltham, Massachusetts
Graphic Design

RONALD LICAIRAC—$1,000
Chestertowne Village, Moorestown, NJ
MEND, Inc.
Rutgers University, New Brunswick, NJ
(Graduate Student)
Statistics

MID-ATLANTIC AHMA

DANIEL LATRICE—$1,000
Sterling Trace, Danville, VA
Edgewood Management
Averett University, Danville, VA
Business Administration

NAANA FERDNANCE—$1,500
Langley Square Apartments, Hampton, VA
Being Determined
Undecided
Undeclared

SHARELLE FLEMING—$1,000
Franklin Heights, Harrisonburg, VA
Franklin Heights LLC
University of Phoenix, Phoenix, AZ
Business/Finance

NEW ENGLAND AHMA

MIKE CHAYKLER—$1,000
Pequot Highlands, Salem, MA
Winn Residential
Massachusetts College of Pharmacy & Health Sciences, Boston
Pharmacy

TANISSA ENOS—$1,000
Codman Square Apartments, Boston
Winn Residential
College of New Rochelle, New Rochelle, NY
Psychology

PAOLA EZQUIVEL—$1,500
Greenwich Housing Authority, Old Greenwich, CT
Housing Authority of Greenwich
University of Connecticut , Storrs, CT
Psychology

LESLIE PINTO—$2,000
Country Village, Waterbury, CT
Fairmount Heights, LP
University of Connecticut, Storrs, CT
Psychology

CLAIRE RUFF—$1,000
Stony Brook Commons, Boston
First Realty Management
University of New Hampshire, Durham, NH
Athletic Training

JESSAY-GAYE TOMLINSON—$1,000
Davis Commons, Brockton, MA
First Realty Management
Mass. College of Liberal Arts, North Adams, MA
Undeclared

TERRY WOOLARD—$2,000
Old Middletown High School, Middletown, CT
CITM
Central Connecticut State, New Britain, CT
Business Management

Art Contest Winners Imagine a Magical World

THIS IS THE SILVER ANNIVERSARY YEAR: 25 years in a row, NAHMA has held an art/calendar contest for the residents of its member companies' communities. Many thousands of people young and not so young have participated, both at the AHMA level and at the national level.

In addition to the drug-free message that has been carried through for a quarter of a century, this year's contest had a new sub-theme that reinforces a message about positive uses of time. The theme was "Open Doors with Your Imagination," and the sub-theme was "Explore the Magical World of Books and Reading." The winning artwork will be featured in the 2012 calendar.

The grand-prize winner this year is Jordan Butler, a sixth grader from Warner Robins, Ga. His artwork was submitted by SAHMA and will appear on the cover of NAHMA's 2012 calendar. He also will receive a scholarship of $2,500 from the NAHMA Educational Foundation, as well as a trip to Washington, DC, where he will be honored at NAHMA's Fall Meeting in October 2011.

In addition to Jordan's cover art, 13 additional winners will have their work displayed on the inside pages of the calendar. Each of these winners will receive a $1,000 check for educational expenses from the Foundation. Seniors who win will receive cash awards made in the name of their community for use in purchasing a gift that will benefit all of the community's residents (e.g., books for the library, appliances for a community room, etc.). These winners will also appear in the 2012 calendar.

Artwork that earned an honorable mention will be featured in a special section of the calendar.

Calendars may be ordered beginning in September 2011 by calling (703) 683-8630, ext. 15 or ordering from NAHMA's website at www.nahma.org. Calendars cost $5.50.

