

# NAHMA News

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

## IN THIS ISSUE

- 3 Inside NAHMA
- 9 Washington Update
- 10 Tax Credit Compliance
- 12 Industry Leaders  
Oppose Benchmarking
- 17 2016 COQ Winners
- 28 Regulatory Wrap-Up
- 30 Education Calendar
- 31 Up Close & Personal



## HUD Published Final Rule For Small Area FMRs Over Industry Objections

On Nov. 16, 2016, the Department of Housing and Urban Development (HUD) published the Final Rule on Establishing a More Effective Fair Market Rent (FMR) System; Using Small Area Fair Market Rents (SAFMRs) in Housing Choice Voucher (HCV) Program Instead of the Current 50th Percentile FMRs in the *Federal Register*.

The purpose for this regulation, according to HUD, is to help public housing authorities (PHAs) deconcentrate HCVs by replacing the 50th percentile FMR with SAFMRs, based on ZIP codes. According to the department, “experience with the 50th percentile regime has shown that the majority of HCV tenants use their vouchers in neighborhoods where rents are low but poverty is generally high. SAFMRs will complement HUD’s other efforts to support households in

**HUD anticipates that by using SAFMRs, HCV residents will access areas of “high opportunity and lower poverty areas,” thereby the number of residents living in areas of high poverty will be significantly reduced.**

making informed choices about units and neighborhoods with the goal of increasing the share of households that choose to use their vouchers in low poverty opportunity areas .... ZIP codes are small enough to reflect neighborhood differences and provide an easier method of comparing rents within one ZIP code to another ZIP code within a metropolitan area.”

HUD anticipates that by using SAFMRs, HCV residents will access areas of “high opportunity and lower poverty areas,” thereby the number of residents living in areas of high poverty will be significantly reduced.

During the proposed rule 60-day comment period, NAHMA joined with seven other industry colleagues to oppose the implementation of SAFMRs, saying the ZIP code methodology was unproven.

*continued on page 4*

Streamline affordable housing oversight with one platform to manage your properties, residents, and subsidies.



# SOCIAL. MOBILE. SMART.



## **YARDI** Voyager® Affordable Housing

Save time and money with full property and financial management on a single, mobile solution compliant with all major subsidies, including 50059, LIHTC, HOME, and Rural Development.

To learn more, call 800.866.1144  
or visit [www.yardi.com/affordable](http://www.yardi.com/affordable).

## PRESIDENT

Michael Johnson, SHCM, NAHP-e  
mjohnson1@alcomgt.com

## EXECUTIVE DIRECTOR

Kris Cook, CAE  
kris.cook@nahma.org

## DIRECTOR, GOVERNMENT AFFAIRS

Larry Keys Jr.  
lkeys@nahma.org

## DIRECTOR, FINANCE AND ADMINISTRATION

Rajni Agarwal  
rajni.agarwal@nahma.org

## DIRECTOR, MEETINGS, MEMBERSHIP

Brenda Moser  
brenda.moser@nahma.org

## MANAGER, COMMUNICATIONS AND PR

Jennifer Jones  
jjones@nahma.org

## GOVERNMENT AFFAIRS COORDINATOR

Juliana Bilowich  
jbilowich@nahma.org

## EDUCATION AND TRAINING COORDINATOR

Natasha Patterson, ACA  
npatterson@nahma.org

## ADMINISTRATIVE COORDINATOR

Paulette Washington  
pwwashington@nahma.org

## EDITOR

Jennifer Jones  
jjones@nahma.org

## DESIGN

Mary Prestera Butler  
butler5s@comcast.net

## 2017 NAHMA OFFICERS AND BOARD OF DIRECTORS

### President

Michael Johnson, SHCM, NAHP-e

### President-elect

Timothy Zaleski, SHCM, NAHP-e

### Vice President

Michael Simmons, CPM, NAHP-e  
Larry Sisson, FHC, SHCM, NAHP-e, CGPM

### Secretary

Nancy Evans, SHCM, NAHP-e

### Treasurer

Peter Lewis, SHCM, NAHP-e, CPO, CGPM

### Immediate Past President

Ken Pagano, SHCM, NAHP-e

### Directors

Jeff Baker  
Jasmine Borrego, NAHP-e, CPO  
Sandra Cipollone, SHCM, FHC  
Noel Gill, NAHP-e, SHCM, CPO  
Melanie Kibble, FHC, SHCM, NAHP-e  
Pamela Monroe  
Mark Morgan  
Christina Sanchez  
Richard Skoczylas, FHC, SHCM, NAHP-e, CPO  
Lisa Tunick  
Angie Waller, FHC, SHCM, NAHP-e, CPO, ACPO  
Christopher White, NAHP-e

### Voting Past Presidents

Phil Carroll, SHCM, NAHP-e  
Jim McGrath, SHCM, NAHP-e

©2017 National Affordable Housing Management Association  
NAHMA News is published six times a year by the National Affordable Housing Management Association, 400 North Columbus Street, Suite 203, Alexandria, VA 22314. Phone (703) 683-8630. Website: [www.NAHMA.org](http://www.NAHMA.org)

**SUBSCRIPTIONS:** Free for NAHMA/AHMA members, \$100 for nonmembers.

**ADVERTISING:** Digital ads preferred. Rates vary. Contact: Emily Rottman at (202) 367-2329, or [ERottman@townsend-group.com](mailto:ERottman@townsend-group.com).

**QUERIES:** Letters to the Editor and other queries should be sent to Jennifer Jones at the address above.

**NOTICE:** Contents of NAHMA News should not be regarded as the final authority on policies, regulations and legal or other issues. Opinions are those of the authors and do not necessarily represent opinions or policies of NAHMA's board of directors or staff. NAHMA is not liable in any way for omissions or inaccuracies.

**COPYRIGHT:** Contents of NAHMA News are protected by copyright and may not be reproduced, in whole or in part, without permission and attribution.



## Welcoming in the New Year

AS EVERYONE KNOWS, WE HAVE a new Congress to work with in 2017-2018—the 115th. With both chambers, along with the White House, now under control of the same party, it will be interesting to see if gridlock remains the hallmark of this branch of government. In his Washington Update column, NAHMA's Larry Keys summarizes the confirmation hearing for Department of Housing and Urban Development Secretary Ben Carson (see Page 9). On a related note, for a listing of agency heads and members of the transition teams, please see the article on Page 13.

### CELEBRATING SUCCESSES

As in years past, we do start out our year on a high note: announcing the winners of the 2016 Communities of Quality Awards program and the 2016 NAHMA Industry and AHMA Awards. Even in the midst of these challenging financial times, affordable housing managers, owners and developers are doing an outstanding job in creating safe, quality homes for the nation's less fortunate. You can read about all of these remarkable communities and leaders in this issue of NAHMA News; please see the articles on Page 17 and 22.

Additionally, the application for the 2017 Vanguard Award is available online and is due June 2. For more information about the awards or to download an application, visit the Vanguard Award webpage under the Awards & Contests tab at [www.nahma.org](http://www.nahma.org).

### CHANGES WITHIN NAHMA

As we do every two years, NAHMA members recently elected a new board president. This year we welcome Michael Johnson as our new leader. Johnson is, of

course, no stranger to us. He's been on the NAHMA board and a director or officer since the mid-2000s, and is a past president of SAHMA.

There's a profile of Johnson on Page 31, and his column, The Last Word, is on Page 32. Together, the articles will give you a great sense of what he has meant to the industry and where he hopes to go as NAHMA's new leader.

We also have a new staff member to support our work and our members. Juliana Bilowich joined us in November as our new coordinator of government affairs. Bilowich comes to NAHMA from the Maryland Public Interest Research Group, where she managed statewide issues campaigns. She has past experience working as a congressional intern. Additionally, she gained service experience while working as a teaching assistant in Morocco, as well as a construction crew leader for Habitat for Humanity, and on a farmer training program in northern New Mexico.

To read more about Bilowich see her contribution to the Washington Update on Page 9.

### MAKING A DIFFERENCE IN 2017

One of our greatest wishes for the new year is that you will see 2017 as the year you have your voice heard in both houses of Congress. Nothing matters more to elected officials, whether in the District of Columbia or at the local and regional levels, than hearing from a constituent. Call, write, email—do whatever you can to make sure your voice is raised in support of affordable housing.

That will make for a truly hopeful 2017. **NN**

Kris Cook, CAE, is executive director of NAHMA.

“Although we recognize that moving low income households to areas of opportunity may be a worthwhile objective, and we strongly support the principle of choice in the voucher program, we do not believe HUD has completely established that Small Area Fair Market Rents (SAFMRs) are an effective way to accomplish this. We are concerned that HUD has enthusiastically and prematurely sought to apply broader applications of SAFMRs in the absence of empirical evidence of their effectiveness,” read the industry letter.

Additionally, HUD was conducting a demonstration on the effectiveness of SAFMRs. HUD had not published the results for its SAFMRs demonstration, which tested this approach in five locations. The association released a *NAHMA Analysis* in December highlighting the selected areas for SAFMRs and HUD responses to industry concerns.

#### SMALL AREA FMR CRITERIA AND SELECTED AREAS

In addition to the final rule, HUD published the selection criteria to determine the initial metropolitan FMR areas subject to SAFMRs for use under the HCV program:

- There are at least 2,500 HCVs under lease;
- At least 20 percent of the standard quality rental stock within the metropolitan FMR area is in small areas (ZIP codes) where the SAFMR is more than 110 percent of the metropolitan FMR;
- The percentage of voucher families living in concentrated low income areas relative to all renters within the area must be at least 25 percent;
- The measure of the percentage of voucher holders living in concentrated low income areas relative to all renters

within these areas over the entire metropolitan area exceeds 155 percent;

- The vacancy rate for the metropolitan area is higher than 4 percent.

There were 24 areas that meet the criteria. According to the final rule, “these areas contain approximately 368,000 (18 percent) of the HCV households nationwide ... there are 217 PHAs in metropolitan areas.”

#### INDUSTRY CONCERNS

During the proposed rule review, NAHMA and industry colleagues strongly opposed the implementation of SAFMR, because it failed to consider the possible effect on residents who choose

“Although we recognize that moving low income households to areas of opportunity may be a worthwhile objective, and we strongly support the principle of choice in the voucher program, we do not believe HUD has completely established that Small Area Fair Market Rents (SAFMRs) are an effective way to accomplish this.

to remain or are forced to remain due to a lack of vacant units in a “high opportunity” ZIP code and the potential disinvestment in the neighborhoods that lose support when payment standards decline. The industry recommended that the existing FMRs serve as the SAFMR’s floor in neighborhoods that would otherwise experience reductions in HCV payment standards under HUD’s proposal.

The following is a summary of the industry concerns and HUD’s response.

#### LACK OF EVIDENCE THAT SAFMRS ARE MORE EFFECTIVE

**Industry Concern:** The research findings cited in the proposed rule failed to consider tendency to move or neighborhood characteristics for the 50th percentile FMR program and therefore provides no basis for concluding that SAFMRs or any other program is superior to 50th percentile FMRs according to these measures. In addition, the

Collinson-Ganong conclusions, cited by HUD, about benefits accruing to property owners rather than residents were not valid, due to their failure to consider a possible causal link between rental income and unit quality. Absent other research cited by HUD, the industry concluded there was no evidence that SAFMRs are more or less effective than 50th percentile FMRs.

**HUD Response:** While HUD acknowledged that more information on the overall effects of the SAFMR approach would be available when the results of the demonstration are available to inform broad policy, HUD believed that it was not premature to

implement SAFMRs on a limited basis in those areas where it had the potential to address significant voucher concentration concerns. Through the final rule, HUD sought not only to employ a better tool than the 50th percentile policy to expand housing opportunities for families where voucher concentration is a particular challenge but to also provide PHAs with the administrative flexibility to implement appropriate resident protections to families under Housing Assistance Payments (HAP) contract and to address changing market conditions.

