NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

May June 2014

NAHMANews

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

IN THIS ISSUE

COMMUNITIES OF QUALITY

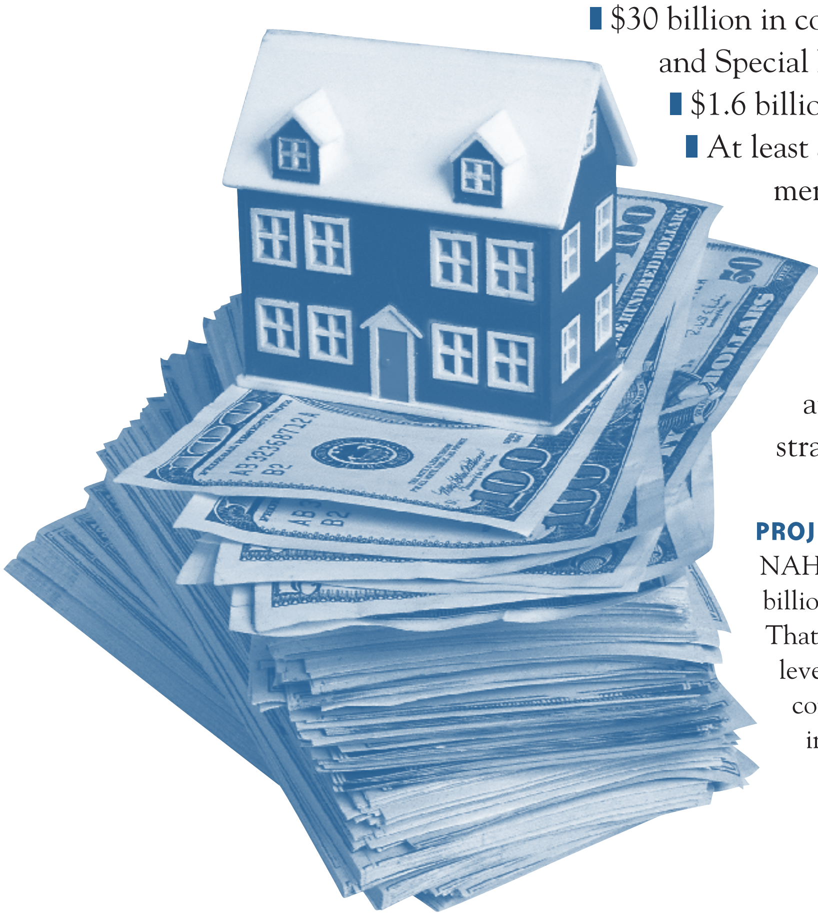
NAHMA Seeks Full Funding for Housing

In outside witness testimony to appropriations subcommittees in the House and Senate for Rural Development and HUD-assisted housing, NAHMA strongly urged committee members to reject program cuts and commit to full funding for multifamily housing contracts for fiscal year 2015.

For HUD programs, NAHMA is pressing for the subcommittees to provide full funding at the level of $11.9 billion for the 12-month contract terms under Project-based Section 8, as well as to support other critical programs under the subcommittees' purview, including:

- $18.457 billion for the Housing Choice Voucher (HCV) program contract renewals;
- At least $440 million and $160 million for Section 202 Housing for the Elderly and Section 811 Housing for the Disabled, respectively;
- $30 billion in commitment authority for the FHA General and Special Risk Insurance Fund;
- $1.6 billion for HOME; and
- At least $3.03 billion for the Community Development Block Grant (CDBG) program.

Additionally, NAHMA expressed strong support for funding HUD's Limited English Proficiency Initiative (LEPI) technical assistance program at $300,000 and expanding the Rental Assistance Demonstration Program.



PROJECT-BASED SECTION 8

NAHMA pointed out that HUD requested a total of $9.75 billion for Project-based Section 8 (PBS8) in fiscal 2015. That amount is $170 million below the fiscal 2014 enacted level. Of the $9.75 billion, $9.54 billion would be used for contract renewals. The request also includes $400 million in advanced appropriations.