PENNDEL AHMA

BARBARA MALEK—$1,000
Newberry Estates, Williamsport, PA
Community Realty Management
Temple University, Philadelphia
International Business

THIEN-HUONG NGUYEN—$1,000
Stoneybrook Townhomes, Claymont, DE
Arbor Management
University of Delaware, Newark, DE
Accounting/Finance

SAHMA

TYRONDICA BRADLEY—$1,000
Saddlewood Apartments, Northport, AL
Morrow Realty
Shelton State Community College, Tuscaloosa, AL
Respiratory Therapy

CRYSTAL CARTER—$1,000
North Hills Manor, Meridian, MS
Interstate Realty Management Company
East Central Community College, Decatur, MA
Nursing

TINA JONES—$1,000
North Hills Manor, Meridian, MS
Interstate Realty Management Company
Meridian Community College, Meridian, MS
Nursing

KARLEN MCCREE—$2,000
Southlawn Commons, Montgomery, AL
Summit Housing Partners
Auburn University, Montgomery
Accounting

ANNA MCNEAL—$1,500
Sunflower Lane Apartments, Clarksdale, MS
Interstate Realty Management Company
Coahoma Community College, Clarksdale, MS
Nursing

TESHA PAYSEN—$1,000
Lincoln Village, Hodgenville, KY
Franklin Asset Management Company
University of Louisville, Louisville, KY
Athletic Training

DONNA PRESLEY—$1,000
Battery Heights, Chattanooga, TN
Lookout Property Management
University of Tennessee, Chattanooga
Religious Studies

LEIGH PRINCE—$1,000
Hilldale Apartments, Tupelo, MS
Interstate Realty Management Company
Northeast Mississippi Community College, Booneville, MS
Culinary Arts

For more information about the scholarship program, contact Dr. Bruce Johnson at BJohnson@themichaelsorg.com.

COQ Awards Deadline Coming Up!

NOVEMBER 11, 2011 IS THE SUBMISSION DEADLINE FOR ENTRIES to NAHMA's 2011 Communities of Quality® Awards program. The Communities of Quality® (COQ) Awards recognize outstanding property management companies that are providing the highest possible quality of safe, affordable multifamily rental housing in communities across the country.

Distinctive affordable multifamily housing is the hallmark of excellence in property management. Each year, NAHMA's Communities of Quality® Awards recognize the best in the industry.

The COQ awards are co-sponsored, with NAHMA, by HD Supply™ Multifamily Solutions, a leading supplier of maintenance and renovation products to the multi housing industry.

Now in its 18th year, the awards competition includes five categories:

- **Exemplary Family Development**
- **Exemplary Development for the Elderly**
- **Exemplary Development for Residents with Special Needs**
- **Exemplary Development for Single Room Occupancy Housing**
- **Outstanding Turnaround of a Troubled Property**

To conduct the judging, NAHMA assembles an independent panel of representatives from the affordable housing arena, including government, academia and trade associations, to review the entry materials. Award winners will be notified in early January 2012, and will receive their awards in a special ceremony at the NAHMA 2012 winter meeting in Washington, DC, on Monday, March 12.

"It is with great pride that NAHMA continues to promote and manage the Communities of Quality® Program. Year after year, winners of NAHMA's Communities of Quality® Awards demonstrate the commitment of property owners and managers nationwide to provide low- to moderate-income residents with the quality affordable housing that is worthy of resident and community pride," said NAHMA President Scott Reithel, NAHP-e.

"As a leading supplier to multifamily properties nationwide, HD Supply Multifamily Solutions is extremely proud to support an award that honors those properties making changes to enhance their communities and ultimately resident life." said Walter Morgan, National Account Manager, HD Supply Multifamily Solutions. "Giving back to the community is a value HD Supply associates incorporate into their personal and work life, and it is a pleasure to actively share this value with our customers in the multifamily industry."