#### CRITERIA FOR IMPLEMENTATION NEED TO CONSIDER NEGATIVE EFFECTS ON REMAINING RESIDENTS AND INVESTMENT IN COMMUNITIES

**Industry Concern:** The SAFMR proposal was flawed because it failed to consider the possible effect on residents who choose to remain and the potential

*continued on page 6*

INTRODUCING

# YARDI Genesis<sup>2</sup><sup>TM</sup> for Affordable Housing

Easily manage LIHTC, HOME, RD, and HUD 50059 subsidies  
on your favorite handheld device or computer.

---

**Work anywhere from one hosted platform:**

All-in-One Property Management

Complete Accounting Software

Payment Processing

Resident Insurance & Screening

Cutting Edge Solution with Minimal Setup



For a personal demo, call **800.866.1144**  
or visit **[yardi.com/g2aff](http://yardi.com/g2aff)**.





imagine

Fast.  
Friendly.  
Excellent  
Service.

(from a Software Company!)

Affordable Housing Property management has never been faster, easier, or more cost-effective than with MultiSite Systems.

- Free Services
- No Hidden Fees
- Remote Access with iPad and Other Tablets
- Manage Multiple Properties on One Interface
- Work Order Requests from Your Web Site
- Integrated Accounting System
- RAD, HUD (59 & 58), RD, LIHTC Compliant
- NEW USDA-RD XML Transmission Implemented
- Web Based - ASP Hosted (Tablet Friendly)
- Maintenance and Cloud Inspections

Celebrating  
20 Years  
of Stable Software

**MultiSite  
Systems**  
PROPERTY MANAGEMENT SOFTWARE

888-409-5393 (USA)  
787-225-9798 (PUERTO RICO)  
WWW.MULTISITESYSTEMS.COM

## HUD PUBLISHED FINAL RULE FOR SMALL AREA FMRS OVER INDUSTRY OBJECTIONS, *continued from page 4*

disinvestment in the neighborhoods that lose support when payment standards decline.

**HUD Response:** HUD did not provide a response to this concern.

### HOLD HARMLESS PRINCIPLE

**Industry Concern:** If HUD felt it must move ahead with an SAFMR program, it should have established a floor at the current FMR, holding areas harmless and not allowing the payment standard to decline anywhere simply due to a change in methodology.

**HUD Response:** In response to the industry's request that HUD hold disabled and elderly residents harmless under this policy, HUD was prohibited from treating one or more protected class differently under the Fair Housing Act and other civil rights requirements, absent statutory authority. HUD in this rule was implementing robust resident protections for all, including those enacted in the Housing through Opportunity Modernization Act (HOTMA). HUD will study the specific impact on elderly and disabled voucher recipients because of this rule change to determine if additional policy changes are necessary.

In the Preamble of Final SAFMR Rule, HUD stated that "the regulations at § 982.505(c)(3) with the portion of section 107 of HOTMA, which provides PHAs with the option to hold families under a Housing Assistance Payments (HAP) contract harmless from payment standard reductions that are currently required at the family's second annual recertification if the family's payment standard falls outside of the basic range as the result of a decrease in FMRs (including a decrease in FMR attributable to the implementation of Small Area FMRs). As an additional protection, the final rule provides that should a PHA choose not to hold the payment standard at its current level for families under HAP contract in an area experiencing a payment standard reduction, the PHA may set the payment standard for families that remain under HAP contract at any amount

between the current payment standard and the new normally applicable payment standard amount, and may further reduce the payment standard for families under HAP contract over time to gradually bring the family's payment standard down to payment standard that is normally applicable to the area for the PHA's program or reduce the gap between the two payment standards. The rule further extends these same flexibilities to the PHA in cases where the payment standard decrease is not the result of a FMR decrease.

"The rule further provides that if the PHA chooses to apply a reduction in the payment standard to the family's subsidy calculation during the HAP contract term, the earliest the PHA may implement the initial reduction in the payment standard is the second regular reexamination following the effective date of the decrease in the payment standard amount. Section 107 of HOTMA also provides new requirements for publishing HUD's FMRs on the HUD's website."

### NEXT STEPS

In fiscal year 2017, HUD plans to issue implementation guidance and support to PHAs implementing SAFMRs; produce webinars on lessons learned and best practices from PHAs already implementing SAFMRs; and explore whether there is interest among implementing PHAs in providing HUD with payment standard data to inform the development of a mobile application that will enable residents to confirm a unit's payment standard by entering the address. NAHMA will keep members updated on this information.

NAHMA and industry colleagues have expressed serious concerns with HUD's implementation of SAFMRs. They would have preferred that HUD wait to see the results of its demonstration, which was still in process, and examine the findings to ensure this policy change does not negatively affect HCV residents and neighborhoods. NAHMA will continue to make this case to the new HUD leadership. **NN**



## RISK REDUCTION AND OUTPERFORMANCE

“OneSite® Leasing and Rents Affordable & Tax Credits is perfect for my affordable properties. My staff moves step-by-step through the certification and move-in processes quickly and easily, nearly eliminating oversights. We save time and money and have more confidence in remaining compliant while reducing risk due to OneSite’s checks and balances.”

**Traci Lutz**

*Vice President of Compliance  
Edgewood Management Corp.  
Gaithersburg, MD*

Remain compliant while reducing your risks. See how to outperform at [www.realpage.com/nahma](http://www.realpage.com/nahma) or call 1-866-949-2090.



8609 3115 990 BASIS HAP LIHTC HUD 2/15



We speak your language.



Dauby O'Connor & Zaleski, LLC  
A Limited Liability Company  
Certified Public Accountants

[www.doz.net](http://www.doz.net) | 866.848.5700

@dozcpa /company/doz

## Is Your Agency Providing Equal Housing Opportunities?

HAI Group's new NanMckay Fair Housing and Reasonable Accommodation Certification helps you remain compliant with the most recent fair housing laws.

Visit [www.housingcenter.com/fair-housing](http://www.housingcenter.com/fair-housing) to watch a preview!



For More Information  
800-873-0242, ext. 291  
[information@housingcenter.com](mailto:information@housingcenter.com)





ON JAN. 12, THE SENATE BANK-  
ing, Housing and Urban Development  
Committee held a nomination hearing  
for Department of Housing and Urban  
Development (HUD) Secretary-des-  
ignate, Dr. Ben Carson. Overall, the  
hearing largely focused on Carson's past  
comments about poverty, housing assis-  
tance, fair housing law, veteran home-  
lessness and the LGBT community. Sen.  
Marco Rubio (R-FL) introduced Carson.

In his opening statement, Carson focused on his improbable life's journey, including overcoming poverty during his childhood in Detroit and becoming a world-renowned pediatric neurosurgeon as well as his community involvement with development programs in east Baltimore and the Carson Scholars Fund.

Carson stated that he looked forward to taking a holistic approach to combatting poverty in the country. He also looked forward to enhancing HUD programs around the intersection of health and education. Additionally, he spoke favorably about working to end veteran's homelessness. Here are some notable remarks from Carson, regarding issues of interest to NAHMA members.

“I think the rental assistance program is essential and what I have said, if—if you [have] been reading my writings, is that when it comes to entitlement programs, it is cruel and unusual punishment to withdraw those programs before you provide an alternative.”

“You have to attack the problem that you

described from both ends. There are a large number of people spending 30 to 50 percent of their income to housing. That's an unacceptable number. So, what we have to do is either raise their income or decrease the cost of the housing. I think both of those areas are areas that we need to work upon."

"If confirmed in this position, of course, I would enforce all the laws of the land. And, I believe that all Amer-

icans, regardless of the new things that you mentioned, should be protected by the law. What I have mentioned in the past is the fact that no one gets extra rights. Extra rights means, you get to redefine everything for everybody else."

Carson was confirmed by the committee and should receive full Senate approval. At which time, NAHMA will extend an invitation to him for the March meeting. **NN**

Larry Keys Jr. is director of government affairs for NAHMA.

**HELLO NAHMA.** It is an honor to join NAHMA and I look forward to working with each of you. Like most other people, housing has defined my sense of place in this world—or all too often, my sense of displacement. Having grown up in many homes, it is a joy to work together with NAHMA’s board of directors, staff and members to find a better way “home” for everyone.

**In my early 20s, my first formal introduction to affordable housing came through construction: Leading crews for Habitat for Humanity, I worked side-by-side with prospective homeowners. I remember one family in particular.**

**Angela's application for a Habitat house was approved in the winter, and as she put in her required volunteer hours, she grew fluent with the hammer and saw. The day we mixed concrete for the front sidewalk, I called her and her children over to press their tiny, creased handprints into the fresh cement.**

**More than the groundbreaking or ribbon-cutting ceremonies, this was a point of arrival for all of us: I watched as Angela knelt in the dirt, held her children's hands and peered into their future. In that moment—like when my family and I had first arrived in the U.S. less than a decade before—everything seemed limitless: the opportunity as much as the distance to achieving it.**

Eventually, I saved up enough money to hang up my tool belt and attend the University of New Mexico. After my experiences working in many one-on-one situations, I was eager to study the “bigger” picture of public policy. I learned, of course, that there are no easy answers. In fact, I have since worked in various arenas, only to find each interconnected, making both the challenge of—and the need for—success so much more tangible.

**This is a country of dusty horizon highways, bearing everyone's dreams just beyond view. And yet, I am confident that together, we will continue to close the distance between opportunity and achievement, starting with housing.**

**Juliana Bilowich is coordinator of government affairs for NAHMA.**

# Presidential Election, Impending Tax Reform Create Uncertainty Among LIHTC Participants

**Editor's Note:** This article first appeared in the January 2017 issue of the *Novogradac Journal of Tax Credits*. It is reprinted here with permission.

COMPREHENSIVE TAX REFORM IS on the minds of Low-Income Housing Tax Credit (LIHTC) industry participants now more than ever. With President-elect Donald Trump to take office Jan. 20, the industry is waiting to see what tax reform may look like, creating a level of uncertainty in the LIHTC market.

"The election of Donald Trump, with Republican control of both houses of Congress, raises the probability of significant tax reform," said Todd Crow, executive vice president, manager of tax credit capital at PNC Bank. Crow said the uncertainty surrounding tax reform has been a bit disruptive to the market since the election.

"I believe there is broad bipartisan support of the credit. It will survive in some form," said Michael Lavine, executive vice president at Wells Fargo. "How will tax rates get adjusted? ... All the traditional things that we think and worry about are dwarfed by tax reform."

Christine Cormier, senior vice president of investor relations at WNC & Associates, agreed, saying, "The Low-Income Housing Tax Credit is a permanent part of the tax code. The election won't make the program go away, but how will it be affected?"

## LOWERING THE CORPORATE TAX RATE

With impending comprehensive tax reform, industry experts expect the corporate tax rate to potentially lower from 35 percent to 15 percent over a period of time. "For tax credit investors, [lowering the corporate tax rate] has significant implications. To offset the effects of lower rates, the price paid for tax credits must be reduced," said Crow. "The lower the marginal tax rate, the greater the impact to tax credit pricing. Many LIHTC developments will require new funding sources to offset the reduction in equity proceeds. Sadly, those that are unable to identify new sources may not go forward."

Crow said that just the uncertainty regarding tax reform is having real implications on the industry. "In the current pricing of projects, investors seem to be pricing a significant reduction in marginal tax rates from tax reform," said Crow. "We may look back on this period and conclude that the uncertainty surrounding possible tax reform was worse for the LIHTC equity market than the actual results."

Cormier worries that if the corporate tax rate drops too low, "then alternative investments may start to look more favorable, which would pull money away from the market." With this uncertainty, Cormier said some investors question whether they should invest now or wait until there is more certainty in the market.

