

NAHMA News

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

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RA Funding Shortfall Looms

The USDA Section 521 rural rental assistance program, which pays the difference between 30 percent of a tenant's income and contract rent for Section 515 and farm labor housing, faces a serious funding shortfall for the final month of fiscal 2013.

Sequestration and additional across-the-board cuts enacted in the FY 2013 Department of Agriculture appropriations bill put the rural rental assistance program some \$65 million short of funding necessary to renew all Section 521 rental assistance (RA) contracts in fiscal 2013.

Meanwhile, the FY 2014 Agriculture Appropriations bills, which carry Rural Housing Service (RHS) funding, have moved out of committee in the House and Senate. The House Appropriations Committee approved its Agriculture bill on June 13; the Senate Appropriations Committee approved its own bill on June 20.

The Senate Committee's bill funded Section 521 RA at USDA's fiscal year 2014 request of \$1.015 billion (\$1.02 billion rounded to the nearest \$10 million). However, the House Committee's bill provided \$1.012 billion.

continued on page 4

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New Advocacy Tools and Greater Urgency

REACHING OUT TO YOUR MEMBERS of Congress will soon be as easy as it's ever been thanks to NAHMA Maps 2.0, the new version of the innovative search engine created by ApartmentSmart.com which will be launched in early August.

NAHMA Maps allows our members to provide visual and statistical information to their Congressional representatives on affordable housing in their districts and/or states, including the location of NAHMA and AHMA member properties. The newest release will be mobile friendly and also provide email connection to your representatives, making it easier for follow-ups.

NAHMA Maps highlights the importance of the work NAHMA members have done to improve the quality of life for low-income residents and demonstrates how well the affordable housing programs are working.

ApartmentSmart.com is still offering a free general listing to all NAHMA members in order to collect additional data for the NAHMA Maps program. Please contact Scott McMillen at scott.mcmillen@nahma.org or at (703) 683-8630.

We urge all NAHMA members to utilize NAHMA Maps and to reach out to their members of Congress because there has never been a more critical time to do so.

URGENT GRASSROOTS ISSUES

The urgent issues facing the industry and which you, as constituents, are most in a position to affect, are detailed in this issue of NAHMA News. Among them are the need to restore the

- FY 2013 Cuts to Section 521 Rural Rental Assistance Program;
- The need to fully fund the Project-based Section 8 Program;

■ Funding overall for federal affordable housing programs (which could be cut by 8.2 percent across-the-board if they are funded at FY 2012 levels) in 2013 due to sequestration.

For complete details on funding shortfalls, see Michelle Kitchen's *Washington Update* article on page 6. It's pretty grim.

TOOLS AT YOUR FINGERTIPS

We'll also soon be releasing a toolkit with all the information you need on how to contact your public officials, tips on what to say, information on how to follow-up, and much more.

You can already find much of this on our Grassroots Action pages of our website. There you'll find talking points and draft letters on the budget shortfalls, a link to the Sequestration Grassroots Action Webpage, which has numerous talking points about the effect of sequestration on affordable housing, links to contact information for your Congressional Representatives and the relevant committees and subcommittees and, of course, NAHMA Maps.

Please note that participating in a NAHMA request for communication with your Congressional representatives will not cause you to be considered a lobbyist under federal guidelines.

AN INDUSTRY AT RISK

NAHMA does not want its members or the communities they serve to be overburdened and financially stressed by actions—or a lack of actions—on the part of Congress. Please do all you can to assist us in communicating the importance of what quality affordable housing offers their constituents. **NN**
Kris Cook is Executive Director of NAHMA.

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2013 SHORTFALL

According to RHS, the \$65 million cut is larger than what can be covered by shifting funds from other accounts. RHS also has certain restrictions on moving account funds to other programs.

RHS predicts that funding for rental assistance contracts will be exhausted in September, the last month of the federal fiscal year. If a contract runs out of money in August, no funding will be available in September. In July, RHS pinpointed which properties in the nationwide inventory will be affected.

For months, the expected shortfall has raised many questions about tenant impacts and sustaining operations in affected properties. However, tenants may not be evicted for the lack of rental assistance funds.

Although contracts which are not renewed in September will be the first to be renewed in FY 2014, RHS also said that RA funds not received in September will not be paid retroactively in FY 2014. In other words, rental assistance not received in September will never be received; funding for FY 2014 cannot be used to cover FY 2013 shortfalls.

This situation jams housing providers into the role of shock absorber for the lost revenue from the rental assistance action. While RHS plans to soften the financial blow through regulatory action, making up the entire gap in lost revenue may be a high hurdle.

Not only does the shortfall stress balance sheets and risk the solvency of the properties, “failing to pay apartment owners the rental subsidy for housing provided to low income families sets a dangerous and unacceptable precedent,” NAHMA wrote to appropriations committee staff members.

CONGRESSIONAL ACTION

NAHMA urges its members to contact their congressional representatives and voice support for Congress “to either restore funding in time to avoid the RA shortfall or to provide funds in FY 2014

to compensate owners for the lost RA in FY 2013.”

NAHMA advocated that Congress:

- Provide full funding for RA contract renewals in FY 2014;
- Include an additional \$65 billion in the bill to cover FY 2013 shortfalls in the RA program caused by sequestration and other legislative action; and
- Direct USDA-RHS to use additional appropriations to compensate owners retroactively for unpaid RA in FY 2013.

In Senate Report 113-46, the Senate Appropriations Committee directs USDA’s Rural Development (RD) to produce a report detailing:

- The total number of households served by rental assistance;
- The average per-unit RA cost per state;
- The number of RA contracts expiring in FY 2013 that were not renewed; and
- A revised estimate of RA needs in FY 2014, to cover the original estimate of expiring units and those not renewed in FY 2013.

On top of these straightforward directives, the committee report seeks information on administrative, credit quality, and physical property impacts. USDA must report on “the extraordinary servicing actions undertaken by RD in fiscal year 2013 to address the RA shortfall; the costs of these servicing actions (i.e., reductions in project reserve accounts, etc.) on the credit quality of the loan portfolio and on the physical maintenance of the properties;

[and] the implications of these servicing actions on the project owners”

The committee also asks that RD explore options beyond its own servicing actions, such as “what additional actions could and did property owners take to protect the financial integrity of the projects while also protecting current occupants from untenable rent increases.”

NAHMA strongly supports the Senate Committee’s report language.

EASING THE IMPACT

NAHMA has learned that RHS will attempt to lessen the impact of the funding shortfall with special servicing actions available under its regulations. Options under consideration include:

- Permitting withdrawals from reserve for replacement accounts;
- Granting waivers on occupancy restrictions;
- Deferring deposits to reserve for replacements;
- Deferring mortgage payments; and
- Waiving late fees.

RHS’s goal is to control operating costs. But it is unclear whether these actions altogether would be sufficient to compensate for the lost RA revenue. NAHMA estimates that the gap could amount to \$15,000 a month for a single property—distressing budget news for owners and managers.

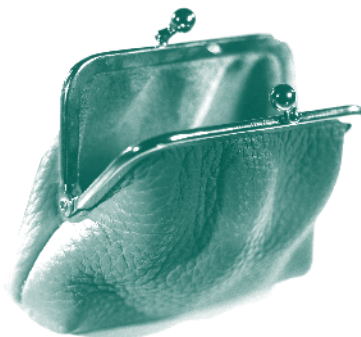
COMMITTEE FUNDING LEVELS

The House and Senate appropriations committee bills also contain FY 2014 funding for other rural assisted housing programs in addition to RA, as follows:

House (H.R. 2410): Section 515, \$28.43 million; Section 521 RA, \$1.01 billion; Section 538 (loan level), \$150 million; Multifamily Revitalization Program (MRP) and Rural Housing Vouchers (RHVs), \$27.08 million and \$9.75 million, respectively.

Senate (S. 1244): Section 515, \$28.43 million; Section 521 RA, \$1.02 billion; Section 538 (loan level), \$150 million; MRP and RHVs, \$32.58 million and \$12.58 million, respectively. **NN**

In July, RHS pinpointed which properties in the nationwide inventory will be affected.



Housing Services Alliance Cuts Software Training Time by 20%



Robert Bender
Deputy Director,
Housing Services Alliance

Q: Give us a brief description of your company.

A: Housing Services Alliance Inc. (HSA) is a nonprofit organization focused on providing safe, affordable, and

decent housing. Located in Washington Court House, Ohio, we've developed more than 50 projects scattered over several states with Low Income Housing Tax Credit, HUD 202, and HUD 811 funds. We also provide onsite support services for our residents including setting up medical appointments, obtaining transportation, and making connections with local social services.

Q: How did HSA get started with Yardi Beacon™?

A: Our timing in transitioning to a new software platform was perfect because it coincided with the early release of Beacon. We first went through a process with multiple vendors demonstrating their platforms. Yardi's team answered all of our questions and impressed us with Beacon. We really liked the overall look and feel of the product and could tell quickly that it is a complete, user-friendly,

and full-featured solution. I feel very comfortable recommending it to others.