COQ awards entry materials should be submitted to NAHMA by November 11, 2011, c/o NAHMA COQ Awards Entry, 400 N. Columbus Street, Suite 203, Alexandria, VA 22314. For more information on the submission process, go to www.nahma.org. NN

Grand Prize Winner: Jordan Butler, Grade 6, Randall Heights Apts., Warner Robins, GA, Hallmark Mgmt., SAHMA

Winners:

Adaw Bagat, Grade 10, Paradise Valley, Phoenix, AZ, Biltmore Properties, AHMA Pacific Southwest

Abimbola Bolarinwa, Grade 2, Oak Court Apts., Palo Alto, CA, Palo Alto Housing Corp., AHMA NCNH

Marian Daniels, Senior, Labelle Towers, Highland Park, MI, CSI Support & Development Services, MAHMA

Zudarius Glass, Grade 2, North Hills Manor, Meridian, MS, Interstate Realty Mgmt., SAHMA

Makayla Mason, Grade 4, Stratton Hill Park Apts., Worcester, MA, Corcoran Mgmt., NEAHMA

Carol Matthews, Senior, St. Francis Manor, Sacramento, CA, Eugene Berger Management Company, AHMA NCNH

Emari Moody, Grade 1, North Hills Manor, Meridian, MS, Interstate Realty Mgmt., SAHMA

Greg Moore, Grade 12, The Fairways, Worcester, MA, First Realty Mgmt., NEAHMA

Miranda Morgan, Grade 7, Bay Village Apts., Fall River, MA, First Realty Mgmt., NEAHMA

Setbonyem Quire, Grade 9, Oxford Gardens, Providence, RI, First Realty Mgmt., NEAHMA

Bette Shapiro, Senior, Ocean Park Villas, Santa Monica, CA, G & K Mgmt., AHMA Pacific Southwest

Jonathan Tucker, Grade 12, Council Groves Apts., Missoula, MT, Tamarack Property Mgmt., Rocky AHMA

Eugene Weasel, Jr., Grade 9, Council Groves Apts., Missoula, MT, Tamarack Property Mgmt., Rocky AHMA

Honorable Mentions:

Passone Nettles, Grade 11, Rolling Hills, Pottstown, PA, Interstate Realty Mgmt., PennDel AHMA

Jazmin Moreno, Grade 8, Fawn Ridge Apts., The Woodlands, TX, Summit Housing Partners, AHMA East Texas

Robbie George, Grade 7, Winteringham Village, Toms River, NJ, Interstate Realty Mgmt., JAHMA

Lexanni Carrillo, Grade 1, Casa de Manana, Corpus Christi, TX, Wedge Mgmt., Southwest AHMA

IN LATE JULY, USDA-RD SENT OUT A NUMBER OF NEW Administrative Notices (ANs) and Unnumbered Letters (ULs) clarifying and updating policies that impact rural multifamily housing. AN 4588 "Definition of an Essential Community Facility" clarifies the definition of essential community facilities for the purpose of loan eligibility under RD Instruction 1942-A, Section 1942.17(d)(1)(i)(B). The term "facility" contained in RD Instruction 1942-A, section 1942.17(b), is also clarified (www.rurdev.usda.gov/SupportDocuments/an4588.pdf); AN 4586 "Affirmative Fair Housing Marketing Plans for Community Facilities Projects" advises field staff that Form HUD-935.2, "Affirmative Fair Housing Marketing Plan," is required for certain housing-related projects financed through the Community Facilities loan and grant program (www.rurdev.usda.gov/SupportDocuments/an4586.pdf); A UL on "Multi-Family Housing Administrator Exception Authority Requests" reinforces the documentation requirements contained in Agency regulations for multifamily housing administrator exception authority requests. The intended outcome is to improve the quality of requests to ensure a prudent, timely and effective response (www.rurdev.usda.gov/SupportDocuments/uljuly11.pdf).

USDA NEWS

IN JUNE AND JULY, USDA-RD ISSUED A NUMBER OF UPDATES to policies that affect the rural multifamily programs. They are as follows:

- Items of interest from Procedure Notice, located at www.rurdev.usda.gov/regs/pn/SP070111.html. These refer to Guaranteed Single Family Housing Loans: Revised to update the Low and Moderate Income Limits for the Guaranteed Rural Housing (GRH) programs; Guaranteed Rural Rental Housing Program Origination and Servicing Handbook: Partially revises Chapter 7 to replace obsolete form for physical inspections; and Interest Rates, Amortization, Guarantee Fee, Annual Charge, and Fixed Period: Revised to update the program rates.
- Administrative Notices: Clarification of Issues within the Housing Preservation Grant Program: www.rurdev.usda.gov/SupportDocuments/an4583.pdf; June Unnumbered Letters, located at www.rurdev.usda.gov/SupportDocuments/uljune11.pdf; and Guidance on Servicing Issues Related to Multi-Family Housing Preservation and Revitalization Program Transactions.
- Guidance in the routine servicing of closed Multi-Family Housing Preservation and Revitalization Program (MPR) projects. Improper Payment Information Act Compliance Report Section 521— Rental Assistance Program."