## STRONG MARKET IN 2016

While the election results brought questions about tax reform, the LIHTC industry had a strong 2016. "Up until six weeks ago, this was probably the strongest equity market for the tax credit I've seen in 20 years," said Crow. "But for the market's reaction to possible tax reform, this is one of the most robust LIHTC markets ever." Crow added that 2016 was one of PNC Bank's best years as well.

Vihar Sheth, director, business development at U.S. Bancorp Community Development Corporation (USB CDC), called the market "very robust." "As long as the credit exists, we will continue to see more demand," said Sheth.

Lavine said, "There was strong demand across the entire market in 2016." In 2016, Lavine saw credits go for between the mid-\$0.90s up to \$1.25 per credit, depending on the sponsor and location of the development. And, he saw yields vary from development to development, from 3.5 percent up to 6.5 percent. But due to the implications of impending tax reform, Lavine said, "this feels like ancient history at this point."

"There is still extremely competitive investor demand for credits," said Jeffrey Goldstein, executive vice president, chief operating officer at Boston Capital. "Demand still outpaces available credits." Goldstein sees credits go from the high 90-cents per credit up to \$1.20 in the hot Community Rein-

vestment Act (CRA) markets. In terms of yields, he said investments in CRA markets can be as low as 3 percent, while Boston Capital's multi-investor funds have yields ranging from 4 to the mid-5s. He added that yields have increased a bit in the last six months, which is bringing some economic investors back in to the market. He is seeing less disparity between CRA and non-CRA markets. Boston Capital is a syn-

markets, Crow sees credits go for \$1.10 or higher. He sees yields at around 5 percent. However, Crow isn't certain what pricing will be moving forward. "The market hasn't found its footing yet. We haven't seen a lot of new equity commitments since the election. I can't say what the current market value is," said Crow.

Crow calls the uncertainty created by potential tax reform a "curve ball." Still, Crow has found that, "most investors

ing they have a floor of when they will leave from a yield standpoint, but no one leaves and we keep breaking through these floors," said Sheth.

## CONCLUSION

With a strong 2016 in the books, industry experts hope that momentum will carry forward. But the implication of potential tax reform is still the question on everyone's minds. While

the industry waits to find answers, Goldstein said, "We need to ensure the incoming administration continues to value the

[low-income housing tax] credit." **NN**

Mark O'Meara is a senior writer at Novogradac & Company LLP. He can be reached at 415-356-8000.

This article first appeared in the January 2017 issue of the *Novogradac Journal of Tax Credits*. © Novogradac & Company LLP 2017—All Rights Reserved.

Notice pursuant to IRS regulations: Any U.S. federal tax advice contained in this article is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties under the Internal Revenue Code; nor is any such advice intended to be used to support the promotion or marketing of a transaction. Any advice expressed in this article is limited to the federal tax issues addressed in it. Additional issues may exist outside the limited scope of any advice provided—any such advice does not consider or provide a conclusion with respect to any additional issues. Taxpayers contemplating undertaking a transaction should seek advice based on their particular circumstances.

This editorial material is for informational purposes only and should not be construed otherwise. Advice and interpretation regarding property compliance or any other material covered in this article can only be obtained from your tax advisor. For further information visit [www.novoco.com](http://www.novoco.com).

## "We may look back on this period and conclude that the uncertainty surrounding possible tax reform was worse for the LIHTC equity market than the actual results."

dicator that raises about \$850 million in LIHTC equity annually.

"Before the election, there was a strong market," said Cormier. "Developers were getting good pricing for credits." WNC, a syndication firm that runs two national funds and one California fund each year, raises \$400 million in equity annually. Cormier sees credit prices range from the mid-\$0.90s to \$1.08 per credit in WNC's multi-investor funds. "The gap between CRA and non-CRA markets has really shrunk. There is not a lot of price differentiation except for really hot CRA markets," said Cormier. "There is no such thing as a fly-over state now." Cormier added that yields leveled off. In WNC's national funds, yields range from 5 percent to 5.25 percent, while the yields in its California fund range from 4.25 percent to 4.5 percent. Cormier said that WNC just finished the best year in the company's 45-year history.

"Until the election sparked increased discussion of tax reform, tax credit pricing was more than \$1 in almost every market," said Crow. In strong CRA

want to continue to participate in the market. They want to support affordable housing and they understand the urgent need across the country."

Sheth said, "Pricing is still very aggressive." U.S. Bank has a national footprint, but focuses on the western 25 states where it has CRA needs. Sheth said that U.S. Bank invests in more 9 percent LIHTC developments, but the growth is happening in the 4 percent sector. In terms of pricing, "every deal is above \$1 per credit," said Sheth. "Huge CRA markets are high, but everything else is all close [in terms of pricing]."

"In 95 percent of the country, prices are the same," said Sheth, "We are in this equilibrium of low-interest rates and high pricing. Construction costs are high, but not too high. This is the perfect storm." In terms of yields, Sheth is seeing them in the low-to-mid 4s. In order to make up for these smaller yields, Sheth said, "Volume allows people to make up for lack of yield."

While yields are low, Sheth hasn't seen investors losing interest in the LIHTC program. "People keep say-

# Coalition of Industry Leaders Oppose Energy Benchmarking

**N**AHMA joined with other industry leaders in sending a letter to the Department of Housing and Urban Development (HUD) regarding a published notice, Proposed Information Collection: Energy Benchmarking. In the letter, the industry noted that energy efficiency should not be an administrative burden and it is best implemented through volunteer incentives.

“We support improving energy efficiency through voluntary incentives, commercially reasonable approaches and education. However, this proposal would mandate residential energy benchmarking, creating a significant administrative burden on properties

already operating with limited budgets,” noted the letter.

The industry said that owners/agents would be forced to pay third parties to prepare the needed reports to comply with the new requirement, which

department can compel them to provide this data. Furthermore, owners have no means to compel residents to disclose their energy bills,” the letter noted. “If a tenant refuses, realistically there is nothing an owner/agent can do

**The industry said that owners/agents would be forced to pay third parties to prepare the needed reports to comply with the new requirement, which would require the use of funds that are not necessarily available at all sites and would need to be diverted from property maintenance accounts.**

would require the use of funds that are not necessarily available at all sites and would need to be diverted from property maintenance accounts.

“When implementing existing guidance, owners/agents have found that utilities are reluctant or unwilling to provide resident energy consumption information. It is not clear that the

to require that disclosure. Mixed-use properties face an additional significant problem with the current proposal.”

The letter said that neither portfolio managers nor Energy Star had the capability to account for commercial or other nonresidential space in these types of properties; therefore, any data collected on the whole building con-

## Chapter 9 of Section 8 Renewal Policy Guide Undergoes Revision

**I**n December, the Department of Housing and Urban Development (HUD) released substantial revisions to Chapter 9 of the Section 8 Renewal Policy Guide. This chapter provides technical guidance to appraisers and reviewers. The updated policies will go into effect for rent comparability studies signed by appraisers on March 1. Additionally, HUD posted a training video, which can be viewed at <https://www.youtube.com/watch?v=uSkNooMb6As&feature=youtu.be>. The new Chapter 9 is available at <https://portal.hud.gov/hudportal/documents/>

[huudoc?id=Com-package-11-30-16.pdf](https://www.hudoc.id=Com-package-11-30-16.pdf).

This final version of Chapter 9 includes HUD’s comprehensive technical guidance for creating rent comparability studies using a more market-based approach as part of the rent-setting mechanism under the Multifamily Assisted Housing Reform and Affordability Act. HUD had undertaken a number of initiatives to improve the development and review of rent comparability studies and the revised chapter is the last in the package of reforms.

The changes included:

- Reorganizing Chapter 9 to identify the responsibilities of each business partner—owners, appraisers and reviewers—in one place.
- Highlighting provisions unique to Rent Comparability Studies when prepared for an Annual Adjustment Factors rent determination.
- Clarifying that the option to use Fair Market Rents or rents in non-section 8 units to determine the market rent are only available for Option Two contracts.
- Clarifying that the options described in Section 9-4 can only be used by the

sumption would not provide any suitable information on residential unit energy use. HUD, argued the industry, had not made clear the benefits of energy benchmarking and said the data collected would be largely inadequate. In the case of unsubsidized Federal Housing Administration insured properties, for which HUD does not pay utility allowances, the department had provided no justification for the benchmarking mandate, according to the letter.

"We urge you to continue voluntary efforts and education with respect to energy efficiency, and incentive-based programs to improve energy use. However, we do not support the mandatory utility benchmarking called for in this notice, and we urge the department to refrain from imposing these benchmarking mandates," the letter noted. **NN**

owner upon approval by HUD.

- Providing more precise instructions on why and how adjustments to the rent grid are made.

- Increasing the documentation that appraisers must provide if an adjustment on the rent grid exceeds a nominal amount or a percentage of the unadjusted rent of the comparable, whichever is greater.

- Providing clearer qualifications for HUD reviewers.

- Establishing triggers for a second review if the substantial review is undertaken by a non-appraiser. **NN**

## Transition to New Leadership

**PRESIDENT DONALD TRUMP (R)** has nominated Ben Carson as secretary of the Department of Housing and Urban Development and Steven Mnuchin to lead the Treasury. On Jan. 19, former Georgia governor, Sonny Perdue was announced to lead the Department of Agriculture. All three positions require Senate confirmation.

Carson's hearing took place Jan. 12, see article on Page 9. Carson is a former neurosurgeon and presidential candidate. Mnuchin's hearing was scheduled for Jan. 19. Mnuchin served as Trump's campaign finance chairman and is a former Goldman Sachs executive with ties to the entertainment industry. As of the print deadline for *NAHMA News*, Perdue's hearing had not been announced.

Before the new administration took office, Jan. 20, transition teams gathered information about each government agency, including policy initiatives and personnel, to facilitate a smooth transition of power. According to Trump's transition website, the HUD's transition team consisted of John Bravacos, Law Office of John G. Bravacos; Jimmy Kemp, Jack Kemp Foundation; Shawn Krause, Quicken Loans and Elvis Solivan, Philadelphia Parking Authority.

## Congress Agrees to Continuing Resolution

**THE 114TH CONGRESS WRAPPED UP IN DECEMBER** with last-minute negotiations on government funding. With under an hour to go before federal funding was set to expire at midnight Dec. 9, lawmakers agreed to a temporary funding measure through April 28. Despite averting a shutdown, the stopgap spending measure, or Continuing Resolution (CR), sets up another funding debate for late spring of 2017.

While the Senate nominations process for Cabinet appointees and a Supreme Court nominee make for a busy spring, adding a funding debate to the mix has the potential to reveal the level of political alignment between Congress and the new administration, as well as the role of Democrats post-election. Additionally, Republicans have pledged to reform both the tax code and access to health care during the first quarter of the year, which could make the April spending deadline difficult to meet.

In order to continue government funding past April, Congress can still approve fiscal year 2017 funding bills, which would apply retroactively to the entire fiscal year. Alternately, a third CR could be used to bridge the gap between the end of April and the start of the next fiscal year in October. However, this so-called "flat funding" would effectively act as a funding cut, negatively affecting affordable housing programs.

**NAHMA will keep members updated on the upcoming funding discussions and advocate to avoid any negative impact on affordable housing programs. **NN****



# HUD Permits New Fees For Homeless Preference

**T**he Department of Housing and Urban Development's (HUD) Office of Multifamily Housing announced the availability of a new management fee add-on and special fee. This is in recognition of the time and effort spent by management agents to establish and administer a homeless preference.

According to a memo issued Oct. 26, owners of multifamily assisted housing can negotiate an add-on and/or a special fee with their property management company to assist in implementing a homeless preference.