Q: How have you benefited from this change?

A: The most measurable benefit we have seen since implementing Beacon is just how simple and easy the software is to use. With Beacon, we've seen at least 20% less training time compared to other

we were looking for were mobility and a reasonable price. Beacon met both of these criteria. But, in the end, the decision to go with Beacon came down to the people we were working with and continue to count on at Yardi. They have an absolute A+ technical support group. I'm very pleased; it's almost too good to be true.

“ The most measurable benefit we have seen since implementing Beacon is just how simple and easy the software is to use. Beacon is a time saver, and time is money. ”

products we've used in the past. We also save a lot of travel time, sometimes 3½ hour drives out to properties, now that all of our data is instantly accessible online in Beacon. Beacon is a time saver, and time is money.

Q: What was most important to you in seeking a software solution?

A: When we first considered new software, the two most important things

Q: How do you relate to the team at Yardi?

A: Yardi's implementation staff couldn't be better. They were understanding of our needs, were very pleasant throughout the entire process, and maintained just the right pace for our staff and organization. This made the implementation process very easy and sealed our relationship with Yardi. Beacon is one of the decisions that I can absolutely say I have zero regrets about.

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Funding Shortfalls of Major Concern in FY 2013 and 2014

THE APPROPRIATIONS PROCESS is underway in D.C. Both the House and Senate Appropriations Committees reported their Fiscal Year (FY) 2014 Agriculture and Transportation-HUD (T-HUD) Appropriations bills. At press time, the bills had not been considered by the full House or Senate. There is still a long way to go before the final budgets are in place, but it is safe to say FY 2014 is going to be another lean year for federal affordable housing programs.

First, let's compare the HUD numbers from the Senate and House FY 2014 Appropriations Committee bills. (See chart 1.)

Obviously, NAHMA's biggest disappointment with the T-HUD bills is that neither provides the \$11.5 billion which is necessary to fully fund all 12-month terms of Project-based Section 8 contracts at the time of renewal. Short-funding will be necessary under either funding level, although the money will stretch considerably further under the higher Senate figure.

The Senate Appropriations Committee Report which accompanied S 1243 acknowledged funding shortfalls in the Project-based Section 8 program. After a brief review of the steps taken to put the program on sound footing, the Committee noted:

"... Unfortunately, the continuing resolution for fiscal year 2013 did not make adjustments to the budget necessary to fully fund existing contracts. Consequently, under the request, PBRA faces a \$725,000,000 shortfall before factoring in sequestration. When combined with the impact of sequestration, the proposed program faces a \$1,200,000,000 shortfall.... As noted earlier, the Committee has

partially addressed the shortfall by recommending an additional \$500,000,000 for the program above the request. The Committee has had to make difficult choices in allocating resources across programs and recognizes that funding shortfalls can increase the perceived risk to future funding and lead to unintended costs to owners, lenders, and investors. Despite the funding shortfall in 2014, the Committee reaffirms its commitment to the project-based rental assistance model as evidenced by funding

for Section 8, multifamily housing, and public housing programs. The Committee encourages the Department to manage the funding provided to ensure an uninterrupted flow of funds to support this critical housing resource."

Now, let's compare the FY 2014 funding recommendations for USDA-Rural Housing Service programs. (See chart 2.)

As noted in the article on page 1, NAHMA remains concerned about shortfalls in the Rural Rental Assistance

CHART 1

	Project-based Section 8	Housing Choice Vouchers	HOME	Section 202	Section 811	Community Development Block Grant
House Bill (HR 2610)	\$9.45 billion	\$18.61 billion	\$700 million	\$374.63 million	\$126 million	\$1.64 billion
Senate Bill (S 1243)	\$10.77 billion	\$19.59 billion	\$1 billion	\$400 million	\$126 million	\$3.15 billion
FY 2014 HUD Request	\$10.27 billion	\$19.99 billion	\$950 million	\$400 million	\$126 million	\$2.79 billion
FY 2013 Enacted Pre-Suqester	\$9.32 billion	\$18.91 billion	\$1 billion	\$373.88 million	\$164.67 million	\$3.24 billion
*FY 2013 Enacted Post-Suqester	\$8.85 billion	\$17.96 billion	\$948 million	\$355 million	N/A	N/A

*There are some discrepancies among the House and Senate Committee Reports and HUD's FY 2014 budget materials regarding the final FY 13 pre-sequestration enacted levels for these programs. Numbers are rounded. *Figures from "Overview of FY2014 President's Budget," U.S. Department of Housing and Urban Development: April 10, 2013. See <http://portal.hud.gov/hudportal/documents/huddoc?id=FY14BudgetPresFINAL.pdf>.*

CHART 2

	Section 515	Section 521 Rental Assistance	Section 538	Multifamily Housing Revitalization Program & Rural Housing Vouchers (RHVs)
House Bill (HR 2410)	\$28.43 million	\$1.01 billion	\$150 million	\$27.08 million \$9.75 million (RHVs)
Senate Bill (S 1244)	\$28.43 million	\$1.02 billion	\$150 million	\$32.58 million \$12.58 million (RHVs)
FY 2014 USDA Request	\$28.43 million	\$1.02 billion	\$150 million	\$32.58 million \$12.58 million (RHVs)
FY 2013 Enacted Pre-Sequester	\$31.28 million	\$907.13 million	\$150 million	\$27.78 million \$10 million (RHVs)

Numbers are rounded.

(RA) program, which are expected to hit in September—the last month of FY 2013. The Committee Report for the Senate Agriculture Appropriations bill demonstrates that legislators are also concerned about this development:

“The Committee directs the Secretary to provide a report detailing: the total number of households served by rental assistance [RA]; the average per unit RA cost per State; the number of RA contracts expiring in fiscal year 2013 that were not renewed; the extraordinary servicing actions undertaken by Rural Development [RD] in fiscal year 2013 to address the RA shortfall; the costs of those servicing actions (i.e., reductions in project reserve accounts, etc.); the implications of these servicing actions on the credit quality of the loan portfolio and on the physical maintenance of the properties; the implications of these servicing actions on the project owners; a revised estimate of RA needs in fiscal year 2014, to cover the original estimate of expiring units and those not renewed in fiscal year 2013; the fiscal year 2014 inflation factor included in the estimate above; and in addition to the servicing actions undertaken by RD, what additional actions could and did property owners take to protect the financial integrity of the projects while also protecting current occupants from untenable rent increases.”

In times like these, it is essential for NAHMA members to educate their congressional delegations about the importance of full funding for federal rental contracts. Please continue to check NAHMA's grassroots action webpage for the latest resources to assist you in these efforts. **NN**

Michelle Kitchen is Director of Government Affairs and Scott McMillan is Government Affairs Coordinator for NAHMA.



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All Hands on Deck on Tax Reform

SENATE FINANCE COMMITTEE leaders recently energized the Senate's tax reform efforts and galvanized Housing Credit and Bond stakeholders and advocates by asking all Senators to submit wish lists for what tax provisions they would like to see preserved, added, or amended as the Committee starts from scratch on a new tax code.

While the deadline for Senators' responses to this call will have passed by this article's publication, those interested in preserving and strengthening the Housing Credit and Bonds must respond to this and other opportunities to make

our case for these programs in Congress. The tax reform train is chugging down the track, and we must do everything we can at each stage of its journey to make a difference for our priorities.

HOW REFORM BEGAN

This latest stage in tax reform's recent movement began on June 27 when Senate Finance Committee Chairman Max Baucus (D-MT) and Ranking Member Orrin Hatch (R-UT) sent a Dear Colleague letter to all their fellow Senators outlining their plan for advancing tax reform legislation this year and asking for their input.

The letter said the Committee leaders plan to start with a "blank slate"—a tax code without all the current exclusions, deductions, credits, and other preferences. The letter emphasized that the leaders do not expect the blank slate to be the end product, because they both believe that some existing tax expenditures should be preserved in some form. Provisions worth keeping, the leaders said, are items where clear evidence shows that they help grow the economy, make the tax code fairer, or effectively promote other important policy objectives.

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The letter asked all Senators to submit to the Committee by July 26 legislative language or detailed proposals for what tax expenditures meet these tests and should be included in a reformed tax code, as well as other provisions that should be added, repealed, or reformed as part of tax reform. The leaders said they will give special attention to bipartisan proposals.

ADVOCATES TAKE ACTION

Housing Credit and Bond advocates leaped into action, joined no doubt by hundreds, if not thousands, of other advocates battling for their preferred tax items. The National Council of State Housing Agencies (NCSHA), for example, worked through its members to reach into every Senate office to urge them to include the Housing Credit and Bonds in their request letters. The A.C.T.I.O.N. campaign, which NCSHA co-chairs with Enterprise Community Partners, has mobilized its hundreds of members, including NAHMA, to ask them to do the same.

Meanwhile, House Ways and Means Committee Chairman Dave Camp (R-MI) continues his efforts to develop tax reform legislation in the House. Camp supported the Senate blank-slate approach and House staff report the Ways and Means Committee may adopt a similar approach, but without soliciting written submission from all House members.