ON JULY 13 IN THE *FEDERAL REGISTER*, USDA-RD PUBLISHED THE "NOTICE OF FUNDING AVAILABILITY (NOFA): Section 515 Rural Rental Housing Program for New Construction or Purchase and Rehabilitation of Existing Rural Multi-Family Properties in Fiscal Year 2011." The NOFA announces the timeframe to submit pre-applications for Section 515 Rural Rental Housing loan funds, including pre-applications for the nonprofit set-aside for eligible nonprofit entities, set-aside for Rural Economic Area Partnership and the set-aside for the underserved areas. The NOFA also describes the methodology that will be used to distribute funds, the application process, submission requirements and areas of special emphasis or consideration. A copy of the NOFA may be found at www.gpo.gov/fdsys/pkg/FR-2011-07-13/pdf/2011-17530.pdf.

THE LONG-AWAITED FY 2011 HUD INCOME LIMITS HAVE BEEN PUBLISHED. They are available at www.huduser.org/portal/datasets/il/il11/index.html. FY2011 Income Limits are the first to use American Community Survey five-year data collected between 2005 and 2009. Use of this data allowed HUD to remove the reliance on the 2000 Decennial Census data that has served as the basis of income limits for several years. HUD has posted responses to frequently asked questions regarding the new income limits. To access the questions and HUD's responses, visit the HUDUser web site at www.huduser.org/portal/datasets/il/il11/faq_11.html#q12.

ON MAY 26, USDA PUBLISHED ITS FY 2011 NOFA FOR SECTION 538 GUARANTEED LOANS FOR RURAL HOUSING. A copy of the federal register notice may be found at www.gpo.gov/fdsys/pkg/FR-2011-05-26/pdf/2011-13012.pdf.

HUD NEWS

ON JULY 18, HUD PUBLISHED NOTICE H 2011-12, WHICH EXTENDS HUD NOTICE H 2010-11 "HUD MULTIFAMILY RISK MITIGATION" through July 31, 2012. Notice H 2010-11 revised underwriting standards, policies and procedures for mortgage insurance under the Fed-

HUD NEWS

eral Housing Administration's (FHA's) Multifamily Housing programs. A copy of Notice H 2011-12 can be located at http://portal.hud.gov/hudportal/documents/huddoc?id=11-12hsgn.pdf. A copy of HUD Notice H 2010-11 "HUD Multifamily Risk Mitigation" may be found here: http://portal.hud.gov/hudportal/documents/huddoc?id=10-11hsgn.pdf.

ON JUNE 7, HUD PUBLISHED A NOTICE IN THE *FEDERAL REGISTER* THAT CLARIFIES THE USE OF SMALL AREA FAIR MARKET RENTS (SAFMRS) for Project-Based Vouchers located in the Dallas, TX, metropolitan area. This notice follows previous Federal Register notices published on August 4, 2010 and October 4, 2010 that proposed and established, respectively, FY 2011 SAFMRs for the Housing Choice Voucher program in the Dallas, TX, HUD Metropolitan Fair Market Rent Area. A copy of the notice may be found at www.gpo.gov/fdsys/pkg/FR-2011-06-08/pdf/2011-14123.pdf.