HUD will permit a special management fee during a nine-month start-up period to enable owners/agents to create and implement the homeless preference process. The special fee amount is \$2.50 per unit per month (PUPM). For example, a 100-unit property can collect up to  $\$2.50 \times 100 \text{ units} \times 9 \text{ months} = \$2,250$ .

Once the homeless preference is in place, management agents may collect a

monthly add-on fee as long as at least one previously homeless individual or household is admitted to a particular property during a one-year period. The add-on fee is \$2 PUPM. For example, a 100-unit property can collect up to  $\$2 \times 100 \text{ units} \times 12 \text{ months} = \$2,400$  in a one-year period.

To read the memo visit, <https://portal.hud.gov/hudportal/documents/hudoc?id=homelesspreferencefees.pdf>.

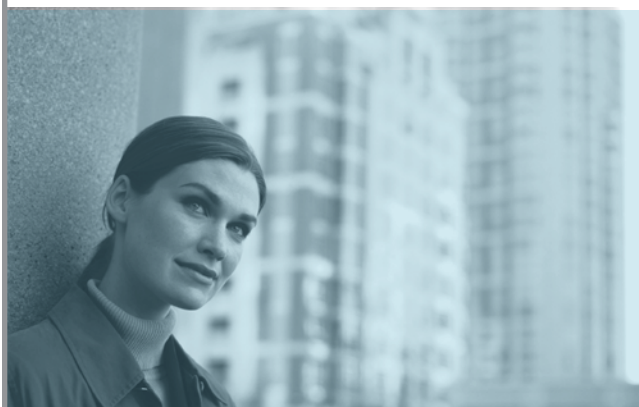
The move is to help promote the use of a homeless preference at assisted multifamily housing sites and is limited to HUD multifamily assisted housing.

According to HUD, the fees are approved as a flat PUPM fee amount for each characteristic/condition. The fees became effective immediately and must be included in all future regional/satellite office management fees schedules.

The fees cover the cost of staff time associated with establishing and managing a homeless preference including:

- Identifying and engaging the local HUD-funded Continuum of Care (CoC) or other homeless service providers.
- Learning about the local area's need and determining which families/individuals experiencing homelessness would be a good match for the property.
- Formalizing agreements and creating a referral process with the local CoC and other homeless service providers.
- Amending the Tenant Selection Plan and submitting it to HIUD for approval.
- Receiving and screening applicant referrals.
- Providing support, education and tools to management staff when coordinating services and resources during the lease up and duration of residency.
- Facilitating the move-in and access to necessary household items.
- Documenting the results in each year's Annual Financial Statement. **NN**

## Three Great Books You Must Read



To order, visit [www.nahma.org/store](http://www.nahma.org/store) or call **Rajni Agarwal at 703.683.8630, ext.115.** *Quantity discounts available.*

### Green Housing: A Practical Guide to Green Real Estate Management

A great primer on green real estate management! It covers all the basic concepts for creating a green operation and maintenance plan. Perfect for owners, developers or managers who want to go green but have limited capital. **\$35 per copy plus \$5 shipping and handling.**

### A Practical Guide to Housing Credit Management

This study guide for the Specialist in Housing Credit Management (SHCM) certification program covers key concepts in the Low Income Housing Tax Credit program and is a must for every tax credit property manager! **\$30 for members and \$35 for nonmembers.**

### Understanding Insurance and Risk Management

This user-friendly publication is an informative yet easy-to-read primer for front-line property management staff. It covers basic concepts and includes many practical checklists and sample policies and forms. Every property manager should have a copy! **\$35 for members and \$40 for nonmembers.**

**NAHMA**

# WE CAN HELP.

**BERNARD  
ROBINSON  
& Company, L.L.P.**

*Certified Public Accountants and Advisors Since 1947*

INSTRUMENTAL IN THE  
AFFORDABLE HOUSING INDUSTRY  
FOR OVER 30 YEARS

■  
ADVISE OWNERS, DEVELOPERS,  
AND MANAGERS OF  
OVER 900 AFFORDABLE HOUSING  
ENTITIES NATIONALLY

■  
FULL SERVICE ACCOUNTING  
AND CONSULTING FIRM  
WITH MORE THAN  
120 TEAM MEMBERS



Wade Pack,  
*Managing Partner*



Tim Smith, *Partner*



Rhonda Skiles, *Partner*



Erica Vernon, *Partner*

Greensboro, NC | Raleigh, NC | Winston-Salem, NC | [www.brccpa.com](http://www.brccpa.com)



**Simple & Affordable Compliance for over 31 Years !!!**

More than 5,500 RD/HUD/LIHTC projects nationwide currently rely on *FHA Software* for their monthly tenant forms, property and financial management compliance.

To learn more, call 800-626-2431 ext #3 or visit [www.simplycomputer.net](http://www.simplycomputer.net)

**FHA Software**  
*Affordable Housing Automation*

# There's No Place Like NAHMA for the BEST in Training and Certification



Enhance your career and improve your work today with training and certification programs designed by NAHMA specifically for you. You can:

- Attend a three-day course that earns you the coveted Certified Professional of Occupancy™ (CPO™) designation.
- Learn the compliance requirements set forth in the Fair Housing Act and Section 504 regulations.
- Attend a comprehensive course designed to cover advanced topics related to working with this handbook such as managing mixed finance properties and managing corporate access to HUD secure systems. ACPO™

Earn one of NAHMA's prestigious professional credentials, which are dedicated solely to recognizing and promoting achievement of the highest possible professional standards in affordable housing management. Programs include the

- National Affordable Housing Professional™ (NAHP™)
- National Affordable Housing Professional-Executive™ (NAHP-e™)
- Specialist in Housing Credit Management™ (SHCM™)
- Certified Professional of Occupancy™ (CPO™)
- Fair Housing Compliance™ (FHC™)
- Advanced Issues in HUD Occupancy™ (ACPO™)
- National Accredited Housing Maintenance Technician™ (NAHMT™)
- National Accredited Housing Maintenance Supervisor™ (NAHMS™)
- Credential for Green Property Management™ (CGPM™)

**Take advantage of the National Affordable Housing Management Association's training and certification opportunities and add value to yourself as a professional.**

**>> For more information, visit [www.nahma.org](http://www.nahma.org) and click on Education.**

# NAHMA



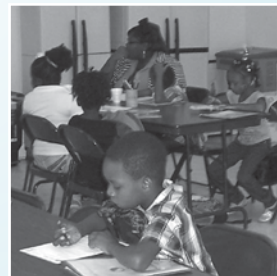
## 2016 COQ WINNERS

# Four Developments Receive Communities of Quality Top Honors

NAHMA ANNOUNCED FOUR COMMUNITIES WERE SELECTED as the 2016 winners of its annual Communities of Quality (COQ) Awards program. Since 1992, these awards have honored the best multifamily affordable housing communities across the country.

Entrants are judged on how they manage the physical, financial and social conditions of their properties, and on how well they convey their success in offering the highest quality of life for their residents.

The 2016 COQ Awards will be presented at NAHMA's annual winter meet-



ing, March 5-7, in Washington, D.C. For details on the NAHMA meeting, visit <https://www.nahma.org/meetings/>.

"This year, we had 30 entrants proving that the Communities of Quality Awards program continues to thrive and to be a point of pride for all the contenders," NAHMA Executive Director Kris Cook, CAE, said. "There is no other award that focuses so comprehensively on the everyday life and management expertise of affordable housing properties."

NAHMA's 2016 COQ Awards program is jointly sponsored by HD Supply Multifamily Solutions, a leading supplier of maintenance and renovation products to the multihousing industry, and Navigate Affordable Housing Partners, a leading provider of consulting and development services to public housing authorities and HUD's Section 8 PBCA for Alabama, Mississippi, Virginia and Connecticut.

*NAHMA congratulates the four winners presented on the next pages.*

**PHOTOS FROM LEFT: Forest Green Apartments; Broadway Terrace Apartments; Bridgeway Apartments Phase 1&2; EME Apartments of Conway**



## COMMUNITIES OF QUALITY 2016 WINNERS

### EXEMPLARY FAMILY DEVELOPMENT

#### Forest Green Apartments Gainesville, Fla.

**OWNER:** GHC HOUSING PARTNERS  
**MANAGEMENT:** PK MANAGEMENT LLC  
**AHMA:** SAHMA

Forest Green is a Section 8 family property with 200 units and more than 400 residents—including adults, children, seniors and residents with disabilities—located in Gainesville, Fla. The property strives to create a sense of community through programming such as computer labs, after-school tutoring, adult self-sufficiency classes, health programs and more. An on-site service coordinator acts as a liaison between the residents and other community organizations as well as mediates issues between residents and staff. Forest Green has also forged a partnership with the local police department, which has helped the community become proactive about combating crime. Three community resource officers are assigned to Forest Green allowing relationships to build between the police officers and residents. The officers also coordinate on-site programs for children and adults including Safety Week educational programs and National Night Out. Another partnership, this one with Upper Room Ministries and the University of Florida, allows children to receive extra help with math and reading after school. The mentors help the students overcome test anxiety and reinforce proper classroom behavior besides aiding with homework.

### EXEMPLARY DEVELOPMENT FOR THE ELDERLY

#### Broadway Terrace Apartments Phoenix, Ariz.

**OWNER:** BROADWAY TOWERS INC. DBA BROADWAY TERRACE  
**MANAGEMENT COMPANY:** MANSERMAR INC.  
**AHMA:** AHMA-PSW

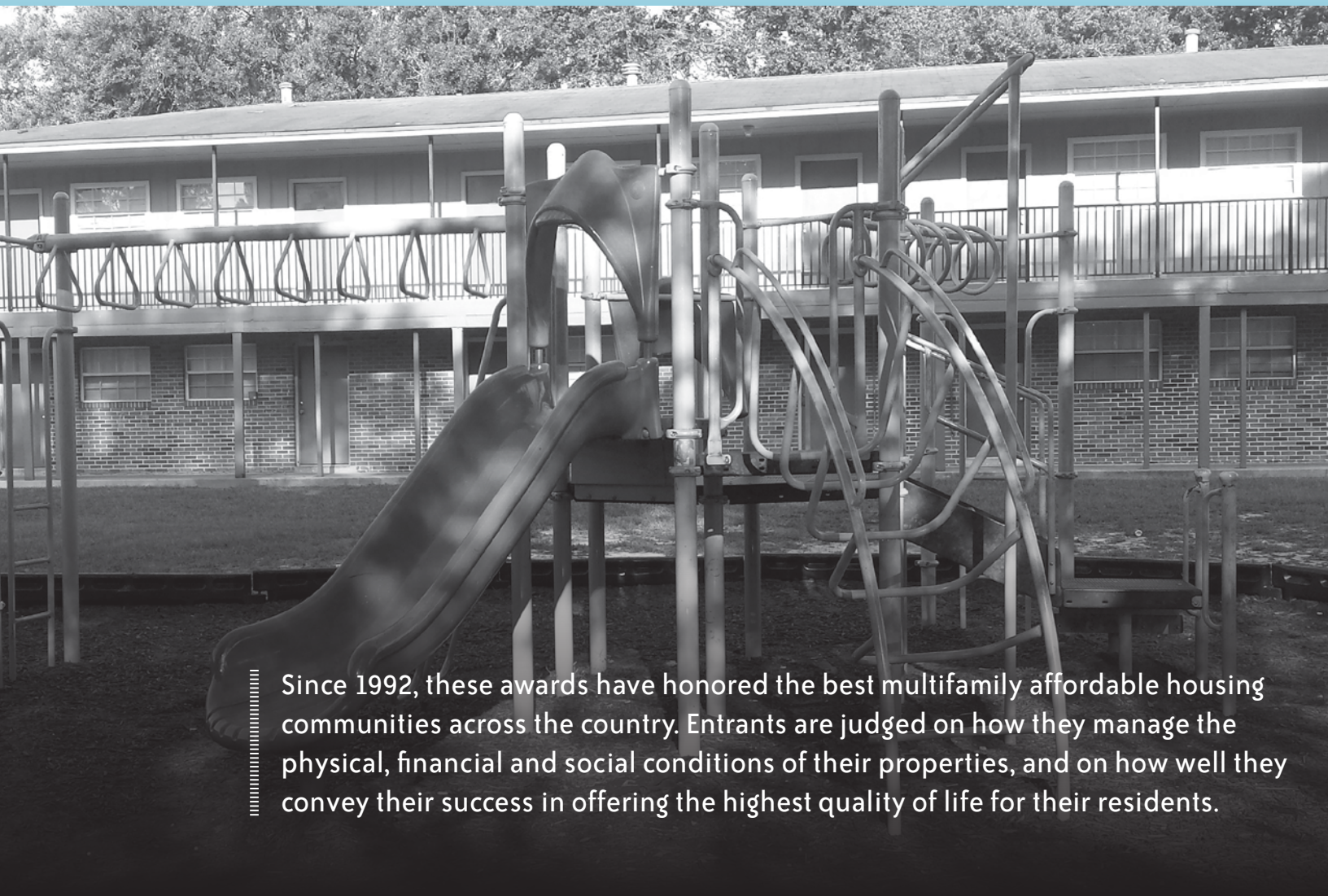
Broadway Terrace, located in Phoenix, Ariz., is a 100-unit apartment complex designed for adults who are at least 62 years old. To meet the needs of residents, the complex collaborates with several local organizations to provide food delivery, free personal hygiene products, technology education, health and wellness services and other activities. The community hosts an annual holiday party, in conjunction with local companies and through donations, complete with catered dinner and gifts for the residents that range from Roku sticks to pet goodie bags. Additionally, the Duet Agency has provided Broadway Terrace with a machine that allows the user to magnify materials to more than 100 times its original size and projects it onto a 17-inch LCD display to assist residents that have difficulty seeing. Arizona State University's foster grandparents volunteer program engages residents by having them read to at-risk children in surrounding schools. The property has made improvements to the interior of the apartment homes including new flooring, upgraded cabinets, raised toilets and a flat-screen "smart" television in the community room