Camp is campaigning for tax reform with Baucus, touring the country to drum up support for tax reform and launching a web site for the public to send in their tax

continued on page 27

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NAHMA Backs Proposed Rule on Pet Deposits

HUD's plan to harmonize regulations on pet deposits has earned the support of NAHMA, which applauded the department's proposed rule as one that "better enables owners to handle the costs associated with pet ownership by tenants."

"Under the proposed rule, the mandate to gradually accumulate a pet deposit would be removed," said NAHMA in its comments on HUD's changes. "It would provide owners of 'covered multifamily rental housing' with the discretion to determine whether to gradually accumulate a pet deposit, or to collect an upfront pet deposit."

Published in the May 24, 2013 *Federal Register*, the proposed rule only applies to policies for pets and not to service or assistance animals for persons with disabilities. Service and assistance animals are covered by separate HUD regulations at 24 CFR 5.303.

The complete proposed rule—"Pet Ownership for the Elderly or Persons with Disabilities in Multifamily Rental Housing; Accumulation of Deposits for Costs Attributable to Pets"—is found on NAHMA's HUD webpage at www.nahma.org.

BENEFITS OF CONSISTENCY

The proposed rule seeks to bring consistency to the pet deposit requirements for HUD rental housing programs. Under current regulations, owners of HUD-assisted multifamily rental housing for the elderly or persons with disabilities collect the deposit and any increases in the deposit only through gradual accumulation. The pet owner makes an initial payment followed by subsequent monthly payments.

Public housing agencies (PHAs) and owners of other HUD-assisted multifamily rental housing, however, are not required

to follow this policy. Such owners have the discretion to determine whether to gradually accumulate a pet deposit and set any increases to the pet deposit.

Through the changes in the proposed rule, the department would provide owners of HUD-assisted multifamily properties for the elderly or persons with disabilities with the same flexibility, harmonizing the pet deposit requirements for HUD programs.

NAHMA's comments commend HUD's rationale for the benefits of the proposed rule, especially HUD's expectation of a "reduced burden on owners who have to cover costs associated with repairs, replacements, fumigation, and animal facilities when such costs result from pets on the premises and accrue before the entire pet deposit is accumulated and decrease the time and money

spent to manage the gradual accumulation of the required pet deposit."

HUD also anticipates a positive impact on administrative costs. Current regulations require managers to oversee the gradual accumulation of the required pet deposit. The proposed rule will eliminate such a need, resulting in "some savings, however small, for the owners if they do not have to manage the monthly payments of pet deposits," said HUD.

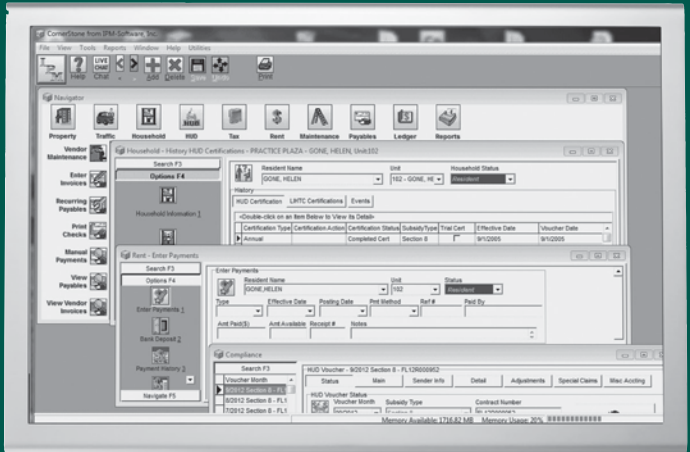
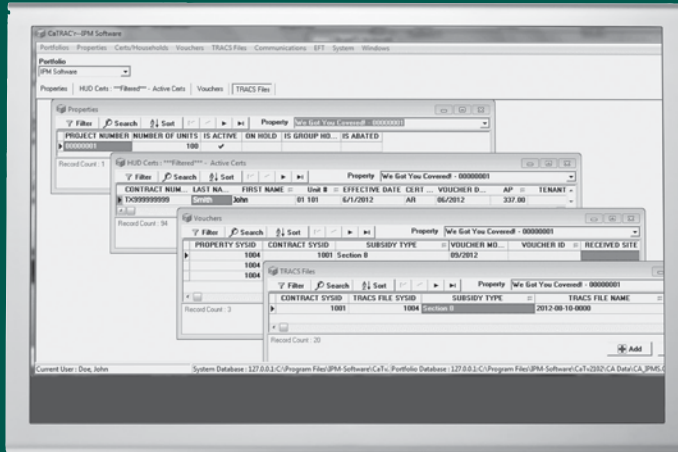
CLARIFYING COVERAGE

HUD estimates that 580,000 of the approximately 936,000 households classified as either elderly or persons with disabilities could be affected directly by the rule change. HUD bases its assumption on the 62 percent of U.S. households that own a pet; HUD applies that percentage to the target population.





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According to NAHMA, one lingering potential for confusion is the precise definition of properties that fall under the “covered multifamily rental housing” term.

NAHMA’s understanding of “covered multifamily rental housing” subject to the proposed rule are properties specifically built for the elderly or the disabled, and assisted through one of the 10 programs listed in the notice:

1. Rent Supplements
2. Rental Assistance Payments
3. Section 8 New Construction
4. Section 8 Substantial Rehabilitation
5. Section 8 State Housing Agencies
6. Section 8 Set-Aside for Rural Rental Housing Projects
7. Section 8 Loan Management Set-Aside and Property Disposition
8. Section 202 Supportive Housing for the Elderly
9. Section 811 Supportive Housing for Persons with Disabilities and

10. Section 811 Project Rental Assistance Demonstration Program.

In its comments, NAHMA strongly encouraged HUD to “clarify which properties are ‘covered multifamily rental housing’ in the final rule” and advised HUD to “provide some specific examples of properties that are covered and that are not covered by the changes.”

FOR THE BIRDS, TOO?

NAHMA suggested that HUD also consider resolving differences in the rule that defines “common household pets” for housing programs and the rule that restricts owners to charging pet deposits only for dogs and cats.

For purposes of housing programs, the first rule (24 CFR Part 5 §5.306) defines a common household pet as a “domesticated animal, such as a dog, cat, bird, rodent (including a rabbit), fish, or turtle, that is traditionally kept in the home for pleasure rather than for com-

mercial purposes. Common household pet does not include reptiles (except turtles).” The rule acknowledges state or local law or regulations that may differ with this definition.

However, the second rule (24 CFR Part 5 §5.318 (ii) (d)) states, “In the case of project owners, this pet deposit shall be limited to those tenants who own or keep cats or dogs in their units.”

The discrepancy between the two affects the reality of daily management, said NAHMA. Some NAHMA members report that birds and rodents, including rabbits, have caused substantial damage to apartments. For this reason, NAHMA encouraged HUD to consider expanding the list of animals for which project owners may charge pet deposits to any animal listed in the definition of common household pets.

Overall, the pet-deposit rule changes should improve management, NAHMA said. **NN**

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HUD Centralizes Section 236 Activity

As of July 1, 2013, Section 236 property owners and purchasers no longer need to submit applications to the multifamily hub or program center, as part of a new streamlining process launched by HUD last month.

HUD says the new framework will improve operations by assigning dedicated staff to oversee the complex work in handling Section 236 transactions. The change puts the Office of Affordable Housing Preservation (OAHP) in HUD headquarters at the center of the action.

Under the new system, property owners submit requests for transactions directly to OAHP for review, approval and processing. According to HUD, OAHP is well positioned to manage these transactions by building on its experience under the Mark-to-Market program and the new Rental Assistance Demonstration (RAD).

“HUD field and headquarters offices anticipate a dramatic increase in the volume of Section 236 transactions as these mortgages reach maturity dates and owners and potential purchasers evaluate the options available to their properties,” HUD said in its memorandum, *Transfer of Section 236 Preservation Activities to the Office of Affordable Housing Preservation (OAHP)*.

The department added, “The current multifamily operating model requires numerous approvals from HUD field offices as well as headquarters offices, which often prolongs these transactions, challenges consistent application of policy, and hinders our ability to effectively preserve these critical affordable housing resources.”

A re-delegation of authority memo by FHA Commissioner Carol Galante on June 28, 2013, authorizes the modification in transaction procedures. Except for the issuance of the re-delegation of authority memo itself, HUD has not

made or sought changes in department policies or in current statutes or regulations on the evaluation and approval of Section 236 transactions.

In essence, HUD says, the reorganization affects who handles requests rather than causing any changes in current statutes, regulations or policies governing the transactions’ evaluation, approval or denial.