AT THE BEGINNING OF JUNE, HUD ANNOUNCED A NEW REFINANCING PROGRAM CALLED GREEN REFINANCE PLUS. This is an enhancement of the Fannie Mae/FHA Risk-Share program, which provides funding for the refinance, preservation and energy-efficient retrofits of older affordable multifamily housing properties, including those that are currently in Fannie Mae's or FHA's portfolios. This program allows for lower debt service coverage and higher loan-to-value ratios, to generate extra loan proceeds for property rehab and energy-efficient retrofits. For a fact sheet on the new program, go to http://portal.hud.gov/hudportal/documents/huddoc?id=GreenRefiPlusFactSheet.pdf.

Insurance Program Will Improve Coverage and Costs

NAHMA's Board of Directors recently announced its choice of Wells Fargo Insurance Services USA, Inc. [WFIS] as the exclusive broker in a new national multifamily affordable housing insurance program designed to provide advantages in pricing, coverage and services to NAHMA members.

After the announcement, NAHMA sent its members a questionnaire developed by WFIS to help determine members' interest in and need for specific areas of coverage. Based on the survey findings, WFIS will build a program designed to provide NAHMA members broader coverage at more competitive costs. *Members may even access the new program through their existing insurance broker.*

WFIS is developing a custom website which will provide a link enabling members to access online applications, including:

- Templates for inputting property values or an option to upload existing files
- Templates for inputting worker compensation, general liability and auto information
- Claim Information
- Local and Regional contacts
- Claims and other Services Contacts
- Loss Control and Educational Resources

In many cases, WFIS will be able to work with existing information (e.g., statements of value and policies) during the application process.

The broker selection process conducted by NAHMA's Board was done with the utmost diligence. NAHMA started the evaluation process in early January 2011 with a publicly issued RFP and received nine submissions. The review process took four phases, over a five-month period, before Wells Fargo was selected.

As the NAHMA Board considered endorsing a national insurance program, it took into consideration such important elements as the broker's experience and expertise, its capacity to solve some of the critical exposures the industry faces (cost being key, but also the ability to deliver solutions to wind, earthquake and flood perils, among others), its ability to serve NAHMA members nationwide, and its understanding of—and commitment to—the multifamily affordable housing industry.

The new Wells Fargo insurance program NAHMA is recommending will allow members to better manage their insurance costs and risks while saving dollars, so they can focus precious operating resources on additional priorities. NN

J. MEGAN DAVIDSON

Crafting a Win-Win Insurance Plan

MEGAN DAVIDSON GOT HER FIRST job in insurance working as a receptionist when she was in college. Within two months, she was working in the personal lines department, progressed to the marine department, then commercial lines. Within four years, she was managing the office as well.

So began a career that has now spanned more than 25 years with local, regional and national insurance firms. "Who chooses insurance?" Davidson asked. "It pretty much chooses you and won't allow you to escape."

As Davidson's responsibilities progressed from managing accounts, to marketing, to production, she found that the resources and services of a national firm met her clients' needs best.

FALLING FOR NONPROFITS

Six months into her new responsibilities in production, Davidson was asked to be a loaned executive for United Way. For four months, Davidson learned the inner workings of United Way agencies in the Seattle area, and she was struck by one organization in particular: Compass Housing. Its executive director, Rick Friedl, is an attorney who left the private sector to put his considerable skills toward offering housing and services to individuals and families struggling with poverty and homelessness. "Rick was—and continues to be—an absolute inspiration," she said.

Her experience in the world of nonprofits affected her deeply, she said, "and I began seeking out nonprofits as clients in order to help protect them by addressing their unique risks, as well as saving them premium dollars that they could then inject back into services.

"Within the first 16 months working with one client, we completely revamped their insurance program, which provided coverage for a brand-new facility for homeless youth, and paid out two catastrophic claims which would have been excluded under their previous program. They later told me that they would have had to shut down had we not afforded protection for them."

As things progressed, Davidson saw additional opportunities to work on multifamily developments in the Northwest. She became associated with Joe Diehl of the AHMA of Washington, and he introduced her to a great array of folks in the affordable housing industry in this region.