**CLOCKWISE FROM TOP LEFT: Forest Green Apartments; Broadway Terrace Apartments; Broadway Terrace Apartments; Forest Green Apartments**







Since 1992, these awards have honored the best multifamily affordable housing communities across the country. Entrants are judged on how they manage the physical, financial and social conditions of their properties, and on how well they convey their success in offering the highest quality of life for their residents.





## COMMUNITIES OF QUALITY 2016 WINNERS

complete with DVD player, satellite service and a Wii console and games.

### EXEMPLARY DEVELOPMENT FOR RESIDENTS WITH SPECIAL NEEDS

#### **Bridgeway Apartments Phase 1 & 2 Picayune, Miss.**

**OWNER: ST. FRANCIS ACADEMY**

**MANAGEMENT COMPANY: THE COLUMBIA  
PROPERTY GROUP**

**AHMA: SAHMA**

The Bridgeway Apartments are in Picayune, Miss., and provide supervised living and employment services to adults with intellectual and developmental disabilities. The two phases consist of a total of 24 units, an exercise room, laundry facilities, recreational spaces and well-maintained grounds. The property's staff members assist residents with medication management, job discovery, exercise and wellness, community volunteering and more. The residents have their own units that they are responsible for keeping clean and neat, which provides independence while knowing on-site staff is there should the need for help arise. Many of the residents have been there for at least five years, with most moving in 19 years ago when the property opened. All of the residents, except for one retiree, have jobs doing routine janitorial services with local shops and companies ranging from pizza parlors and bakeries to the fire department and chamber of commerce. Staff provides the transportation to the job sites and any on-the-job assistance that might be needed. The residents also enjoy activities such as bowling, visiting the local swimming park, dancing, volunteering and participating in Special Olympics.

### OUTSTANDING TURNAROUND OF A TROUBLED PROPERTY

#### **EME Apartments of Conway Conway, S.C.**

**OWNER: EMANUEL-MORRIS BROWN-EBENEZER  
APARTMENTS INC.**

**MANAGEMENT COMPANY: SOUTHERN  
DEVELOPMENT MANAGEMENT COMPANY**

**AHMA: SAHMA**

EME Apartments of Conway, formerly Cherry Hill Apartments, is a 50-unit nonprofit with a 100 percent Loan Management Set-Aside Section 8 contract. Originally built in 1969, the property deteriorated to the point that it was placed on the Department of Housing and Urban Development's troubled watch list. In early 2007, the South Carolina Law Enforcement Division, the Drug Enforcement Administration, the City of Conway Police Department and the Horry County Sheriff's Department launched a joint operation that resulted in the arrest of 82 individuals at or near the property, which had become overrun with drugs, gang violence and loitering. Boarded windows and doors, potholes, vermin and refuse had become commonplace. Later that year, the board of Emanuel-Morris Brown-Ebenezer Apartments Inc. purchased the property. It was renamed, gained new management and through private funding, began a total rehabilitation inside and out. The transformation included replacing the roof and windows, installing vinyl siding and mounting security cameras, along with other cosmetic changes and upgrades. The interior of all the units received a makeover including central HVAC systems and upgrading tubs, water saving devices, toilets, cabinet doors, windows and flooring. The prop-

erty now offers after-school programs and homework assistance, computer training for all ages, a summer camp, on-site activities such as music lessons, a bookmobile, health fairs, adult work study and more. In 2015, EME Apartments was named Best Housing Development by the South Carolina State Housing and Finance Authority. **NN**

>>

**CLOCKWISE FROM TOP LEFT: Bridgeway  
Apartments; Bridgeway Apartments; EME  
Apartments of Conway; EME Apartments of  
Conway; EME Apartments of Conway**









# NAHMA Honors Affordable Housing Industry's Best

NAHMA is excited to announce the winners of its annual Industry Awards, which will be presented at its March 5-7 meeting in Washington, D.C. The awards demonstrate that exceptional new affordable housing is available across the country; that the affordable multifamily industry is and must be creative and innovative; highlights results of the private-public partnerships required to develop today's affordable housing; and shares ideas for unique design and financing mechanisms.

## NAHMA INDUSTRY STATESMAN AWARDS:

### Ron Burson and Jimmy Kerr

*Given annually to NAHMA Executive Council members who are either in or nearing retirement, in recognition of many years of outstanding leadership and service to NAHMA.*

Ron Burson, SHCM, NAHP-e, is vice president of Fairfield Homes Inc. and vice president of Asset Management for Gorsuch Management, the firm's property management division. Burson's service and dedication has covered all aspects of the multifamily housing industry. He has worked with the Low-Income Housing Tax Credit Program since its inception. His passion and commitment to affordable housing have led to a more open dialogue among the administrators both in Ohio and nationally.

Jimmy Kerr, SHCM, NAHP-e, grew a small company, AMCS Inc., from three rental properties into one that has thousands of square feet of affordable and conventional housing as well as commercial and rental space. Kerr's work ethic and willingness to learn and to share his knowledge with others brought him to work with SAHMA from its founding and eventually served as its board president. He also served on the NAHMA board of directors.

## NAHMA INDUSTRY ACHIEVEMENT AWARD:

### John Yang

*Given annually to a NAHMA Executive Council member who has contributed significant or noteworthy leadership or other contributions to NAHMA within the past year or two.*

John Yang, president of Rental Housing Deals Inc., has worked countless hours for more than six years as chair of the NAHMA Affordable 100 Task Force. His leadership over the years has helped make it a vital data collection and marketing tool for NAHMA.

## INDUSTRY PARTNER AWARD:

### Rosemary Carucci Goss

*Given annually to a government agency or other affordable housing organizational partner that has made a significant contribution to the cause of affordable housing in the previous year.*

Rosemary Carucci Goss, Ph.D., a faculty member at Virginia Tech, gave leadership to the development of the first residential property management program in the United States and served as a member of the faculty steering committee that developed the interdisciplinary Program in Real Estate.

## NAHMA MEMBERSHIP RECRUITMENT:

### Rich Skoczylas

*Given annually to a NAHMA member who leads in new member recruitment for the previous 12-month period—based on data maintained by NAHMA staff.*

Rich Skoczylas, FHC, SHCM, NAHP-e, CPO, of Community Realty Management, recruited three new Executive Level members to NAHMA in 2016. His efforts have been instrumental in furthering the mission of NAHMA, and helping maintain NAHMA's high standards in the industry.

## AHMA OF THE YEAR

*Given to local AHMAs using criteria such as size, number of members, success in membership recruitment, membership retention, education and training course attendance, financial stability and other factors.*

**Large: SAHMA** was able to convert 50 leads into 43 new members and experienced a 83 percent retention rate. The association planned 61 educational offerings with an attendance of more than 850 students. SAHMA hosted eight state-level trade shows and one

regional conference drawing more than 3,600 people.

**Medium: JAHMA** maintains a retention rate in the high 90s across its three membership types. Its average course attendance is 100 people while its Fair Housing course drew a maximum attendance of 59 students. Additionally, the association drew more than 450 attendees to its annual Spring Management Conference.

**Small: AHMA-NCH** experienced record membership with a 68 percent recruitment rate that resulted in a 92 percent increase in membership dues revenue. Additionally, the association saw an 87 percent retention rate.

## AHMA COMMUNITIES OF QUALITY PROGRAM AWARD

*Given to AHMAs, according to size, that have a substantial number of COQ awards in their area, demonstrate support for the program, and introduce new or innovative activities.*

**Large: SAHMA** has 529 total COQ National Recognition Program participants with 21 being awarded within the past year.

## AHMA INNOVATION AWARD

*Given in recognition, by AHMA size, of a new program, service or activity that an AHMA began sometime in 2015 or 2016.*

**Large: SAHMA** has been working to create its own on-demand eLearning library, SAHMA-U. It houses 14 webinars covering a variety of topics. Members can access the 30-60 minute webinars for \$45 each which includes a printable handout, assessment questions and certificate of continuing education.

**Medium: PAHMA**, which serves western Pennsylvania, launched The Pearl of Affordable Housing to celebrate its 30th anniversary.

# Forms for VAWA Implementation Available

The year-long program included PAHMA Bingo for prizes at spring training sessions and culminated in a celebration at its Annual Fall Conference, which drew 435 registrants.

**Small: AHMA-NCH** created a program to assist other AHMAs and Performance Based Contract Administrators through the transition to the Department of Housing and Urban Development newly formed western Region 5, which serves 14 states. Hour-long video conference calls are held every other month between all the stakeholders, averaging 16 attendees per call.

## NAHMA COMMUNITIES OF QUALITY AWARD

*Given annually to a NAHMA Executive Council member who has the most properties and or most newly listed properties on the NAHMA National Recognition Program COQ Registry—based on data maintained by NAHMA staff.*

**Most new in 2016:** Mansermer Inc., Duluth, Ga.

**Most overall in the program at the close of 2016:** National Church Residences, Columbus, Ohio, and WinnResidential, Boston, Mass., co-winners.

## NAHMA PRESIDENTS AWARD

*Given annually by NAHMA's president for outstanding leadership or other contribution to NAHMA and the affordable multifamily housing industry.*

**Winner to be announced at NAHMA's annual winter meeting during the March 6 awards ceremony.**

In December, the Department of Housing and Urban Development (HUD) issued the four model forms required for implementation of the Violence Against Women Act (VAWA) final rule published in the *Federal Register* on Nov. 16. The forms include: VAWA Appendix A: Notice of Occupancy Rights Under the Violence Against Women Act, form HUD-5380; VAWA Appendix B: Model Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, form HUD-5381; VAWA Appendix C: Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation, form HUD-5382; and VAWA Appendix D: Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, form HUD-5383. The forms are available on the NAHMA HUD Issue webpage at [www.nahama.org](http://www.nahama.org) and on HUDClips.