OAHP’S PURVIEW

OAHP will conduct Section 236 transaction activities for:

- Requests for prepayment of FHA-insured and HUD-held Section 236 loans, includ-

“HUD field and headquarters offices anticipate a dramatic increase in the volume of Section 236 transactions as these mortgages reach maturity dates and owners and potential purchasers evaluate the options available to their properties.”

ing requests that require and don’t require HUD consent for prepayment;

- Interest-rate payment (IRP) decouplings, which includes intake, review and approval or denial of decoupling requests and approval of re-decoupling requests for projects in a previous Section 236 IRP decoupling;
- Flexible subsidy deferrals, including processing of requests for waivers allowing deferral of repayment of flexible subsidy debt (operating assistance loans) in light of prepayment of an FHA-insured, HUD-held or state agency Section 236 loan;
- Post-transaction unit rent-setting, including unit rent increases of greater than 10 percent;
- Determination of excess income compliance, coordinating with the HUD Office of the Chief Financial Officer to verify the property owner’s compliance with excess income requirements;
- Housing assistance payment (HAP)

assumptions (dependent upon the approval of a modified delegation of authority).

OAHP will continue to request previous participation approvals, which are issued by HUD hub staff under the current delegations of authority;

- Insurance of tenant protection vouchers and enhanced vouchers, including the calculation of budget authority for conversion actions and submission to the Public and Indian Housing (PIH) field office;
- Nonprofit fees and sales proceeds;
- Modifications to LIHPRHA/ELIHPA (Low-Income Housing Preservation and Resident Homeownership Act/ Emergency Low-Income Housing Preserva-

tion Act) use agreements; and

- Unit conversion requests.

Certain Section 236 transaction requests will not be evaluated and processed by OAHP. These include:

- FHA-insured refinancing applications;
- Prepayment requests, state housing finance agency noninsured Section 236 loans (“state agency 236 properties”); and
- Requests for Section 236-related payment of partial claims (PPCs), and the modification of HUD-held Section 236 loans.

Regarding state agency 236 properties, if the owner seeks an IRP decoupling, a flexible subsidy deferral, or another approval that requires review at HUD headquarters, such requests are to be submitted to OAHP.

APPLICATION PROCESS

HUD encourages owners and purchasers to participate in a concept meeting prior to the submission of a Section 236

SECTION 236, continued from page 15

preservation application. Such a meeting is not required, HUD points out, but it may prove useful for owners and purchasers considering one or more preservation transactions. At the concept meeting, transaction details and application specifics can be discussed. HUD accepts requests for concept meetings via email at 236Preservation@hud.gov.

Because some Section 236 loans with unscheduled principal payments have matured more quickly than anticipated, HUD suggests that owners verify the maturity date of their loans. In addition, HUD is making owners and purchasers aware that all Section 236 transactions need the HUD Office of the Chief Financial Officer to confirm the submission of all required excess income reports and all excess income payments. Any balance due under excess income repayment agreements must be paid in connection with the transaction.

HUD is laying out the new 236 pres-

ervation application process and package in communications to the affordable housing industry. For example, HUD's Philadelphia Multifamily Hub informed its constituent owners and managers that the revised procedures should introduce "greater efficiency, consistency, and transparency to the application review process."

Highlights of the process include:

- Section 236 property owners and purchasers now have one central portal through which they can provide project information currently collected under established Paperwork Reduction Act (PRA) approval numbers.

- HUD encourages owners and purchasers to use the consolidated application each time they apply for approval of various Section 236 transactions. The alternative is to submit the required documents as PDF files to HUD by email. In either case, OAHP only gets electronic versions of the applications.

- The consolidated application will indicate the exhibits applicants must provide for HUD to evaluate individual transactions. HUD will provide templates that call out specific information needed and provide references to relevant notices and guidance.

- As of July 1, 2013, all new applications go to OAHP. However, if an application was sent to a multifamily hub and was in the process of being reviewed as of July 1, that application remains with the hub for completion.

- When approved transactions have been executed, the property stays in the servicing portfolio of the Multifamily Office of Asset Management at HUD headquarters. Field office servicing of the property remains unchanged.

NAHMA encourages members to keep them apprised of local successes and challenges in this reorganization of HUD's Section 236 transaction activities. **NN**

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NAHMA Proudly Announces Five

IN JUNE 2013, NAHMA PROUDLY ANNOUNCED THE WINNERS OF its fourth annual Affordable Housing Vanguard Awards. These awards were created to recognize newly developed or significantly rehabbed affordable multifamily housing communities that showcase quality design and financing.

The Vanguard Awards celebrate success in the multifamily affordable housing industry by recognizing and benchmarking new, quality, multifamily affordable housing development or significant rehab. The award:

- Demonstrates that exceptional new affordable housing is available across the country, and that it is an asset to any neighborhood;
- Demonstrates that the affordable multifamily industry must be creative and innovative to create exceptional properties 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 in the affordable multifamily industry.

There are five winners in four categories of Vanguard Awards.

VANGUARD AWARD FOR NEW CONSTRUCTION:

Large Property (over 100 units)—**Gray's Landing Apartments**, Portland, OR; Management Company and Owner: REACH Community Development, Portland, OR
Small Property (under 100 units)—**Woodlands at Zuck Park**, Erie, PA; Management Company: HANDS, Erie, PA; Owner: Millcreek Family Townhomes Corp., Erie, PA

VANGUARD AWARD FOR MAJOR REHABILITATION OF AN EXISTING RENTAL HOUSING COMMUNITY:

The Towers of Kuhio Park, Honolulu, HI; Management Company: Interstate Realty Management, Marlton, NJ; Owner: Michaels Development Co., Marlton, NJ

VANGUARD AWARD FOR MAJOR REHABILITATION OF A NON-HOUSING STRUCTURE:

Union Crossing, Lawrence, MA; Management Company: First Realty Management, Inc., Boston, MA; Owner: Lawrence Community Works, Lawrence, MA

VANGUARD AWARD FOR MAJOR REHABILITATION OF A HISTORIC STRUCTURE INTO AFFORDABLE RENTAL HOUSING:

Ghost Ranch Lodge, Tucson, AZ; Management Company: Celtic Property Management, LLC, Scottsdale, AZ; Owner: Ghost Ranch Lodge Apartments, LP, Scottsdale, AZ

The judges of this year's Vanguard Awards were distinguished NAHMA members from across the country: Jim McGrath, President, PRD Management, Pennsauken, NJ; Michael Johnson, Executive Vice President, ALCO Management, Inc., Memphis, TN; Ron Burson, President, Gorsuch Management, Lancaster, OH; Steve Henderson, Chief Financial Officer, Wedge Management, San Antonio, TX; and Melanie Kibble, Vice President, Mercy Services Corp., Denver, CO.

GRAY'S LANDING was named after esteemed Oregon developer and philanthropist John Gray. It is the first affordable housing development in Portland's emerging South Waterfront neighborhood—a former industrial area just south of downtown. Situated on the streetcar line in a walkable neighborhood, its transit-oriented location is ideal for residents, providing convenient access to jobs, health care, shopping, restaurants, and other amenities. The ground floor includes the new headquarters for REACH Community Development. The City of Portland spearheaded the project by providing the land and significant tax increment financing. REACH used 4% LIHTCs, tax exempt bonds, Oregon Affordable Housing Tax Credits, and various other grants to complete the financing. Construction began in April 2011 and was completed in November 2012, on time and on budget. Gray's Landing achieved a LEED for Homes Mid-Rise Platinum certification for its innovative design, including the largest eco roof in the city. Move-ins were completed at the end of March 2013. Gray's Landing provides innovative services to residents that focus on economic stability, budgeting, workforce training, access to emergency food and supplies, and access to service agencies. Forty-two of the 209 units are reserved for formerly homeless veterans. Project-based Section 8 vouchers were provided by Home Forward for these units and REACH partnered with the U.S. Department of Veterans Affairs to include a half-time VA case worker. The building has added 50 new jobs and increased pedestrian activity in the neighborhood.

WOODLANDS AT ZUCK PARK was developed in response to the need identified by Millcreek Township in

Vanguard Awards



Erie County, Penn., for at least 29 affordable housing units and 50 senior housing units. HANDS began to fill this void with the development of both the Ridgebury Apartments, a 40-unit senior affordable housing community completed in 2011, and the Woodlands at Zuck Park, completed in June 2012. HANDS had to overcome some neighborhood opposition to the development, which it did through public meetings and by offering a tour of a similar project. Financing

included \$7.2 million in LIHTCs, a \$2.1 million loan from the Pennsylvania Housing Finance Agency, \$20,000 in Community Development Block Grant (CDBG) funds, and construction financing from ERIEBANK. The development was completed on time and within budget. The Woodlands consists of 30 three- and four-bedroom townhomes situated on a 6.8 acre site. HANDS employed best practices in storm water management by designing and building state-of-the-art under-

**LEFT, TOP AND BOTTOM: Gray's Landing
RIGHT, TOP AND BOTTOM: Woodlands at
Zuck Park**

ground storage and drainage chambers. The site is in close proximity to most Millcreek Township and Erie shopping, employment, recreation, entertainment, social services and educational opportunities. The development includes green space, a tot-lot, and a community center equipped with meeting space, management offices, laundry facilities, and a business center.

The property manager and social service coordinator actively work to identify resources that benefit resident families and coordinate resources for them from numerous local agencies.