MAKING AN IMPACT NATIONALLY

While its Seattle office had success with affordable housing clients regionally, and other Wells Fargo offices had success in their areas, Davidson said there was always awareness that affording coverage nationally would provide a spread of risk to insurers that would allow them to write coverage they might otherwise not be interested in, and at better pricing.

She began having conversations with the staff and board of NAHMA about the concept of a nationwide program.

"NAHMA practiced their due diligence, and asked for proposals from the other key insurance brokers serving the affordable housing industry," Davidson said, "and I am proud to note that Wells Fargo Insurance Services USA, Inc. was selected to present the association with an insurance program."

The program is a win-win situation for all involved, Davidson believes.

"Affordable housing providers really are the cream rising to the top," she said. "Insurers once looked at these developments as hard cases, but once you explain how failing their regulatory tests and inspections has a significant financial impact on property owners, it's an easier sell to insurers."

The Wells Fargo connection will also benefit NAHMA's insurance program because of its more than 200 locations nationwide, and the fact that Wells Fargo Bank both lends money to developments and functions as a tax-credit partner in affordable housing deals.

Davidson works "with a terrific team of people in building an insurance program that exceeds the expectations of NAHMA members, not just with cost-effective coverage, but with services that help organizations reduce their risks, which reduces their losses, and ultimately results in the most competitive premiums available," she said. "We are confident that we can help improve affordable housing operators' bottom line so they can focus on doing the valuable work of providing affordable housing."

A LIFE OUTSIDE OF WORK

Although insurance is "in my head 24/7," Davidson manages to find time to ride horses with her 12-year-old daughter Reilly and enjoy "my rather spectacular husband, Harley (yes, Harley Davidson) in Kirkland, Wash.," she said.

"I dress up and go to work every day intending to protect the world, then come home and shovel manure. There is plenty of balance in my life." **NN**

EDUCATION CALENDAR

For information on specific classes being offered, please contact the AHMA or organization directly. All dates and locations are subject to change. For the most up-to-date listings, visit the NAHMA website at www.nahma.org/content/mem_calendar.html.

AUGUST

15
Membership Meeting—Legal Class for Owners
Phoenix, AZ
Debbie Hawkins
(805) 557-1088

15–17
SAHMA Regional Conf.
Orlando, FL
Betsy Smith
(800) 745-4088

16
Leasing Affordable Housing
Overland Park, KS
Sue Streck
(816) 749-4234

RI Monthly Meeting
RI
Julie Kelliher
(781) 380-4344

17
Assets 101/201
CT
Julie Kelliher
(781) 380-4344

MA Monthly Meeting
MA
Julie Kelliher
(781) 380-4344

18
CT Monthly Meeting
CT
Julie Kelliher
(781) 380-4344

AHMA-PSW Calendar Contest Breakfast
Los Angeles, CA
Debbie Hawkins
(805) 557-1088