**According to HUD, the forms are model forms that owners/agents can customize for their company and properties, as long as the forms contain the same information and language.**

According to HUD, the forms are model forms that owners/agents can customize for their company and properties, as long as the forms contain the same information and language.

During the 12-month period following the effective date of the VAWA regulation, defined as Dec. 16, 2016-Dec. 15, 2017, owners/agents must give each household the notice of occupancy rights and the certification form either during the annual recertification or lease renewal process or through other means if there will be no recertification or lease renewal for a household during this time, according to HUD.

As of Dec. 16, 2016, owners/agents are required to provide the Notification of Occupancy Rights and Certification form with any notification of eviction or termination of assistance. Additionally, owners/agents must provide the Notification of Occupancy Rights and Certification forms to applicants when assistance is denied or at the time the new household moves into the property. The forms do not have to be provided to every applicant on a property's waiting list.

The Office of Multifamily Housing will be updating the current VAWA certification form, HUD-91066. Until then, owners/agents should use the departmental form.

Owners/agents are also required to develop and implement an Emergency Transfer Plan by June 14, 2017, and should use the departmental Emergency Transfer Plan form as a guide. Moreover, owners/agents can require residents seeking an emergency transfer to provide a written emergency transfer request and can provide the departmental request form for their residents to use.

For now, the Office of Multifamily Housing does not plan to create its own Emergency Transfer Plan and Emergency Transfer Request forms, so owners/agents should use the departmental forms.

Multifamily Housing will be updating its Lease Addendum form, HUD-91067. Until then, owners/agents are advised to continue to use the current form. HUD will provide further written guidance and plans to include a sample lease addendum that can be used prior to the update of form 91067 early this year. **NN**



# Castro Bids Farewell To HUD

*The following is outgoing Department of Housing and Urban Development Secretary Julián Castro's farewell address presented Jan. 11 at the Robert C. Weaver Federal Building, Washington, D.C. His resignation became effective Jan. 20. Dr. Ben Carson was nominated as the new HUD secretary.*

**G**ood afternoon, everyone! I'd like to start by thanking Deputy Secretary Coloretti for all the incredible leadership she's displayed in building a stronger HUD. Nani, I've been honored to call you a colleague, a partner and a friend over these past few years. So let's all give her a big round of applause!

As y'all already know, this is the last time I'll have the chance to speak with many of you as HUD secretary. So, I want to take this moment to offer my profound thanks to each and every one of you, HUD's employees, for dedicating your career to serving others.

Throughout my time as secretary, I have been inspired by your commitment to HUD's mission, by your respect for the people we serve, by your willingness to work as a team to solve problems, and by your faith that we truly can improve lives through this work.

Too often times, HUD gets short shrift. Many folks don't consider us the most glamorous agency to work for. Everyone at headquarters knows that we don't have the most modern building in the federal government. And, I know that for a lot of employees in the field, those who live far from the bubble that can exist here in D.C., many of your friends and neighbors may not even be aware of all the great work that HUD performs in your communities.

But, the work you do is tremendously important to bettering the lives of Americans in every corner of our nation.

During my time as secretary, I've had

the opportunity to visit 100 communities in 39 states. Big cities, small towns, urban, rural and tribal. And, I got a chance to meet some of the millions of those Americans whose lives you're helping to change for the better.

In Los Angeles, I met 11-year-old Lisette Mares. Our ConnectHome initiative has made it possible for Lisette and her family to sign-up for affordable Internet access. Lisette can now do her homework on her family's computer instead of having to use her parent's cell phone data or visiting her neighbor's house. She and her two siblings now have an essential tool they need to compete and succeed in today's 21st century global economy.

I've also had the opportunity to visit Fort Myers, Florida, the city once known as "ground zero" of the recent housing crisis. Today, thanks in large part to the work of the FHA and our Neighborhood Stabilization Program, this community has experienced a remarkable recovery.

I toured the homes of Corey Schepp, Patricia Howard and Renette Bourdeau, three residents of Fort Meyers who've become homeowners in the past few years.

HUD has helped provide these folks with the opportunity to secure an enduring cornerstone of the American Dream and a gateway to the middle class. They're now building a strong foundation for their future success and a source of wealth they can pass down to their children and their children's children.

Every year, we also provide millions of Americans living in HUD-assisted housing with a powerful platform to spark greater progress in their lives. That includes people like Jackie Parra from Central Falls, Rhode Island, who I spoke with just a few months after I became secretary. Before she enrolled in HUD's Family Self-Sufficiency program, Jackie was struggling to support her two children despite working two part-time jobs.

Now, she's earned both her bachelor's and her master's degree from Springfield College in Massachusetts. And,

she's working full time for the Central Falls School District, where she's helping to run a local reading program that opens the doors of education for folks in her community.

And, thanks to the efforts of Opening Doors, our nation has made tremendous strides toward providing every American with a safe and stable place to call home. Our work has made a huge difference for people like Jay, who I met in Philadelphia in July of 2015. Jay had gone without a permanent home for so long that he'd gotten out of the habit of carrying around a set of keys with him. In fact, it wasn't until the fifth time he left his room that he remembered to take them with him on his way out. Today, Jay is getting job training through an apprenticeship program run by Project HOME, a nonprofit that receives support from HUD. And, he's paying it forward by helping other formerly homeless Americans turn their lives around. There are so many other stories I could tell. Stories of grateful men and women who have thanked me, sometimes with tears in their eyes, for the difference that HUD has made in their lives.

Stories that never would have been possible without your commitment and your compassion. Each of you is helping to make HUD an indispensable partner in creating greater opportunity for the people we serve.

In 2015, we celebrated 50 years of HUD. It was amazing to take scope of the amazing good that this department had done during those five decades and



# Accepting Applications for Vanguard Awards

to understand just how many of our employees have dedicated 10, 20, 30 — sometimes even 50!—years to this mission. So, whether you've been here 50 years or five months: thank you.

In just a few days, a new Administration will begin. Those of you who've been here during a presidential transition know that every such change brings a new team, with new perspectives and priorities.

The good news is that what that change looks like depends partly on you. Through both Democratic and Republican administrations, secretaries and their colleagues have joined with you to work hard to benefit the folks we serve. They've all come to quickly appreciate the positive impact that HUD's programs make.

You can help that most by continuing to improve this organization through your efforts in the following ways.

First, keep working to break through the silos that can sometimes stifle innovative service delivery. The best work that happens here is teamwork, collaboration across program areas. I know that's not always an easy thing to do, but we've gotten better at it and you can get better still.

Second of all, be aspirational. Don't just settle for operating within statutes or regulations. Dream. Keep asking: how could this program be better and then work with those in the new administration to try to make that a reality. That's how we've been able to safeguard more children living in HUD-assisted housing from the dangers of lead-based paint. And, it's how we've taken decisive steps to improve how we deal with troubled properties and to make life easier for the families who live there.

Third, and finally, always remember that you're doing a job that has human consequences. The decisions that are made here, the resources you administer, the rules you enforce, the success of that work should always be measured by the outcomes for the folks of modest means that HUD serves. **NN**

**T**he deadline for nominating a property for one of NAHMA's 2017 Affordable Housing Vanguard Awards is June 2. The application can be downloaded from the Vanguard Award webpage, [www.nahma.org/awards-contests/vanguard-award](http://www.nahma.org/awards-contests/vanguard-award).

The Vanguard Award recognizes new, quality multifamily affordable housing development. The award pays tribute

**“The Vanguard Award was created to honor communities that are too new to meet the qualifications for the COQ program. As the properties mature, they will become eligible—and will be encouraged—to enter NAHMA's COQ National Recognition Program.”**

to developers of high-quality affordable housing; demonstrates that exceptional new affordable housing is available across the country; demonstrates the creativity and innovation that must be present 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.

“The Vanguard Award complements NAHMA's Communities of Quality (COQ) National Recognition Program, through which multifamily properties are certified as having achieved a high standard of excellence in the way they

are managed, the services they provide residents, the experience and training of personnel, and other criteria,” said Kris Cook, executive director of NAHMA. “The Vanguard Award was created to honor communities that are too new to meet the qualifications for the COQ program. As the properties mature, they will become eligible—and will be encouraged—to enter NAHMA's COQ National Recognition Program.”

## THE VANGUARD AWARD CATEGORIES

Categories include:

- New Construction, two subcategories: more than 100 units and under 100 units
- Major Rehabilitation of an Existing Rental Housing Community
- Major Rehabilitation of a Nonhousing Structure into Affordable Rental Housing
- Major Rehabilitation of a Historic Structure into Affordable Rental Housing

## WHO MAY APPLY

Affordable multifamily housing communities that are less than 3 years old—as of June 2, 2017—may apply, based on date of completion of new construction or completion of major rehab. Please note: A management company may submit only one entry for each category.

## WHERE AND WHEN TO APPLY

Applications and information about entry fees, judging criteria, the benefits of winning an award and more is on NAHMA's website at [nahma.org](http://nahma.org). Click on Vanguard Award Overview.

## THE AWARDS CEREMONY

Winners of the Affordable Housing Vanguard Awards will be recognized at an awards ceremony at the NAHMA fall meeting in Washington, D.C., Oct. 22-24. **NN**

# Scholarship Application Now Available Online

**T**he NAHMA Education Foundation released the 2017 scholarship application for interested student/residents at the beginning of February. The application can be accessed from the NAHMA website at [www.nahma.org](http://www.nahma.org) and clicking on the “Educational Foundation” icon or directly at <https://nahma.communityforce.com>. The foundation is utilizing a new software provider this year. While the appearance and format of the application have changed, the scholarship selection criteria and the requirements for a completed application remain unchanged. The aforementioned required components include an application form, two references, an essay and a certification of residency in good standing form—all submitted online. A current official grade transcript is also necessary and is the only component sent to the foundation via U.S. mail. All necessary forms are provided within

the web-based system; hence, no hard copies are needed. Eligibility for the program requires that an applicant be a resident in good standing at an AHMA-affiliated multifamily community and be either a high school senior with a minimum 2.5 GPA or a matriculated student with a minimum 2.3

GPA at an accredited college or trade/technical school.

The foundation looks to continue its impressive monetary award record following last year's 79 scholarships worth a total of \$197,500. In the last four years alone, the foundation has awarded \$717,000 in \$2,500 individual awards.

“The foundation is excited to release our newly revised application software and is hopeful that this will make it even easier for our many worthy student/residents to apply in 2017. Thanks to our many steadfast and unwavering donors, we are confident that we can make this a record-setting year with the number of awards and total funds distributed. Which means that we will be helping more of our residents graduate from higher education and make a more meaningful contribution to their community. What could be a better outcome for the scholarship program?” said NAHMA Educational Foundation Chairperson Melissa Fish-Crane during a recent foundation meeting.

Please make your residents aware that the 2017 scholarship application is available and encourage them to apply. The deadline for completed applications is 10 p.m. EDT on Wednesday, May 31. With three months remaining until the deadline, there is plenty of time for a resident to file a completed application! **NN**



The NAHMA Educational Foundation 2017 scholarship application is available at <https://nahma.communityforce.com> and is due May 31.

*Helping Save MORE THAN*

**59**  
**BILLION**  
*Gallons of Water\**

## **RELY ON US FOR SUSTAINABLE SOLUTIONS**

More than 75% of renters surveyed would pay more in rent for a green apartment.† Our ideallygreen<sup>SM</sup> team can help you achieve your property's sustainability goals, decrease your costs, and increase your rent revenue. And with our fast, free delivery, the products you need are always on hand.

## **BECAUSE EVERY JOB COUNTS**

Visit [hdsupplysolutions.com](http://hdsupplysolutions.com) for more information.

\*By ideallygreen products sold in 2012-2014. †Strata Research 2014.