THE TOWERS OF KUHIO PARK were built in 1965, and their physical condition reflected 45 years of deferred maintenance. Revitalizing The Towers was urgent considering Honolulu's extremely high cost of housing. The Hawaii Public Housing Authority (HPHA) selected The Michaels Development Company and Vitus Group as its private-sector partners to preserve this valuable 555-unit affordable housing resource. The \$135 million renovation of The Towers marked the state's first public-private partnership to transform public housing. Ninety-six percent of residents were able to remain on-site during the renovation. The ground floor was reconfigured to accommodate new technology centers, hospitality suites, expansion of the existing medical clinic, and larger laundry facilities in each of the Towers. A new fitness center and 12,000 sq. ft. of ground floor space was converted into 11 social services rooms where a myriad of programs are now offered. More than \$54 million in physical improvements, amounting to approximately \$97,000 a unit, have been completed. Sustainable strategies and green building techniques and materials all contributed to a significant reduction in energy costs. The Towers' original concrete facades were repaired and painted in a vibrant, tri-color decorative scheme to deemphasize the scale of the towers. Financing included tax-exempt bonds, tax credits, short-term bonds, and private equity. A recent appraisal established the value of land and improvements at just under \$50 million. The renovation of the units

was completed six months ahead of schedule.

UNION CROSSING was developed by the nonprofit Lawrence Community Works, which transformed a complex of former textile mills along the Merrimack River in Lawrence, Mass., into a thriving, mixed-use neighborhood. The project includes a mix of residential and commercial spaces, as well as substantial infrastructure upgrades in the surrounding area. Located on a 5.5 acre riverfront site within walking distance of both the commuter rail station and downtown Lawrence, the redevelopment includes 60 new units of affordable, energy-efficient family housing, 33,000 sq. ft. of renovated commercial space, a new riverfront playground and community gardens, a new bridge for the North Canal, and improved streetscape amenities. The Union Crossing Project was the most ambitious effort undertaken by the City of Lawrence Community Development Department in over a decade and is truly a model public/private partnership. Financing came in the form of an assessment grant from the City of Lawrence of \$47,000, MassDevelopment Cleanup Funding of \$826,870, a Community Development Action Grant of \$2 million, a More Jobs Grant of \$1,463,000, Massachusetts Department of Energy Resources (American Recovery and Reinvestment Act) funds of \$550,000, City of Lawrence (HOME and EDI) funds of \$1,313,000, the Commonwealth of Massachusetts Funds of \$6.3 million, the U.S. Small Business Administration for \$200,000, and private partners who invested \$31 million. Construction was completed on schedule and the first residential units were ready for occupancy in October 2011.

GHOST RANCH LODGE APARTMENTS consists of 7.3 acres of land and contains 20 historic buildings built between 1941 and 1953. Having proudly served the community for well over half a century, Ghost Ranch Lodge had sadly deteriorated into a vacant complex in a state of serious dilapidation. On July 12, 2007, Ghost Ranch Lodge was purchased at auction by an affiliate of Atlantic Development and Investments, Inc. Revitalization into much-needed affordable housing for seniors and physically disabled persons was made possible through numerous partnerships within the city, county and state, as well as with service providers, other nonprofits, lenders and others. The City of Tucson and Pima County committed \$2,357,000 in HOME and CDBG funds. Pima County supported the project with a \$1.1 million General Obligation (GO) Bond. Ghost Ranch Lodge also secured \$700,000 from the Federal Home Loan Bank; \$2,635,429 in Arizona Department of Housing TCAP funds; \$25,000 in Solar Tax Credits; and \$1,301,545 in Historic tax credits. Atlantic also had a financing commitment for acquisition and construction from National Mortgage Investors, LLC, an equity commitment of \$12,929,219 from Credit Capital Corporation, LLC, and a developer loan of \$274,477. The rehabilitation of Ghost Ranch Lodge emphasized sustainable design elements, including a solar photovoltaic system to offset more than 75 percent of the electrical load for the common areas. All of its 112 units are rent-restricted units for persons whose income is 60% or less of the area median income. **NN**

For additional details on the NAHMA Vanguard Award program, see www.nahma.org/content/vanguard2013.html.



TOWERS OF KUHIO PARK



UNION CROSSING



GHOST RANCH LODGE APARTMENTS



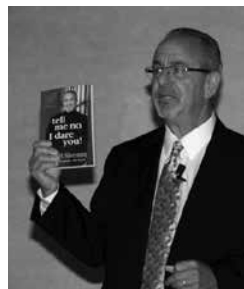
Summer Meeting Another Great Success

NAHMA'S SUMMER MEETING, ONCE AGAIN CO-LOCATED with the National Apartment Association's (NAA's) Annual Education Conference & Expo, was held in San Diego, June 18-22, 2013.

NAHMA's meeting kicked off on Tuesday, June 18 with a four-hour convocation for AHMA executive directors and presidents, and the evening event was a boat cruise fundraiser for the NAHMA Educational Foundation. On Wednesday, June 19, the NAHMA meeting featured committee meetings; a mid-day highlight of the keynote luncheon,



featuring speaker Scott Silverman, and Vanguard Awards Ceremony (see article on page 18); a Federal Affordable Housing Policy Issues Forum along with NAHMA's Federal & Regulatory Affairs Committee meeting, and an evening at Fluxx, an exciting nightclub in downtown San Diego.



Scott Silverman gave a lively Keynote speech at the Vanguard luncheon.

Then came NAHMA's involvement in NAA's conference, which included well-attended sessions on *Connecting the Trends: Impacts of the New Fiscal Reality on Affordable Housing*, *Innovative Technology and Green Solutions in Affordable Housing*, *Inspiring New Directions in Providing Niche Affordable Housing*, and *Connecting the Trends: Case Studies in Innovations in Affordable Housing*.

"Every NAHMA member who attends one of our annual meetings, whether it be in summer, fall, or winter, benefits both from the generosity of the other attendees and the quality of the lessons learned," said NAHMA Board President Gianna Solari. "We hope to see even more members at every one of our very valuable and well-conceived conferences." **NN**

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HUD Outlines New Prepayment Process for Section 202

HUD's recent notice on the approval and processing for the prepayment of Section 202 direct loan projects clarifies the approach for debt-service reduction prepayments and for prepayments for refinancing intended to address project physical needs.

Notice H 2013-17, issued May 30, 2013 and published June 4, has since been clarified and corrected via a memo from the directors of the offices of asset management and of multifamily development, in response to immediate feedback from affordable housing industry groups.

The June 26 memo is titled "Guidance on Housing Notice H 2013-17, Updated Requirements for Prepayment and Refinance of Section 202 Direct Loans." It corrects information in the May 30 notice pertaining to:

- The developer fee for 223(f) FHA-insured mortgages and re-refinanced Section 202 Direct Loans;
- Use of loan proceeds, including details on how an owner can seek a waiver to use refinance loan proceeds out of the geographic area on other HUD-assisted properties; and
- Grandfathering under the previous housing notice, H 2012-08.

DEVELOPER FEE

Developer fees can improve the financial feasibility of assisted housing management and stability of operations, which make them a continued source of scrutiny for the industry. According to the latest guidance, Section 223(f) developer fees are permitted in these situations:

- "Projects with non-profit owners (defined in Section V. L. of this Notice) refinancing a Section 202 direct loan with a Section 223(f) FHA-insured mortgage, are eligible for a developer fee and equity-out if the project is at or below market rents. If the project has above market rents, said project is eligible for a

developer fee but not equity-out;

- "Projects participating in the Multifamily Low-Income Housing Tax Credit Pilot, as detailed in Housing Notice H 12-01; or
- "Projects converting under the Rental Assistance Demonstration (RAD) Program as detailed in PIH [Public and Indian Housing] Notice 12-32."

HUD refers owners to the Multifamily Accelerated Processing (MAP) Guide for additional policies and procedures regarding the use of FHA financing to refinance a Section 202 loan, and to Section VII.B.4 of Notice H 2013-17 for how to calculate developer fees.

In the memo, HUD also clarifies developer fee eligibility under Section IX.B.2 of the notice. That section pertains to re-refinanced Section 202 direct loans.

"No Developer Fee is allowed from the proceeds of an FHA-insured mortgage in the case of a re-refinanced 202 project, unless the new financing provides for a Developer Fee (e.g., LIHTC)," HUD stated. "For Section 223(f) loans limited to 80 percent Loan to Value based on market rents and valuation which generate mortgage proceeds exceeding recognized closing requirements (i.e., cash out) such proceeds may be used for any purpose, including a Developer Fee."

HUD instructed its multifamily hub directors, program center directors, operations officers and the Office of General Counsel that "[a]ll 223(f) applications submitted after the publication of Housing Notice H 2013-17 should be reviewed using the above guidance," emphasizing that offices "not disapprove 223(f) applications on the basis of the 223(f) Developer Fee language in Housing Notice H 2013-17."

USE OF LOAN PROCEEDS

The guidance memo points out that H 2013-7 constrains an owner's use of

refinance loan proceeds at other HUD-assisted properties and requires the proceeds to benefit senior housing projects in the same Metropolitan Statistical Area. Abundant administrative challenges to manage the use of such proceeds outside the same geographic region led HUD to make this requirement.