22–24
CPO
TBD
Betsy Smith
(800) 745-4088

23–25
Pre CPO Occupancy
St. Louis, MO
Sue Streck
(816) 749-4234

24
Financial Management/ Budget Prep
Boston, MA
Julie Kelliher
(781) 380-4344

COQ Submissions Due NEAHMA
N/A
Julie Kelliher
(781) 380-4344

25–26
Tax Credit/SHCM Exam
TBD
Betsy Smith
(800) 745-4088

30
FHC
Phoenix, AZ
Debbie Hawkins
(805) 557-1088

SEPTEMBER

7–8
SHCM
San Diego, CA
Debbie Hawkins
(805) 557-1088

13
Preparing for MOR Review
RI
Julie Kelliher
(781) 380-4344

14
Leasing Affordable Housing
St. Louis, MO
Sue Streck
(816) 749-4234

Allowances & Deductions
Worcester, MA
Julie Kelliher
(781) 380-4344

15
Fair Housing On-Site Practices—Half Day
Worcester, MA
Julie Kelliher
(781) 380-4344

15
Understanding REAC
RI
Julie Kelliher
(781) 380-4344

20
Reasonable Accommodations/504 Coordinator
TBD
Julie Kelliher
(781) 380-4344

20–22
CPO
TBD
Betsy Smith
(800) 745-4088

CPO
MA
Julie Kelliher
(781) 380-4344

Pre CPO Occupancy
Overland Park, KS
Sue Streck
(816) 749-4234

22
How to Deal with Multiple Subsidies
CT
Julie Kelliher
(781) 380-4344

22–23
Tax Credit/SHCM Exam
Mt. Laurel, NJ
Jo Ann McKay
(856) 786-6265

23
NAHP of the Year Submissions due NEAHMA
N/A
Julie Kelliher
(781) 380-4344

28–30
Midwest Affordable Housing Summit
Chicago, IL
Audra Garrison
(888) 242-9472

OCTOBER

19
Manager's Roundtable
San Diego, CA
Debbie Hawkins
(805) 557-1088

23–25
NAHMA Fall Meeting
Washington, DC
Elizabeth Tucker
(703) 683-8630, ext 12

NOVEMBER

10
Manager's Roundtable
Los Angeles, CA
Debbie Hawkins
(805) 557-1088

DECEMBER

7
Occupancy Update
Las Vegas, NV
Debbie Hawkins
(805) 557-1088

12
Basic Occupancy
Long Beach, CA
Debbie Hawkins
(805) 557-1088

13
Basic Tax Credit
Long Beach, CA
Debbie Hawkins
(805) 557-1088

14–16
CPO
Long Beach, CA
Debbie Hawkins
(805) 557-1088

A Happy Coincidence Led to Career Satisfaction

LIKE SO MANY WHO WORK IN affordable housing, Pat Bessette describes her entrée into the industry as an accident. She had a degree in elementary education, taught school and did a number of other jobs for awhile. While she was volunteering with a group placing college students in tutoring positions at the elementary and middle schools, she happened to work with somebody whose family was involved in the property management business, and they provided her the opportunity to learn the business.

"They asked me if I wanted to help process applications for a new HUD Section 8 senior property, and the next thing I knew, I was opening one senior property after another in Rhode Island, and I caught the bug," she said.

Bessette did this for about two years before her husband was hired for a new position in Northern Virginia. While they were looking for a house for themselves, she was offered a job at Shannon & Luchs Real Estate Company in its affordable housing division.

"I began as an assistant manager and moved up the ladder and was with Shannon & Luchs for almost seven years," she said. "That was until I went to work for the company I eventually purchased and from which I ultimately began Quantum."

Bessette named this new venture Quantum Real Estate Management, LLC and has been its president since she founded it in the early 1990s. Quantum has flourished, managing about 3,700 units in 35 properties, the majority of which are owned by nonprofits or municipalities. "We also manage some condos and homeowners' associations, but our niche is HUD-subsidized and tax credit properties," she said.

HAPPY TO GIVE BACK

Bessette's involvement with the Mid-Atlantic AHMA began through participation with its educational opportunities, especially the annual conference held in Richmond, Va. "The Mid-Atlantic AHMA Conference has provided so many opportunities for our employees to receive hands-on training and networking opportunities with HUD and other regulatory agencies," she said. "Every year more and more of our employees participate in the conference."

She joined the AHMA's board of directors in 2005 and became its president this year. She will serve a two-year term.

"Being a member of the AHMA provides business opportunities, as well as a pipeline of information about current regulations, laws and changes in the affordable housing industry," she said. "You get the up-to-the-minute information as it happens, as well as the opportunity to have your voice heard."

She found this to be most true as she became involved with NAHMA. She went to her first annual meeting this past winter in Washington, D.C. and just returned from the NAHMA and NAA meetings in Las Vegas. "I'm just starting to become connected on the national level and truly wish I'd started earlier," Bessette said.

GROWING THE AHMA

The Mid-Atlantic AHMA is on a quest to increase its membership, bring in more vendor memberships and sponsorships to the conferences and seminars, find someone to assist in developing a new website and offer more diversity in its training programs.