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QUERIES: Letters to the Editor and other queries should be sent to NAHMA Executive Director Kris Cook at kris.cook@NAHMA.org or to the address above.

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BY KRIS COOK, CAE

Advocacy: Just Do It!

NAHMA CONTINUES TO MAKE grassroots advocacy on behalf of affordable housing easier and even more fun. We hope you will "just do it!" by making good use of these well-designed tools and contacting your local, state and Congressional representatives to let them know just how important affordable housing is to the residents and communities in their districts.

GRASSROOTS WEBPAGE

Our Grassroots Webpage at www.nahma.org/content/grassroots.html has so much to offer, including a Grassroots Advocacy Toolkit that is chock full of FAQs, tips, alerts, information on how to advocate, and much more. Recent additions are the *Congressional Management Foundation (CMF) Advocacy Videos*.

The CMF is dedicated to improving the relationship between citizens and Congress by comprehensively addressing communications challenges faced by both sides. Through our recent partnership with CMF, NAHMA has gained access to several video clips which demonstrate the best practices for communicating with lawmakers and their staff. They are as entertaining as they are informative.

BECOMING A ROARING LION

All the tools in the world won't matter if you don't use them. Why is it important that you advocate on behalf of affordable housing?

Because as one of the CMF videos points out, the really effective communications with Congressional leaders are those that are part of a strong campaign that motivates members to act quickly. Such a 'roaring lion' means that constituents as well as the organizations (like NAHMA) advocate together to become a force for changes and improvements to bills or issues that benefit our work. To do this we need to provide members of Congress with information about the impact a bill has on a district; give constituents' reasons for supporting or opposing a bill or issue; and tell personal stories related to the bill or issue.

Right now the urgent issues we need to be roaring about include higher funding levels for Project-based Section 8 Rental Assistance (PBRA) and other affordable housing programs in the fiscal year 2015 budget; ending the across-the-board budget cuts known as sequestration; and restoring the FY 2013 cuts to the Section 521 Rural Rental Assistance Program, among others.

At our Grassroots webpage, we give you all the information you need to make sure your voice is heard on these and other issues.

BRANCHING INTO NEW SOCIAL MEDIA

A social media presence is becoming a standard way of reaching audiences. If you're a Facebook fan, you can "like" our webpage and bookmark it so that you can keep up with our latest events and issues.

Also new are our Pinterest pages that highlight 4% LIHTC properties and RD properties. Go to www.pinterest.com/nahmahousing/ and let us know if you have a property you'd like us to "pin."

Contact us if you have any questions. Otherwise, we hope you'll "just do it!" **NN**

Kris Cook is Executive Director of NAHMA.

"The slated $9.54 billion for FY 2015 PBS8 renewals is insufficient to obligate full-funding for the 12-month contract terms," said NAHMA in the written testimony.

HUD has argued that shifting the contract renewals to a calendar-year schedule will "minimize funding disruptions under continuing resolutions, provide the 'true cost' of the program at the beginning of the appropriations process, and lead to consistent 12-month funding for PBS8 contracts in FY 2016 and beyond," noted NAHMA Executive Director Kris Cook in the testimony.

But "NAHMA strongly opposes the proposed cut to Project-based Section 8" and contests the wisdom of moving to a calendar-year contract renewal cycle.

"NAHMA's position on funding for PBS8 contract renewals remains clear and unequivocal," NAHMA said, reiterating three principles:

- "The Federal Government must honor its contracts with property owners;
- "PBS8 contracts must receive full funding for their 12 month terms; and
- "PBS8 contracts must have 12 months of funding obligated upfront at the time of renewal."

NAHMA's testimony said succinctly, "HUD's request does not meet these criteria."