However, based on input from the industry, HUD said in the memo that it "understands that some Owners would like to use the loan proceeds outside of the geographic region at other HUD-assisted properties."

"If an Owner would like to use the loan proceeds outside of the geographic region, the Owner can submit a waiver request with their prepayment approval package. This waiver request will be sent to HUD Headquarters for review and final approval."

GRANDFATHERING

HUD clarified which housing notice pertains in light of the submission of prepayment applications and FHA financing applications. Either type of application submitted on June 5, 2013, or thereafter should follow H 2013-17, as amended by HUD's guidance memo.

Prepayment applications or those associated with an FHA financing application submitted to HUD before June 4, 2013, should follow the previous notice H 2012-08 and the supporting FAQs.

FHA financing applications submitted before June 4, 2013, or those associated with prepayment applications submitted before June 4, 2013, should also follow H 2012-08 and the FAQs.

NAHMA will stay abreast of how HUD offices and owners manage this process and respond to clarifications of this guidance. NAHMA is interested in hearing about members' experiences with these changes. **NN**

NAHMA Educational Foundation Hits High of 59 Scholarships

NAHMA Educational Foundation Chair Wayne Fox recently announced the awarding of 59 scholarships to residents living in properties managed by NAHMA and AHMA member companies.

The 2013 recipients listed on the foundation web page received grants ranging from \$1,500 to \$2,500, for a grand total of \$137,500. The scholarship recipients come from 12 different AHMAs and represent a wide range of management companies.

Competition for this year's awards was extremely rigorous. "2013 was truly a record-setting year for the NAHMA Scholarship Program," said Scholarship Program Administrator Bruce W. Johnson, Ph.D. "The Foundation made 59 awards totaling \$137,500, far and away the most ever distributed. Residents in more states (19) and more AHMAs (12) received scholarships than at any time in

the seven-year history of the program.

"This group of NAHMA Scholars is a very high functioning group academically, with 45 of the 59 recipients having a grade point average above 3.0. These selected students all have outstanding academic credentials, as well as a wide range of extracurricular activities and involvement in community service. They are a well-rounded group, at all levels of scholarship (including graduate school) and with majors ranging from nursing to political science to truck driving."

Among the schools they are attending are Duke, Penn State, Rutgers, Washington State, Mississippi University for Women, Indiana State and numerous community colleges and trade schools.

"We would like to again thank all of our wonderful supporters who have made this the most successful fundraising year ever," said Fox. "Thanks to

them, we were able to award the highest dollar amount that the Foundation has ever been able to distribute among the deserving scholarship award winners.

"As we approach 2014, the Foundation would like to continue to operate at this same level while expanding into other states and AHMAs to make this a truly national program."

For a complete list of scholarship winners that includes names, management companies, schools students are attending, their majors and the amounts of their awards, go to http://www.nahma.org/content/ed_found.html.

Anyone interested in further information regarding the NAHMA Educational Foundation is encouraged to contact Dr. Bruce W. Johnson, Scholarship Program Administrator, NAHMA Educational Foundation, P.O. Box 740, Washington Crossing, PA 18977. **NN**

How One Community Turns Residents into Scholars

PRINCETON COMMUNITY VILLAGE (PCV), a Section 236 affordable housing site of 239 households, saw eight of its residents receive scholarships through the NAHMA Educational Foundation in 2013 alone. How do they do it?

According to Property Manager Susan O'Malley, it takes a great deal of effort marketing the program to residents. "We do this because we believe that education is an important component of the nurturing community environment we provide for our economically and ethnically diverse residents," she said.

"The applications we received from Princeton Community Housing residents were stellar," said NAHMA Educational Foundation Chair Wayne Fox. "We want other properties to be working at this level with and for their residents."

"We raise the money, and we'd like some help on the other side: getting students to apply for the scholarships. That only happens on the grassroots level, and it can only happen if they get encouragement and funding."

"We want people to be excited about what we've achieved this year and help next year be even better."

METHODS OF MARKETING

As an affiliate of Princeton Community Housing (PCH), PCV receives support and encouragement from management and the Board of Trustees in performing outreach to eligible students. PCH is a non-profit organization founded in 1967 by dedicated volunteers and local organizations. Its mission is to advocate for and ensure the availability of affordable housing in the Princeton community.

Some of the methods used by PCV to market the scholarships are to:

- Identify households with college-age children, or adults involved with continuing education and/or trade school
- Print and send actual applications to each of those targeted households
- Send announcements of the scholarship program to every household on the property
- Put announcements and reminders on bulletin boards and in the PCV newsletter
- Notify high-school guidance counselors of scholarship availability
- Follow up with families throughout the application period
- Host a PCV party to celebrate the winners each year, inviting board members, school administrators, and JAHMA and NAHMA Foundation staff. Former scholarship winners often come back to talk about what they have done since graduating.
- Publicity in local newspapers

"In addition, the Princeton High School guidance department helps us to track student progress with completion of the application," O'Malley said.

The scholarship program has become successful in large part due to word of mouth among parents and students, and to the great rapport that Dr. Bruce Johnson, the program's administrator, has developed with each of the students over the past eight years, O'Malley said.

"For many families that do not have any experience with higher education, these funds are often the catalyst toward their children's success in life," she said. "The scholarships have been very important to keeping students in school and finishing, because having \$600 for books can make the difference."

"We're just so proud of these kids."

27 Years Promoting AHMA Drug-Free Kids

NAHMA'S ANNUAL POSTER/CALENDAR CONTEST PROMOTING DRUG-FREE AND positive attitudes towards life, family and community has now reached its 27th year.

And as has been the case for many years, nearly 5,000 children, seniors and persons with special needs have submitted their artwork, in hopes to be judged an award winner and to receive national recognition in the next year's calendar.

This year's theme was **We are One Family: "Friends Make the World a Nicer Place."**

This year's grand-prize winner is **Anna Wen, a 12th grader from Honolulu, HI.** Her artwork will appear on the cover of NAHMA's 2014 calendar. She will also receive a trip to Washington, D.C. where she will be honored with a scholarship of \$2,500 from the NAHMA Educational Foundation presented at NAHMA's annual Fall meeting in October 2013. Other national winners whose artwork will appear in the 2014 calendar receive scholarships of \$1,000 (senior and special needs properties receive an award for their winners). The Foundation also awards Honorable Mentions \$100 scholarships.

Anna's artwork was selected from among thousands of entries that were submitted to the AHMAs nationwide. Each AHMA judged its entries and then forwarded on the very best to NAHMA for the national judging. The artwork was categorized by grade, with winners selected from each category (grades K-1, 2-3, 4-6, 7-9, 10-12, seniors and special needs residents).

Calendars may be ordered beginning in September 2013 by calling (703) 683-8630, ext. 115 or by visiting NAHMA's website at www.nahma.org. Calendars cost \$5.50 and are a HUD and RHS allowable property expense.

The following list of all of this year's winners includes their name, grade or category, where they live, the name of the management company, and the AHMA that submitted their artwork. **NN**

GRAND-PRIZE WINNER

Anna Wen, Grade 12, Kukui Tower, Honolulu, HI, EAH Housing, AHMA NCNH

WINNERS

Toni Gilbert, Senior, Lenola School Apartments, Moorestown, NJ, Moorestown Ecumenical Neighborhood Development, Inc. (M.E.N.D.), JAHMA

Daniah Alzubaidy, Grade 3, Casa Mesa Estates, Mesa, AZ, Biltmore Properties, AHMA PSW

Christian Vera, Grade 10, The Fairways, Worcester, MA, First Realty Management, NEAHMA

Kenny Camacho, Special Needs, Winteringham Village, Toms River, NJ, Interstate Realty Management, JAHMA

Marissa Ibarra, Grade 12, Strathern Court Apartments, Sun Valley, CA, Thomas Safran & Associates, AHMA PSW

Jamaurio McMillian, Grade 8, Winteringham Village, Toms River, NJ, Interstate Realty Management, JAHMA

Zoe George, Grade 6, Casa Mesa Estates, Mesa, AZ, Biltmore Properties, AHMA PSW

Melvin Stevenson, Grade 9, Eastgate Schoolhouse Road Estates, Clarksdale, MS, Southland Management Corp., SAHMA

Jennifer Lauzon, Grade 7, Bay Village, Fall River, MA, First Realty Management, NEAHMA

Vivianna Salcido, Grade 9, Strathern Park Apartments, Sun Valley, CA, Thomas Safran & Associates, AHMA PSW

Claudemyre Benoit, Grade 12, Davis Commons, Brockton, MA, First Realty Management, NEAHMA

Katherine Camacho, Special Needs, Winteringham Village, Toms River, NJ, Interstate Realty Management, JAHMA

Vivian Lee, Grade 12, Kukui Tower, Honolulu, HI, EAH Housing, AHMA NCNH

HONORABLE MENTIONS

Gamalia Cruz, Grade 7, Kensington Townhouses, Philadelphia, PA, The Michaels Organization, PennDel AHMA

Delores Johnson, Special Needs, Irving Apartments, Denver, CO, Archdiocesan Housing, Rocky AHMA

Marte Craig, Grade 9, Southpark Apartments, Columbus, OH, American Apartment Management Company, MAHMA

Tayah Teel-Sullivan, Grade 4, Greene Hills Estate, Springfield, VA, NDC Real Estate, Inc., Mid-Atlantic AHMA

Janice Mendoza, Grade 1, Sherwood Apartments, Edinburg, TX, Wedge Management, SWAHMA

Betty Rodkey, Senior, Leonard Court Apartments, Clearfield, PA, Central PA Development Corp., Inc. and Central PA Community Action, Inc., PAHMA

Jazmin Moreno, Grade 10, Fawn Ridge Apartments, The Woodlands, TX, BSR Trust, AHMA ET

TAX CREDIT COMPLIANCE,

continued from page 9

reform ideas and priorities.