"We just held the new blended property training for managers who have to follow both tax credit and HUD regulations, and it was successful," she said. The Mid-Atlantic AHMA also is trying to "spread the training opportunities to more diverse geographical areas and make it easier for people to attend." AHMA hosted a West Virginia Conference in July in Charleston, W.V. Now in its seventh year, it provides training and networking opportunities to many members who do not attend the regional conference.

Bessette credits much of Mid-Atlantic AHMA's success, and her own as president, to Terry Doherty, its executive director. "I could not be the president of the AHMA and run my own company without Terry. She is extremely efficient and so hands-on, in a good way. Terry has been involved with Mid-Atlantic AHMA since its inception in 1993 and has been the director since 1996. She is the heart and soul of our chapter."

ALSO COMMITTED TO A CAUSE

Bessette has been married for almost 35 years and has two sons. Her oldest son lives in Arizona and her younger son works in the property management business with her. He has Cystic Fibrosis (CF), and "when I am not at work I am helping to raise money for CF research; it is like a second career," she said. Her son has made what she called "heroic" strides in his life, having gone to college and just recently married. Still, "we are fighting for a cure every day," she said.

When not deeply engaged in her business, professional organizations, volunteer and personal life, Bessette enjoys a little golf, volleyball and her large, fun-loving family. "My life is very good," she said. **NN**

NAHMANews
National Affordable Housing Management Association
400 North Columbus Street, Suite 203
Alexandria, VA 22314
www.NAHMA.org

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

the last word BY SCOTT REITHEL, NAHP-e

A NAHMA *News* Worthy of a Deeper Look

THERE ARE SEVERAL ARTICLES in this issue of *NAHMA News* that I'd like to comment on and strongly urge you to read.

The first is the article on page 19 about NAHMA's summer meeting, which once again was co-located with the National Apartment Association's Annual Conference & Expo. The move to coordinate with NAA has turned out to be a true boon for NAHMA members. Not only do we get to experience our own well-planned and executed conference, we have the option to participate in the largest multifamily housing conference in the nation.

The NAA Conference & Expo brought together more than 5,000 multifamily housing professionals for three days of professional development training in the industry. This year's event had 40 education sessions in nine tracks led by topic experts, 300 suppliers demonstrating the latest products and services, and networking events. Speakers included former Secretary of State (2005-2009) Condoleezza Rice.

NAHMA's co-location with NAA offers great networking. I personally enjoyed connecting with both new colleagues and colleagues who are friends of long standing. The courses were excellent, including those put on by NAHMA members:

- Case Studies on Creative Turnaround of Troubled Properties into Award-Winning Affordable Housing
- Preserving Aging Affordable Housing, and When to Green and Not to Green in the Process
- Top Ten Tips for Preparing for and Successfully Completing Your Tax Credit Compliance Reports and Inspections
- Managing Conflicting Requirements in Multi-Financed Affordable Housing

We managed to educate quite a few NAA members about the importance of affordable housing, the assets quality affordable housing brings to a community and ways NAA members might join with NAHMA in creating and preserving much-needed additional housing for people of very modest means—which is so critically needed at this time.

Another article in this newsletter that is particularly important is the one about NAHMA's new national insurance program (see page 28). An incredible amount of work by NAHMA's board of directors went into preparing the public Request for Proposal, analyzing the proposals that were submitted over a four-phase process that took some six months to accomplish, and then selecting and beginning to work with Wells Fargo to offer this new excellent product for the affordable housing industry.

Finally, many of us were surprised by the number of performance-based contract administrators (PBCAs) who were re-assigned after the recent rebidding process. Change is rarely easy and often provokes anxiety, so I encourage all of us to be patient throughout the challenge period and transition. As always, NAHMA will be distributing the latest updates to members as soon as they are available.

Enjoy this issue of *NAHMA News*, and have a wonderful remainder of the summer! **NN**

Scott Reithel is Vice President of Property Management for Community Housing Partners and President of NAHMA.