The consequences of underfunding contract renewals, argued NAHMA, produce a range of dilemmas for property owners, residents and taxpayers. These include placing taxpayers at risk of draws on FHA insurance due to property defaults; creating postponements or cancellations of planned property rehab and renovations; jeopardizing "efficient management, financial solvency, and physical health" of properties; and adding to operating costs due to late fees to lenders and utility and service providers due to insufficient funds.

RURAL DEVELOPMENT

In its testimony, NAHMA recommended that the appropriations subcommittees dealing with USDA's rural housing programs carefully evaluate the department's proposed fiscal 2015 level of $1.089 billion for Section 521 Rural Rental Assistance (RA) in light of the legislative changes requested by Rural Development.

BOTTOM LINE: "appropriations for this program must be sufficient to provide **12 months of funding** for all contracts."

NAHMA acknowledged that while Rural Development proposed the changes to produce "greater predictability" in funding and ensure flexibility "during times of funding uncertainty," the breadth of the language may defeat the intent of the language.

Bottom line: "appropriations for this program must be sufficient to provide 12 months of funding for all contracts."

NAHMA said the legislative changes would:

- Remove the requirement to fund RA contracts for a one-year period and replace it with language to fund contracts "up to one year";
- Eliminate the automatic renewal of rental assistance contracts that occur within the 12-month contract period; and
- Provide that "rental assistance will be renewed at the discretion of the Secretary."

After the experience of the FY 2013 sequester, Rural Development needed flexibility to deal with shortfalls, NAHMA said, and the agency will need to be equipped to deal with future budget uncertainties.

However, NAHMA asserted that "the flexibility must not absolve the agency of its financial obligations to owners for payment of RA during the term of the contract, nor should it be used as a budget gimmick to request fewer appropriations than are necessary to provide 12 months of contract funding at the time of renewal."

A "straightforward" alternative approach would be to allow advanced appropriations for contract renewals under continuing resolution conditions. HUD has used this technique for several years to renew Project-based Section 8 and HCV contract.

NAHMA endorses funding the Multifamily Housing Revitalization Program at the level of at least $28 million, which was the amount requested by Rural Development (RD). This program funds tenant protection vouchers, property rehabilitation, and preservation demonstration programs. But NAHMA urged the subcommittees to ensure that the proposed reduction in voucher funding from nearly $12.58 million in the fiscal 2014 Omnibus Appropriations Act to $8 million in the fiscal 2015 budget request "will be sufficient to meet the demand for these Rural Housing Vouchers in FY 2015."

NAHMA supports the Rural Development request of $150 million for the Section 538 Multifamily Loan Guarantee program and a funding level of at least the requested $28.432 million for Section 515 Direct Rural Rental Housing Loans.

NAHMA's written testimonies are available on the NAHMA website. **NN**


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REALPAGE
Outperform

BY MICHELLE KITCHEN AND SCOTT McMILLEN

LIHTC Reforms in the Treasury's Budget

THE OBAMA ADMINISTRATION'S FY 2015 budget contains proposals to reform and expand the Low-Income Housing Tax Credit (LIHTC). NAHMA supports most of these proposals.

The first proposal would allow states to convert a portion of their tax-exempt Private Activity Bond (PAB) authority into allocated LIHTCs. States would be authorized to convert PAB volume cap to be received for a calendar year into their LIHTC allocation authorization applicable to the same year. The conversion ratio would be reset each calendar year to respond to changing interest rates.

In addition, each state would be subject to an annual maximum amount of PAB volume cap that can be converted. LIHTC credits could also be obtained if there is an allocation of PAB volume cap in an amount not less than the amount of bonds that would be necessary to qualify for LIHTCs, and if the volume cap so allocated reduces the state's remaining volume cap as if tax-exempt bonds had been issued.