**Evan**  
Sustainability Manager  
LEED® AP O+M  
11 Years of Environmental  
Industry Experience

**HD SUPPLY**  
FACILITIES MAINTENANCE  
**MULTIFAMILY SOLUTIONS**

# Thank You to NAHMA Educational Foundation Supporters

The NAHMA Educational Foundation thanks its generous supporters of 2016. Their contributions benefit post-secondary school scholarships to residents of NAHMA- and AHMA-member properties.

## BOARD/ENDOWMENT CONTRIBUTORS

Melissa Fish-Crane, Peabody Properties Inc., foundation chair  
Nancy Hogan, foundation vice chair  
Megan Davidson, Propel Insurance, foundation secretary  
Phil Carroll, Community Housing Services Inc.  
Leonardo Delgado, Converged Services Inc.  
David Durik, Voitress  
Randy Lenhoff, Seldin Company  
Gemi Ozdemir, Dauby O'Connor & Zaleski LLC  
Daria Jakubowski, SAHMA  
Michael Johnson, Alco Management Inc., NAHMA Board representative  
Debbie Piltch, Maloney Properties Inc.  
Gustavo Sapiurka, RealPage Inc.  
Eric Strong, Navigate Affordable Housing Partners  
Gianna Solari, Solari Enterprises Inc.  
Robb Willis, TrashPro  
Karin McGrath Dunn, PRD Management Inc.  
Alice Fletcher, Park Properties Management

## LEGACY CIRCLE

(Annual Gifts over \$25,000)  
Navigate Affordable Housing Partners

## CHAIRMAN'S CIRCLE

(Annual Gifts of \$15,001–\$25,000)  
CAHEC  
Dan Lyons, Rockport Mortgage Corporation  
Lynn & William Kargman Fund  
Mid-Atlantic AHMA  
David Durik, Voitress  
Leonardo Delgado, Converged Services Inc.

## BENEFACTOR

(Annual Gifts of \$5,001–\$15,000)  
Suffolk Cares Inc.  
Chip Schuneman, Integrated Computer Solutions Inc.  
Robb Willis, TrashPro  
PennDel AHMA  
Gretchen S. Fish and The Trustees of the Edward A. Fish Trusts  
Rich Piltch, ARS Restoration Specialists  
Melissa Fish-Crane, Peabody Properties Inc.  
Jerry Steinbaum Family  
Peter Lewis, The Schochet Companies  
Mark Livanec, Solutions 4 Property Management  
Maloney Properties Inc.  
Gemi Ozdemir, Dauby O'Connor & Zaleski LLC  
Michael Fish  
Stuart Piltch  
Restoration Affiliates  
Gustavo Sapiurka, RealPage  
Sandra Cipollone, Interstate Realty Management  
SAHMA  
AHMA-NCH  
Debbie Piltch, Piltch Associates  
Boone Atkins, Yardi Systems  
Mark Morgan, The Michaels Organization  
AHMA of Washington

## SUPPORTER

(Annual Gifts of \$2,001–\$5,000)  
Michael Mattos, Affordable Housing & Services Collaborative Inc.  
MAHMA  
Ken Crane, KNC Mechanical LLC  
John Kuppens, WinnResidential  
Jeff Baker, Beacon Residential Management  
Josef Rettman, NEI General Contracting Inc.  
Nancy Reno, Housing Management Resources Inc.  
Mike Coco, Choice Property Resources Inc.  
Sue Kelly, Boston Land Company  
Nathan Ho, Eden Housing

Michael Johnson, Alco Management Inc.  
Lisa Pelrine, Maloney Properties Inc.  
Andy Reithel  
Pamela Monroe, National Church Residents  
Carole Glodney, G&K Management Company  
JAHMA  
AHMA-PSW  
Fern Mullen, Corcoran Management Company  
Gene B. Glick Company Inc.

## DONOR

(Annual Gifts of \$100–\$2,000)  
NAHMA  
Nancy Evans, CSI Support & Development  
Michelle Reddeg, Thomas Safran & Associates  
Marie Morreale, Corcoran Jennison Management Company  
Randy Lenhoff, Seldin Company  
Cynthia Buckley, Corcoran Management Company  
Timothy Zaleski, McCormack Baron Management  
Stephen Lavery, Herman & Kittle Properties  
Robin Williams  
Peter Geurtsen, Norfolk Hardware  
Natalia Trent, Housing Academy  
Nancy Hogan  
Martin Raffol, Wingate Management Companies  
Gianna Solari, Solari Enterprises Inc.  
Frank Flynn, Flynn Law Group  
Bill Riordan, Taylor Consulting & Contracting LLC  
Annellen Pulsifer, First Resource Management Company LLC  
Amy Albery, Wallick Communities  
Alice Fletcher, Park Properties Management  
Phil Carroll, Community Housing Services Inc.  
Scott Reithel, Community Housing Partners  
Jonathan Boyer, Ecologic Entomology LLC

Jason Pinto, ProGroup Consulting  
Gwen Volk, Gwen Volk INFOCUS, Inc.  
Roque Orts, HAI Group  
Michelle Arnold, Community Housing Partners  
Lori Russell, RealPage Inc.  
John Yang, RentalHousingdeals.com  
Maria Benway, ServiceMaster by Gilmore  
Christina Sanchez, National Church Residences  
Scott Nelson, RealPage Inc.  
Kristin Pine  
Reese Quick, Southern Development Management Company Inc.  
Kris Cook  
Lisa Tunick, Tunick Law LLC  
Doreen Donovan  
Scott Ployer  
NEAHMA  
Maria Oymaian  
Bruce Johnson  
Wayne Fox  
Megan Davidson, Propel Insurance  
Steve Henderson, Prospera Property Management  
Peter Roden, Buyers Access  
Michael Simmons, Community Realty Management  
Melanie Vancleave, Professional Apartment Services  
LAHMA  
Scott Carreras, Automatic Leasing Services  
Seth Strongin  
Tom Gerundo  
Whitney Moran, First Realty Management



## DEC. 20: HUD UPDATES

*On Dec. 20, the Department of Housing and Urban Development (HUD) released a number of updates including on Rent Comparability Studies (RCS), Fiscal Year 2017 Project Assistance Contract (PAC) renewals and FY 2017 Annual Adjustment Factors (AAF).*

**FY 2017 140 PERCENT THRESHOLDS FOR RENT COMPARABILITY STUDIES**—In August 2015, HUD issued a new Section 8 Renewal Policy Guide. Section 9-23 of the guide provides instructions for comparing the median rents as derived by the appraiser in RCS with Census Bureau estimates of the median rents in the property's ZIP code. Should the rents in the owner's study exceed 140 percent of the median ZIP code rent threshold, then HUD would secure a third party to create a RCS for comparison purposes. When HUD issued the guide, they also published the list of median ZIP code rents as of December 2014.

Then in December 2016, HUD published the new median ZIP code rents and the 140 percent thresholds. Members can find these new numbers under "What's New" on HUD's website. According to HUD, the Census Bureau has updated its estimates of median rents and increased the median rents above the previous high of \$2,000 to a new high of more than \$4,000. Staff and appraisers can find the instructions for comparing the numbers and determining the final rent, should a HUD study be required in Section 9-23.

These numbers will be effective for any RCS signed by the owner's appraiser on or after Feb. 11, 2017.

**EXPIRING PAC RENEWAL UNDER SECTION 202**—HUD issued a memo containing instructions for renewing PACs under Section 202 for FY 2017. The instructions provide guidance to field offices processing renewals for PACs expiring between Oct. 1, 2016-April 28, 2017.

Offices can continue to process renewal contracts expiring after April 28, but these contracts may not be signed until congressional action covering the time-frame of renewal. PAC renewal requests should be submitted to field offices no later than 120 days prior to the expiration of the contract and shall not exceed a renewal term of one year.

Owners must submit an operating budget for all projects with an expiring PAC. If an increase in project assistance is requested, a detailed report on project needs and reasons for the increase must be provided, including the necessary increases to the Reserve for Replacement Account.

To view this memo, visit the HUD Issues webpage at [www.nahma.org](http://www.nahma.org).

**SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM: ANNUAL ADJUSTMENT FACTORS**—HUD announced the FY 2017 Annual Adjustment Factors for assistance contract rents, which are required to be adjusted annually. The factors are based on a formula using residential rent and utility cost changes and are applied at the anniversary of the Housing Assistance Payment contracts for which rents are to be adjusted. A separate notice identifying the inflation factors for FY 2017 tenant-based rental assistance funding had not yet been released. To view the notice, visit NAHMA's website. To view the FY 2017 AAFs, visit <https://www.huduser.gov/portal/datasets/aaf.html>.

## HUD NEWS

**HUD INTRODUCED THE CAPITAL NEEDS ASSESSMENT (CNA) e-tool**, which became available for voluntary use beginning Jan. 15. Starting July 1, use of the CNA e-Tool will become mandatory for each capital needs assessment prepared for a HUD multifamily property. During this six-month phase-in period, participants will receive training and other assistance to gain proficiency with using the CNA e-tool. Trainings and instructions for the CNA e-tool are available at [https://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/cna](https://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/cna).

**HUD ISSUED THE UTILITY ALLOWANCE FACTORS (UAFs)** for fiscal year 2017 in October. Owners and management agents may use UAFs for projects subject to the requirements found in the Office of Housing's Utility Analysis Notice, available at <https://www.nahma.org/wp-content/uploads/2014/04/15-04hsgn.pdf>. The dataset is updated once per year and is published with an effective date. The UAFs for FY 2017 became effective Feb. 11 and can be found on the NAHMA website on the HUD Issues webpage.

**IN OCTOBER, HUD ISSUED A NOTICE PROVIDING THE DETAILS FOR MULTIFAMILY HOUSING PROGRAMS ALTERED** by the HUD final rule titled Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing, and Community Planning and Development Programs, which was issued on March 8, 2016 and became effective April 7, 2016. The applicable provisions affected by the October notice are Verification of Social Security Numbers; Definition of Extremely Low-Income Families; Inclusion of Mandatory Fees and Charges with Tuition and Streamlined Reex-



amination of Family Income and Composition. The notice is available on the NAHMA website.

**HUD'S OFFICE OF MULTIFAMILY HOUSING (MF) RELEASED TWO DRAFT CHAPTERS**—Chapter 1.02: Owner & Borrower Structures and Chapter 5.01: Enforcement of Mortgage Requirements—of HUD Handbook 4350.1 in December in an effort to solicit feedback. According to HUD MF, the handbook is being revised to incorporate current housing notices and policy updates, mortgagee letters and regulatory and statutory directives. The draft chapters are available on the NAHMA website.

**IN DECEMBER, HUD RELEASED ITS FINAL RULE ON NARROWING THE DIGITAL DIVIDE** through Installation of Broadband Infrastructure in HUD-Funded New Construction and Substantial Rehabilitation of MF Rental Housing, which became effective on Jan. 19. In this final rule, HUD requires installation of broadband infrastructure at the time of new construction or substantial rehabilitation of multifamily rental housing that is funded or supported by HUD, while allowing for limited exemptions to the installation requirements. Read the rule in the HUD Issues section of the NAHMA website.

**HUD ADDED SEVERAL ONLINE RESOURCES IN LATE DECEMBER** for owners and agents to use regarding the homeless admissions preference. Among the resources are a short video, Owners and Agents Share their Experience, and two webinars: An Overview for Property Owners and Agents, and An Overview for Continuums of Care and Service Providers. For access to HUD's resources on homeless preference, visit <https://www.hudexchange.info/homelessness-assistance/multifamily-housing-owners-managers/#assisted-multifamily-housing-owners-and-managers>.