None of these steps represents a final opportunity to press for our priorities in tax reform. Housing Credit and Bond supporters must work continuously to make sure that every member of Congress, particularly House and Senate leaders and members of the tax, banking, and housing funding committees, understands what the Housing Credit and Bond programs do, why they are important, and the role that other federal housing programs play with them.

MAKING THE CASE

These programs have produced over 2.6 million affordable rental homes with equity supplied by the Housing Credit. Nearly one-third of these homes were financed with multifamily Housing Bonds. HFAs have financed another 1 million affordable rental homes with Housing Bonds alone. Using the Housing Credit and Housing Bonds, HFAs add another 110,000 homes to our country's affordable rental housing inventory each year. In 2011, Housing Bond-financed 4 percent Housing Credit developments represented 44 percent of all Housing Credit production.

We have an excellent story to tell and case to make that the Housing Credit and Housing Bonds foster economic growth, promote fairness in the tax code, and effectively advance other important policy objectives, including affordable housing, sustainable development, improved health, educational achievement, and environmental quality.

While no one overestimates how easy it will be to achieve tax reform, it is still no exaggeration to say that the programs' survival depends on all of us doing what we can to preserve and strengthen these flagship affordable housing resources. **NN**

Garth Rieman is Director of Housing Advocacy and Strategic Initiatives at the National Council of State Housing Agencies.

REGULATORY WRAP-UP

THE ANNOUNCEMENT OF FISCAL YEAR 2013 ANNUAL ADJUSTMENT FACTORS (AAFs) for the Section 8 Housing Assistance Payments (HAP) Program is now available on the NAHMA website. This document also contains a link to dataset tables displaying the AAFs for FY 2013. The AAFs are based on a formula using residential rent and utility cost changes from the most recent annual Bureau of Labor Statistics Consumer Price Index (CPI) survey. A separate Federal Register Notice will be published at a later date that will identify the inflation factors that will be used to adjust tenant-based rental assistance funding for FY 2013. To view the AAFs, go to www.gpo.gov/fdsys/pkg/FR-2013-05-22/pdf/2013-12174.pdf. To view the accompanying table of data, go to www.huduser.org/portal/datasets/aaf/FY2013_tables.pdf.

DISASTER RELIEF IN OKLAHOMA

THE IRS HAS EXTENDED DISASTER RELIEF IN OKLAHOMA THROUGH NOTICE 2013-47, which amplifies the relief provided by Notice 2013-39 and Notice 2013-40. Those Notices provided temporary relief from certain limitations on low-income housing projects financed with tax-exempt bonds under §142(d) and LIHTCs under §42, respectively, to permit such projects to house individuals displaced by severe storms and tornadoes occurring in Oklahoma between May 18 and May 27, 2013. Following the release of those Notices, FEMA extended the period during which the disasters occurred to June 2, 2013, and added flooding to the list of disasters covered. This Notice makes the same changes to Notices 2013-39 and 2013-40. Notice 2013-47 will appear in IRB 2013-31 dated July 29, 2013.

HUD NEWS

ON JUNE 3, 2013, HUD ANNOUNCED THAT OWNERS OF PROPERTIES WITH A SECTION 515 RURAL RENTAL HOUSING LOAN FROM USDA AND A SECTION 515/8 HAP CONTRACT FROM HUD

who are required to submit annual financial statements (AFS) to HUD will no longer be required to do so. Furthermore, going forward, owners who purchase a property with a Section 515 Rural Rental Housing loan and a Section 515/8 HAP contract will now execute a revised "Assignment, Assumption and Amendment Agreement of Section 8 Housing Assistance Payments Contract," which omits the language requiring the purchaser to begin submitting AFS to the Department upon assumption of the 515/8 HAP contract. See Housing Notice H2013-16, "Exemption of Annual Financial Statement Submission for HUD-Assisted Properties with Section 515 Rural Rental Housing Mortgage Financing" for additional information.

ON JULY 3, HUD PUBLISHED AN "ANNOUNCEMENT OF ISSUANCE BY HUD OF NOTICE OF SENIOR PRESERVATION RENTAL ASSISTANCE CONTRACTS AWARD PROCESS AND SOLICITATION OF APPLICATIONS" in the *Federal Register*, which announced the availability on HUD's website of the "Notice of Senior Preservation Rental Assistance Contracts Award Process (Notice)." The Notice specifies the process by which HUD will award Senior Preservation Assistance Contracts (SPRACs). It also starts the application process, and solicits applications for a period of 60 days. SPRAC applications must be submitted to HUD in accordance with the posted Notice by September 3, 2013. NN

A Life-Long Love of Work

MELISSA FISH-CRANE WAS BORN into a family already committed to a tradition of service in residential real estate.

Melissa's great-grandfather started a construction business in Boston in the 1890's; her grandfather and father continued the business and in 1976 Melissa's dad, Edward A. Fish, founded Peabody Properties, Inc. (PPI), a management company specializing in affordable housing communities.

Melissa began working at PPI when she was just 15. Throughout college, on school breaks and on summer vacations, she continued to work at PPI, which during this time managed about 30 properties with about 3,500 units.

After she got her bachelor's degree, Melissa took a position with another management firm. She further developed her skills in property management and blended that expertise with a new talent—marketing. After four years Melissa returned home to PPI, whose portfolio had since increased to over 5,000 units of owned and/or managed affordable and conventional residential rental housing.

MOVING ON UP

Melissa became property manager at a small site for elderly and disabled residents. In addition to her responsibilities at the community, "Whenever there was a need for something, including marketing at other sites or at corporate, people called on me," Melissa said. When PPI acquired a large, troubled family property, she was promoted to marketing manager and then property manager for this community. It was in the process of being restructured financially, but "it was

a tired property that desperately needed a rehab, and there were issues with crime," she said. She stabilized the property until the refinance was complete and funds were freed up.

GOING WHERE NEEDED

When an investor client asked PPI to manage an entire portfolio in New Hampshire, Melissa moved to the area to better serve the client and the portfolio. By this time she was married with young children. She relocated there for three years and took on additional properties in New Hampshire and Massachusetts. When she moved back to Massachusetts, she was promoted to regional manager, overseeing 10 properties and supervising approximately 30 people.

Melissa's communication skills and her ability to work with clients soon labeled her as the go-to person for client relations, and this soon resulted in an additional promotion. In this capacity she dealt with "a lot of third-party clients outside of my father's owned-portfolio, and also oversaw the market-rate condos." Four years later, Melissa was appointed a vice president at PPI, overseeing all managed-property operations.

When her father passed away three years ago, she and her sister, Karen Fish-Will, became the principals of PPI. She is also the chief operating officer. Today, PPI is a SAMBA-Certified Women-Owned Business with 10,000 units, over 100 apartment communities throughout Massachusetts, with three in Rhode Island, one in Miami, FL and another under development in New Jersey.



NAMED "BEST PLACE TO WORK"

PPI provides a tremendous amount of training opportunities, and Melissa feels it's "just a critical component of the growth of a professional."

PPI's training component contributes greatly to the "fabulous culture" at the company, "where people love what they do, and it shows from our success." In 2013, the Boston Business Journal named Peabody Properties, Inc. one of the best places to work in the region.

BRANCHING OUT

Melissa became involved with the New England AHMA (NEAHMA) about three years ago. She now serves on its board and chairs its training and education committee. She's been involved with NAHMA for the last two years and in June 2012 was appointed to the board of the NAHMA Educational Foundation.

"This was initiated from a fundraising event I co-chaired in Boston when NAHMA had its meeting here," she said. The event was a boat cruise in Boston Harbor that netted \$75,000 for the foundation. "This took fundraising for the scholarship program to a whole different level," she said.

"It's very exciting! We were able to provide a lot of scholarships this year, and it was gratifying that these included many from PPI-managed communities. The foundation board is trying to be more creative about fundraising and its efforts. We're trying to grow the foundation so that people recognize what the mission is and what a difference it truly makes in people's lives."