Treasury also proposes adding a third criterion to the LIHTC qualifying criteria. When a taxpayer elects this criterion, at least 40 percent of the units in the project would have to be occupied by tenants with incomes that average no more than 60 percent of AMI. No rent-restricted unit, however, could be occupied by a tenant with an income over 80 percent of AMI; and, for purposes of computing the average, any unit with an income limit that is less than 20 percent of AMI would be treated as having a 20 percent limit. Maximum allowable rents would be determined according to the income limit of the unit.

A third initiative would add preservation of federally assisted affordable housing as an eleventh selection criterion that state-qualified allocation plans (QAPs) must include in their allocation of LIHTCs.

Another proposal would permit a Real Estate Investment Trust (REIT) that receives LIHTCs to designate as tax exempt some of the dividends that it distributes. Dividends so designated would be excluded from the gross income of the shareholders that receive them. The amount so designated could not exceed the quotient of the REIT's LIHTCs for the year (divided by the highest corporate tax rate). If there are insufficient earnings and profits to pay this amount of dividends, the unused authority to designate tax-exempt dividends could be carried forward indefinitely. Also, if a REIT or regulated investment company (RIC) is a shareholder that receives these tax-exempt dividends, the recipient could designate as exempt a corresponding amount of dividends that it distributes.

NAHMA does not support Treasury's request to change the formulas for 70 percent present value credit rate and 30 percent present value credit rate LIHTCs. The Housing and Economic Recovery Act of 2008 provided a temporary minimum applicable percentage of nine percent for the 70 percent present value credit rate for buildings placed in service before December 31, 2013. The American Taxpayer Relief Act of 2012 extended the nine-percent rate to apply to credit allocations made before January 1, 2014. The Obama Administration believes the new discount rate would better reflect the private-market discount rates. The change would apply to both 70 percent and 30 percent allocated LIHTCs. Under the proposal, the discount rate to be used would be the average of the mid-term and long-term applicable federal rates for the relevant month, plus 200 basis points.

NAHMA believes having predictable 9 percent and 4 percent minimum credit rates are preferable to this Treasury proposal. Therefore, we support the Improving the Low Income Housing Tax Credit Rate Act (S. 1442) offered by Senator Maria Cantwell, and the EXPIRE Act sponsored by Senator Ron Wyden.

Finally, the budget proposes requiring protections for victims of domestic abuse in all long-term use agreements. These provisions would apply to both the low-income and the market-rate units in the building. The owner could not refuse to rent any unit in the building to a person because that person had experienced domestic abuse. Moreover, an experience of domestic abuse would not be good cause for terminating a tenant's occupancy. An owner could bifurcate a lease to evict a tenant or lawful occupant who engaged in criminal activity directly relating to domestic abuse. The Administration included this proposal because the 2013 VAWA Reauthorization Act lacked enforcement provisions for LIHTC properties. The current reauthorization of VAWA explicitly prohibits recapturing LIHTCs for noncompliance with the law's requirements.

For more information about these proposals, see http://www.treasury.gov/resource-center/tax-policy/Documents/General-Explanations-FY2015.pdf. **NN**

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

BY GRACE ROBERTSON

Considering Multifamily Foreclosures

UNFORTUNATELY, LOW-INCOME housing projects fail and foreclosures happen.

FORECLOSURE DEFINED

A "foreclosure" is a legal procedure occurring when an owner defaults on a loan, and the lender takes legal action because the property was used as security for the loan. As a result, the property is sold to recover the debt. Foreclosure proceedings are governed by state law in the state where the property is located.

A "foreclosure" is a legal procedure occurring when an owner defaults on a loan, and the lender takes legal action because the property was used as security for the loan. As a result, the property is sold to recover the debt.

Alternatively, an owner may deed the property directly to the lender in a "transaction in lieu of foreclosure" in full or partial satisfaction of the mortgage debt.

Foreclosures do not include:

- Bankruptcy proceedings, although the property may ultimately be sold to pay the owner's debt.
- Selling a failing property to a third party who will assume the debt, with the lender's approval.