**HUD ANNOUNCED IN DECEMBER THAT IT WILL PROVIDE \$132 MILLION** in housing redevelopment and neighborhood revitalization funding for the following five communities: Denver, Colo.; Louisville, Ky.; Boston, Mass.; St. Louis, Mo.; and Camden, N.J. The Choice Neighborhoods Initiative aims to reinvest in areas of concentrated poverty by replacing nearly 2,000 severely distressed public and assisted housing units with 3,700 new mixed-income, mixed-use units with increased access to transit, education and employment. To learn more about HUD's Choice Neighborhood 2016 Implementation Grant Awards, visit [https://portal.hud.gov/hudportal/HUD?src=/press/press\\_releases\\_media\\_advisories/2016/HUDNo\\_\\_16-188](https://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2016/HUDNo__16-188).

## IRS NEWS

**ON OCT. 25, THE IRS PUBLISHED REVENUE PROCEDURE 2016-55**, which outlines the inflation adjustments for nearly 50 federal tax provisions, including the amount of Low-Income Housing Tax Credit (LIHTC) authority and Private Activity Bond authority each state will receive. For calendar year 2017, the state LIHTC ceiling will be the greater of \$2.35 multiplied by the state's population or \$2,710,000. While the multiplier remained at the same level as in 2016, the minimum increased slightly from its 2016 level of \$2,690,000. The state private activity bond cap for 2017 will be the greater of \$100 multiplied by the state population or \$305,315,000. This represents a \$3,800,000 increase to the minimum from the 2016 level of \$301,515,000.

**ON DEC. 19, THE IRS ISSUED REVENUE RULING 2017-02**, which provides various prescribed rates for federal income tax purposes, including applicable federal

rates (AFR), adjusted AFR, and adjusted long-term and tax-exempt rates for January 2017. As provided in the ruling, Table 4 contains LIHTC Appropriate Percentages Under Section 42(b)(1) for January 2017, which includes: Appropriate percentage for the 70 percent present value low-income housing credit: 7.54 percent; and Appropriate percentage for the 30 percent present value low-income housing credit: 3.23 percent. To view the revenue ruling from the IRS, visit the LIHTC Issues webpage at [nahma.org](http://nahma.org).

**IN DECEMBER, THE IRS ISSUED GUIDANCE ON TWO ISSUES RELATING TO LIHTC** developments complying with fair housing rules at the local level. Revenue Ruling 2016-29 clarifies that under the Internal Revenue Code, state allocating agencies are not forced or encouraged to require local approval for LIHTC developments. Additionally, Notice 2016-77 reminds that LIHTC developments located in a qualified census tract do not receive preference unless the project's development contributes to a concerted community revitalization plan. In this case, the plan's revitalization components must exist by the allocation date. Both documents can be found on the LIHTC Issues webpage at [www.nahma.org](http://www.nahma.org).

## USDA NEWS

**IN JANUARY, USDA-RD'S YEAR-END RESULTS OF THE 2016 MULTIFAMILY HOUSING ANNUAL FAIR HOUSING OCCUPANCY REPORT** were released. The report, which is based on data from September 2016 and compares information from years 2014 to 2016, includes both Rural Rental Housing Section 515 and Farm Labor Housing Section 514 properties. Find highlights of the year's data on the USDA Rural Housing Issues webpage at [nahma.org](http://nahma.org). NN

# EDUCATION CALENDAR

For information on specific classes, contact the AHMA or organization directly. All dates and locations are subject to change. For the most up-to-date listings, visit the NAHMA Education & Event Calendar at <http://www.nahma.org/education/education-event-calendar/>.

## FEBRUARY

**16**  
**MOR Prep Class**  
Escondido, CA  
AHMA-PSW  
866-698-2462  
[www.ahma-psw.org](http://www.ahma-psw.org)

**House Rules**  
Conference Call  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**EIV**  
Raytown, MO  
HAHMA  
913-722-1999  
[www.hahma.org](http://www.hahma.org)

**16-17**  
**SHCM**  
Long Beach, CA  
AHMA-PSW  
866-698-2462  
[www.ahma-psw.org](http://www.ahma-psw.org)

**22**  
**EIV for Users**  
Tacoma, WA  
AHMA of Washington  
360-561-3480  
<http://ahma-wa.org>

**Complying with VAWA: The Final Rule**  
Webinar  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**22-23**  
**8th Annual Arizona Seminar**  
Phoenix, AZ  
AHMA-PSW  
866-698-2462  
[www.ahma-psw.org](http://www.ahma-psw.org)

**23**  
**EIV for Users**  
Spokane, WA  
AHMA of Washington  
360-561-3480  
<http://ahma-wa.org>

## MARCH

**1**  
**Medical Expenses**  
Webinar  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**6**  
**Occupancy Training**  
Pittsburg, PA  
PAHMA  
412-445-8357  
<http://www.pahma.org>

**8**  
**Basic Tax Credit Eligibility**  
Webinar  
AHMA-PSW  
866-698-2462  
[www.ahma-psw.org](http://www.ahma-psw.org)

**Managing a Waiting List**  
Webinar  
AHMA-PSW  
866-698-2462  
[www.ahma-psw.org](http://www.ahma-psw.org)

**8-10**  
**Certified Professional of Occupancy**  
Trevose, PA  
PennDel AHMA & JAHMA  
856-786-2183  
[www.pennadelphama.org](http://www.pennadelphama.org)

**14**  
**Occupancy Training**  
Erie, PA  
PAHMA  
412-445-8357  
<http://www.pahma.org>

**Writing & Enforcing Good Policies**  
Kirkwood, MO  
HAHMA  
913-722-1999  
[www.hahma.org](http://www.hahma.org)

**15**  
**Add-On Courses at South Carolina State Meeting**  
Columbia, SC  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**16**  
**Fair Housing for Managers (a.m.)**  
**Fair Housing for Maintenance (p.m.)**  
Long Beach, CA  
AHMA-PSW  
866-698-2462  
[www.ahma-psw.org](http://www.ahma-psw.org)

**Get Ready for TRACS 203.A**  
Conference Call  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**16-17**  
**2017 South Carolina State Meeting for Affordable Housing**  
Columbia, SC  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**20-22**  
**CPO**  
Los Angeles, CA  
AHMA-PSW  
866-698-2462  
[www.ahma-psw.org](http://www.ahma-psw.org)

**22**  
**Add-On Courses at Florida State Meeting**  
Jacksonville, FL  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**23**  
**ACPO**  
Orange, CA  
AHMA-PSW  
866-698-2462  
[www.ahma-psw.org](http://www.ahma-psw.org)

**23-24**  
**Florida State Meeting for Affordable Housing**  
Jacksonville, FL  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**29**  
**Student Rules**  
Webinar  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

## APRIL

**5**  
**Understanding HOME**  
Webinar  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**10**  
**Spring Maintenance Conference**  
Pittsburgh, PA  
PAHMA  
412-445-8357  
[www.pahma.org](http://www.pahma.org)

**11**  
**Fair Housing**  
Kirkwood, MO  
HAHMA  
913-722-1999  
[www.hahma.org](http://www.hahma.org)

**Add-On Courses at Tennessee State Meeting**  
Murfreesboro, TN  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**12**  
**Special Claims**  
Webinar  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**12-13**  
**Tennessee State Meeting for Affordable Housing**  
Murfreesboro, TN  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**13**  
**Fair Housing**  
Raytown, MO  
HAHMA  
913-722-1999  
[www.hahma.org](http://www.hahma.org)

**18-19**  
**2017 Washington Affordable Management Convention**  
SeaTac, WA  
AHMA of Washington  
360-561-3480  
<http://ahma-wa.org>

## Making a Long-Term Plan

MICHAEL JOHNSON BELIEVES there is a mission to the affordable housing industry and people choose the field to make a difference. Those who have made affordable housing a career see its importance.

"In the end, it's about people. It's all about dealing with people," Johnson said. There is a lot of interaction with people, which can be frustrating or can be exciting."

**"My job is to take the long view. We have a single owner, but the company is successfully run by an Executive Team. My responsibility is to be sure we have a long-term strategy and stay focused on it."**

Johnson's passion for the industry's mission has been rewarded during his 37 years at Alco Management Inc., headquartered in Memphis, Tenn., where he started as an accounting manager and today is executive vice president and chief administrative officer. In addition to company promotions including controller, chief financial officer and chief operating officer, Johnson has also received awards from local Department of Housing and Urban Development offices and in 2016 was named CFO of the Year by the *Memphis Business Journal*. He has previously served as president of SAHMA and is currently NAHMA's board president.

He holds a MBA in finance from the University of Memphis and is a certified public accountant (CPA) and

certified information technology professional (CITP). Additionally, he holds a NAHP-e and SHCM from NAHMA.

Career wise, he likes the fact that every day and every deal is different, but said the ever-changing regulations present the biggest challenge, not only to Alco, but also to the industry as a whole.



nine states.

"My job is to take the long view. We have a single owner, but the company is successfully run by an Executive Team. My responsibility is to be sure we have a long-term strategy and stay focused on it."

Johnson, and his wife, Sally, have a shared passion of travel. Their goal is to visit all the continents and only have three left: South America, Australia and Antarctica. To date, Europe has been a favorite, especially Italy and France.

"I'd go back to Italy in a second," he said. "It is always more beautiful and exciting than you remembered, so you want to go back!"

When asked what people would be surprised to learn about him, he said, "That I'm nicer and funnier than they think I am. Otherwise, I'm pretty transparent." **NN**

### Welcome New Members

**NAHMA welcomes the following new members as of Jan. 24, 2017.**

#### ASSOCIATE

Annette Pena-Folch, Peak Living LLC, Provo, Utah

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

## thelastword

# Setting the Tone For the Year to Come



IT IS EXCITING TO START MY LEADERSHIP term as NAHMA president at the same time the country is experiencing a leadership change not just in the White House and Congress, but at all the federal agencies, especially the departments of Housing and Urban Development (HUD), Agricultural and Treasury, which have the most impact on our industry. See the articles on Pages 9 and 13 for information on the nominated agency heads and members of the transition teams. Regardless of your political affiliations, now is the time for all of us to come together to educate the new administration about the affordable housing industry and the issues important to you and your residents.

I want to make sure NAHMA continues to be a leading voice in the affordable housing industry. To that end, I want to concentrate on increasing our presence with regulators. That means also concentrating on our members and more importantly, helping all of you find your voices as advocates for the affordable housing industry.

It is important that our members are not just names on NAHMA's member-

ship roster, but are people involved in grassroots efforts to help shape regulation, to educate the new administration and to assist NAHMA in accomplishing its advocacy goals.

Many of the goals that will shape NAHMA for the next five years were developed in a strategic planning session in January and will be shared with the membership at the March meeting.

Generally, for 2017, NAHMA's advocacy work will directly relate to the following legislative and regulatory activities:

- Developing key working relationships with the influx of new congressional members and agency leaders
- Supporting full funding for HUD, Rural Development and tax credit programs through annual Appropriations bills
- Ensuring the viability of the Low-Income Housing Tax Credit program through any efforts to enact federal tax reform
- Advancing legislation to preserve multifamily affordable housing
- Encouraging investment in affordable housing through legislative and regulatory means

■ Working against legislation that would limit the ability of federal agencies to meet with regulated industries

■ Providing industry guidance on implementation of the recently passed Housing Opportunity Through Modernization Act (HOTMA)

■ Sharing industry's positions, insights and concerns on agency-proposed rules and other initiatives that impact the management of affordable multifamily housing

Outside of the political arena, NAHMA will continue to provide invaluable education to on-site personnel, to honor the developments and the residents who call them home, to highlight the importance of affordable housing to the overall community and to be a vital resource for the industry and beyond.

I look forward to working with our board and committees, NAHMA staff and with you to meet all our goals for the years to come. **NN**

*Michael Johnson, SHCM, NAHP-e, is executive vice president and chief administrative officer of Alco Management Inc. and president of NAHMA.*