Melissa said, "my life is my work and my family. I absolutely love what I do." **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

7-9

CPO

San Diego, CA
Jennifer Diehl, AHMA PSW
(866) 698-2462
www.ahma-psw.org

12-14

2013 Regional Conference and Trade Show

Charlotte, NC
Betsy Eddy, SAHMA
(800) 745-4088
www.sahma.org

20-22

CPO

Columbus, OH
Audra Garrison, MAHMA
(888) 242-9472
www.mahma.com

21-22

Tax Credit/SHCM

MA
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

21-22

FHC

Oakland, CA
Jennifer Diehl, AHMA NCNH
(510) 432-2462
www.ahma-ncnh.org

SEPTEMBER

9-10

2013 AHMA-NCNH 32nd Annual Conference and Trade Show

Oakland, CA
Jennifer Diehl, AHMA NCNH
(510) 432-2462
www.ahma-ncnh.org

10

FHC

Georgetown, KY
Betsy Eddy, SAHMA
(800) 745-4088
www.sahma.org/fair-housing

11-13

CPO

Georgetown, KY
Betsy Eddy, SAHMA
(800) 745-4088
www.sahma.org/cpo

17-19

CPO

Charlotte, NC
Betsy Eddy, SAHMA
(800) 745-4088
www.sahma.org/cpo

17-19

CPO

Norwood, MA
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

18-19

2013 PennDel AHMA Fall Conference and Expo

Dover, DE
Gerri Aman, PennDel AHMA
(856) 786-2183
www.penndelahma.org

24-25

CPO

Grand Rapids, MI
Audra Garrison, MAHMA
(888) 242-9472
www.mahma.com

26-27

Tax Credit/SHCM

Los Angeles, CA
Jennifer Diehl, AHMA PSW
(866) 698-2462
www.ahma-psw.org

OCTOBER

7-8

CGPM

Oakland, CA
Jennifer Diehl, AHMA NCNH
(510) 432-2462
www.ahma-ncnh.org

8

FHC

Indianapolis, IN
Audra Garrison, MAHMA
(888) 242-9472
www.mahma.com

8-9

FHC

San Diego, CA
Jennifer Diehl, AHMA PSW
(866) 698-2462
www.ahma-psw.org

9-10

Tax Credit/SHCM

Mount Laurel, NJ
Gerri Aman, PennDel AHMA
(856) 786-2183
www.penndelahma.org

15-17

CPO

Columbia, SC
Betsy Eddy, SAHMA
(800) 745-4088
www.sahma.org/cpo

16-17

FHC

Norwood, MA
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

22-23

Tax Credit/SHCM

San Francisco, CA
Jennifer Diehl, AHMA NCNH
(510) 432-2462
www.ahma-ncnh.org

29-30

Tax Credit/SHCM

Cleveland, OH
Audra Garrison, MAHMA
(888) 242-9472
www.mahma.com

NOVEMBER

6-8

CPO

Birmingham, AL
Betsy Eddy, SAHMA
(800) 745-4088
www.sahma.org/cpo

12-14

Mid-Atlantic AHMA Annual Fall Conference

Richmond, VA
Terry Doherty
(804) 673-4128
www.mid-atlanticaahma.org/

Finding Joy as an AHMA Executive Director

DARIA JAKUBOWSKI GRADUATED from the University of New Haven in Conn. and subsequently did graduate work in business and public administration. After traveling the country (and Europe) with her active duty Army husband, she landed in the D.C. area upon his military retirement in 1992.

After briefly working in mortgage banking she moved to association management. Her immersion into affordable housing came when she began working for NAHMA in 1997 as its education manager, having directed such programs for another association before that.

Aside from a brief stint at the National Association of Home Builders, she was asked by then-executive director George Caruso to come back as deputy director. She held this position until 2004.

Jakubowski dedicated herself to the needs of NAHMA's members, especially for training and credentialing. She was a liaison between NAHMA and the NAHB while they developed a housing credit certification, which has since been replaced at NAHMA by the Specialist in Housing Credit Management (SHCM) credential. She also helped update and streamline the Certified Professional of Occupancy (CPO) and fair housing certifications.

"It was all enjoyable," she said. "I really worked closely with the board members and assisted with board meetings, and I had great relationships with all of the AHMAs and our members."

MOVING TO THE FRONT LINES

It was her close relationship with the AHMAs that led SAHMA to ask her if she would be interested in their open

position as executive director. She took them up on this opportunity, moved from the D.C. area to Atlanta and began with SAHMA on July 1, 2004.

"When I first got here there were only two staff members and me," Jakubowski recalled.

"We were doing some of the same things we do now: organize eight state meetings with the help of a myriad of volunteers, present about 20 educational programs per year, and host an annual conference."

"We began to do things differently, though, first streamlining processes, hiring more staff and outsourcing a few tasks. I talked a lot with the board about how to move things forward," she said.

She and her staff took great pains to develop a detailed handbook to train volunteers to better manage state meetings. As of now, SAHMA's staff size has doubled, they use an electronic meeting registration system, and created other efficiencies. They have both an in-house graphic designer who does the newsletter and website and oversees some programs, and an accounts manager, an events manager and an administrative support person. They grew to nine state meetings in 2005 when they added Puerto Rico, since SAHMA serves both Puerto Rico and the U.S. Virgin Islands.

They've also expanded the size of the office, to include a room that seats up to 60 and is used many times for training.

By her second year as executive director, Jakubowski felt the organization was in a position to apply for one of NAHMA's AHMA of the Year



awards. "We had increased our meeting participation; the number of our educational courses increased; and the board felt confident about our applying," she said. "We've won eight years in a row in the large AHMA category." SAHMA currently has 494 mem-

bers in seven categories, a retention rate of 89 percent, and a healthy budget.

KEEPING UP WITH TRENDS

Lately SAHMA has embraced social media, keeping watch on trends in the industry, "not just in affordable housing but also in meetings' trends," Jakubowski said. "Do our members want webinars? Online education? We're trying to supply the best services to our members, which is one reason they keep renewing. We're also always looking for new speakers and presenters, to touch all areas of the industry. It's what keeps it interesting."

SAHMA also partners with other AHMAs and is very willing to share materials and information. SAHMA has also embraced the NAHMA Educational Foundation and recently donated \$30,000 to the scholarship fund in honor of SAHMA's 30th anniversary. The Drug-Free Program and the Communities of Quality® Program are heavily supported by the SAHMA membership as well.

SAHMA is now gearing up for its annual conference in August 2013 and a board-led strategic planning session in November.

Bottom line: "I love what I do. I enjoyed working at NAHMA, but coming to SAHMA really clicked." **NN**

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

thelastword

Another Successful Summer Meeting for NAHMA!



IN JUNE, NAHMA HELD ITS fourth co-located summer meeting with the National Apartment Association (NAA). The meeting was in San Diego and was the perfect backdrop for the work of the committees. Everyone worked hard and enjoyed the city.

The meeting kicked off with a mini-convocation with the AHMA's leaders and executive directors as a follow-up to our initial meeting in Atlanta last November. I was impressed with the excitement in the room as we continued our discussions on best practices, training and education, and succession planning.

That same evening the NAHMA Educational Foundation had its fundraiser, cruising on a boat in the San Diego Harbor. Initial reports indicate that the event raised just over \$100,000 for future scholarships to be awarded to worthy students recommended by NAHMA-member local property owners and managers. Thank you to everyone who participated; your support is appreciated more than you will ever know.

Wednesday had NAHMA members

in committee meetings filled with timely information, lively discussions and positive outcomes. As we all know, the future of affordable housing is changing, and we at NAHMA are working to stay ahead of the changes in hopes of offering our suggestions for improvements.

With all of the work happening, it was important to take a moment to celebrate, and what better way to celebrate than to recognize our Vanguard Award winners! Congratulations to the owners, agents and on-site staff for their dedication to providing high quality, innovative affordable housing.

What would a Summer Meeting be without a NAHMA party? Bottom line, it would not be the same. I would like to thank Gemi Ozdemir of Dauby O'Connor and Zaleski for another wonderful event held at Fluxx Club. The time and effort to coordinate sponsorships, advertisements, admissions and entertainment is endless! Thank you Gemi and team for your continued dedication to bringing NAHMA members together.

Thursday and Friday were NAHMA's

days to shine during NAA's conference and exposition. The affordable housing sessions presented by NAHMA were a hit! The affordable housing topics covered Impacts of the New Fiscal Reality, Innovative Technology and Green Solutions, Inspiring New Directions in Providing Niche Affordable Housing, and Connecting the Trends: Case Studies in Innovations. The rooms were full and the audiences were interactive. Thank you to every panelist for making the sessions a success.

To see pictures of the event, check out NAHMA's Facebook page. There are also photos of the Vanguard Award-winning sites. And be sure to "like" what you see and become a Facebook friend, if Facebook is your thing.

Also, mark your calendars for NAHMA's Fall Meeting, a Regulatory Issues Forum in Washington DC, October 27-29, 2013. Visit www.nahma.org for more information on meetings and current happenings in affordable housing. **NN**

Gianna Solari, SHCM, NAHP-e, FHC, is Vice President/COO of Solari Enterprises, Inc. of Orange, CA and is President of NAHMA.