LAW

IRC §42(h)(6) requires taxpayers to enter into an extended use agreement to provide low-income housing for a period not less than 30 years, beginning at the same time as the 10-year credit period. The agreement is made with the housing agency that allocated the credit and is recorded in the land records. The agreement is often referred to as a "land use restriction agreement" or "LURA." A building is not considered a qualified low-income building, and no credit is allowable, if an extended use agreement meeting all the requirements is not in place.

Generally, in the event of a foreclosures or transactions in lieu of foreclosure, the extended use agreement terminates as of the date the building is acquired by foreclosure (or instrument in lieu of foreclosure).

EFFECT ON NEW OWNER

Under IRC §42(d)(7)(A)(ii), a taxpayer acquiring an IRC §42 project during the 15-year compliance period can claim any credit that would have been allowable to the prior owner. In the event of a foreclosure or transaction in lieu of foreclosure, the lender or new owner may decide to operate the project in compliance with IRC §42. In which case, the lender or new owner will need to enter into a new extended use agreement with the allocating housing agency by the end of the taxable year for which the new owner intends to claim the credit.

Otherwise, the new owner is under no obligation to continue operating the project in compliance with IRC §42, except for one provision. IRC §42(h)(6)(E)(ii) includes protections for tenants in the event of a foreclosure or transaction in lieu of foreclosure. For three years following the termination of the extended use agreement, the owner is not permitted to evict or terminate the tenancy (other than for good cause) of an existing tenant of any low-income unit, or increase the gross rent with respect to a low-income unit not otherwise permitted under IRC §42.

EFFECT ON FORMER OWNER

Foreclosures and transactions in lieu of foreclosure are treated as any other disposition. See CCA 201146016.

- The termination of the extended use agreement results in the disallowance of the credit for the year of disposition (unless the new owner enters into a new extended use agreement by the close of the year of disposition or IRC §42(h)(6)(j) otherwise applies), but does not automatically result in recapture under IRC §42(j).
- The former owner is subject to recapture upon disposition unless IRC §42(j)(6) applies; i.e., there is no recapture on disposition of building if it is reasonably expected that the building will continue to be operated as a qualified low-income building for the building's remaining compli-

ance period, including entering into an extended use agreement for the remainder of the building's entire +30-year extended use period.

STATE AGENCY RESPONSIBILITIES

State housing agencies should:

1. Report the disposition to the IRS on Form 8823, line 13a, and check the "foreclosure" box. If the building will no longer participate in the program, check the box for line 11p.

If available, include the foreclosure documentation as an attachment. Check the box for line 12 on Form 8823.

If the new owner has entered into a new extended use agreement and is continuing to operate the building in compliance with IRC §42, include an attachment to affirm for the IRS that the building is participating in the program.

2. Make sure the tenants are aware of their rights; i.e., the three-year tenant protections can be enforced by tenants.

PLANNED FORECLOSURES

Under IRC §42(h)(6)(E)(i)(I), the extended use agreement terminates on the date the building is acquired by foreclosure or instrument in lieu of foreclosure *unless the Secretary determines* that such acquisition is part of an arrangement with the taxpayer, a purpose of which is to terminate such period.

A state housing agency that becomes aware of a situation that it believes constitutes a "planned" foreclosure can provide a letter detailing the characteristics of the transaction to James Holmes in the IRS Office of Chief Counsel, Passthroughs & Special Industries, Branch 5.

IRS AUDITS

The scope of an IRS audit is not limited to the IRC §42 issues. The IRS also considers the foreclosure itself and whether the taxpayer properly reported the gain (or loss) upon disposition and any income from cancellation of the debt. **NN**

Grace Robertson is an IRS program analyst for examination specialization and technical guidance. This article was reprinted from the LIHC Newsletter #55, published by the IRS in December 2013 and distributed free through e-mail. To subscribe, contact Grace.F.Robertson@irs.gov. Also designate whether you would like to receive the Adobe pdf version or the Word document.

HUD Proceeds with Multifamily Realignment

HUD has begun implementing its Multifamily Transformation (MFT) Initiative, realigning headquarters offices and production operations, though asset management employees will remain with their current HUD field office locations.

In an email to industry partners, HUD stated, "HUD will continue to work with Congress to pursue full approval of its plan, including consolidation of Asset Management, as part of the FY 2015 budget process."

The start of the other parts of the initiative, announced by the Office of Multifamily Housing programs as a modernizing of its business model, comes after congressional scrutiny of the initiative. According to HUD's transmittal, on April 1, 2014 Congress endorsed "all aspects of this transformation with one exception involving Asset Management."

Congress directed that Asset Management employees should not consolidate but instead should continue to serve in all existing Multifamily Housing offices.

HUD's plans will lead to:

- headquarters realignment;
- a five-region structure;
- consolidation of Production and Operations employees;
- continued development of workload sharing; and
- implementation of the Underwriter Model in Production and the Account Executive Model in Asset Management.

In early May, MFT started in Fort Worth and Kansas City Hubs. To support staff during this transition, Multifamily Housing will reallocate some of the work through workload sharing. A portion of the work will be distributed to different Hubs and Program Center offices or to third-party vendors in production (Summit Consulting, LLC) and asset management (Alpine Companies, Inc.). In response to a question posed by NAHMA, HUD commented that "Alpine is intended to backstop dropping asset management staff capacity due to buy-outs starting in early summer and then to an 8 week classroom training module that is currently expected to start in October."

> "Alpine is intended to backstop dropping asset management staff capacity due to buy-outs starting in early summer and then to an 8 week classroom training module that is currently expected to start in October."

HUD expects streamlined operations and "no servicing interruptions" as the new procedures take hold. "Through MFT, Multifamily Housing will provide more efficient and effective service to stakeholders," said HUD's message.

PRODUCTION CHANGES STARTED MAY 5

Starting May 5, all applications for the Fort Worth/Kansas City region, including Albuquerque, Little Rock, Houston, New Orleans, San Antonio, Shreveport, Des Moines, Oklahoma City, Omaha, St. Louis and Tulsa, needed to be sent to a single point of processing in the Fort Worth Hub.

According to HUD, applications processing procedures are as follows:

- Lenders will submit electronic copies (CDs) of the applications to the Multifamily Housing Production Division in Fort Worth;

- Applications will be uploaded and assigned to a hub/satellite office or to Summit Consulting, LLC for processing;
- Lenders will be notified of the office processing the application and receive instructions from the Fort Worth Hub on where to forward hard copies of the application;
- Until further notice, all concept meetings will be conducted in the current program centers.

ASSET MANAGEMENT TRANSACTIONS TO SHIFT

Many transactions in the Fort Worth and Kansas City Hubs, including the cities listed above, have or will soon be shifted to other locations, said HUD.

Property owners and lenders will receive notification if impacted and will be directed to contact the appropriate HUD or Alpine Companies, Inc. representative.

Additional information is on HUD's website. NAHMA will continue to follow-up on these developments and inform members directly and through the members' web portal when new details become available. **NN**

Congress Considers GSE Reform

House and Senate lawmakers continued the debate over housing finance reform, with many members in agreement that government-sponsored enterprises (GSEs) Freddie Mac and Fannie Mae should be eliminated, but in a way that ensures ongoing support for affordable multifamily housing.

The emerging proposals for comprehensive reforms sharpen the focus on shifting risks in the credit market to the markets themselves and lessening the government's exposure in housing finance. Fannie Mae and Freddie Mac were put into U.S. Treasury conservatorship in September 2008.

Winding down Fannie and Freddie is a massive and complex job. These entities hold slightly more than $5 trillion in mortgage-related assets, and since 2008's shock to the private mortgage finance system, the GSEs have been responsible for more than 60 percent of new mortgage originations.

PATH ACT

On July 24, 2013, the House Financial Services Committee approved H.R. 2767, the Protecting American Taxpayers and Homeowners (PATH) Act. The PATH Act passed by a very slim margin of 30-27. The bill is intended as a private-sector alternative to the GSEs and the Federal Housing Administration (FHA).

The PATH Act would close the GSEs in five years. In their place, a new National Mortgage Market Utility (Utility) would receive a charter from the Federal Housing Finance Agency to operate as a not-for-profit entity. The Utility will not be deemed a government entity. It would be subject to the exclusive supervision of the FHFA and governed by a Board of Directors.

The bill authorizes the Utility to:

- Develop standards for servicing, pooling and securitizing residential mortgage loans;
- Assume ownership of, operate and maintain the securitization infrastructure Platform (currently being developed by the GSEs);
- Operate the Platform in an open-access manner; and
- Establish a Repository for registration and use of mortgage-related documents.

The Utility is prohibited from:

- Owning, originating, servicing, insuring or guaranteeing any residential mortgage or other financial instrument associated with a residential mortgage;
- Discriminating against eligible loan originators, aggregators or qualified issuers; or
- Performing any activity other than those authorized by the bill.

The FHA would be removed from HUD and transformed into an independent government corporation that is fully self-sufficient. The purpose of the new independent FHA would be to provide single-family homeownership to first-time buyers, low-and moderate-income buyers, and buyers in areas subject to counter-cyclical markets or Presidentially declared disasters. The independent FHA is also charged with providing affordable rental housing opportunities for low- and moderate-income Americans and mortgage insurance for residential health care facilities.

HOME FORWARD

Rep. Maxine Waters (D-CA) released the Housing Opportunities Move the Economy (HOME) Forward Act of 2014. This draft bill is intended to eliminate the two GSEs and replace them with a more flexible approach that places more credit risk in the markets rather than the federal government. She put forward the measure in late March.

While the bill seeks to maintain the GSEs' multifamily business, the GSEs' mandatory affordable housing goals would be repealed. According to an online summary of the bill, the repeal of this requirement is offset by a "broad duty [on behalf of lenders] to serve the entire market, including underserved urban and rural markets."

HOME Forward would establish a new entity, the National Mortgage Finance Administration (NMFA), to ensure access to affordable mortgage credit and protect taxpayers from secondary market losses in periods of economic stress. NMFA would oversee a new lender-owned Mortgage Securities Cooperative (MSC). The MSC would be the single issuer of government-guaranteed securities and would be governed on a "one-member, one-vote" basis.

Unlike the implicit government guarantees in the GSEs' operations, Waters' bill creates an explicit government guarantee, paid for by the housing finance industry and used to capitalize a catastrophic insurance fund. Small financial institutions will have direct access to a "cash window" in order to preserve their access to the secondary market.

The bill requires the collection each year of 10 basis points for each dollar outstanding of mortgages guaranteed under the common securitization platform, including multifamily securities.

Seventy-five percent of the collected funds would go to the Housing Trust Fund established in the Housing and Economic Recovery Act of 2008. Contributions from Fannie Mae and Freddie Mac to the fund were suspended when the GSEs went into conservatorship.

Of the remaining amounts, 15 percent would go to the Capital Magnet Fund, an account within Treasury's Community Development Financial Institution (CDFI) Fund. Ten percent would go to a newly created Market Access Fund to promote innovation in housing finance and affordable housing through rental programs for families.

SENATE REFORM PROPOSAL

Led by Chairman Tim Johnson (D-SD) and Ranking Member Mike Crapo (R-ID), the Senate Banking, Housing, and Urban Affairs Committee reached an agreement on a housing finance reform proposal in early March.

According to the committee's announcement, the measure largely will follow the proposals of S.1217, the Housing Finance Reform and Taxpayer Protection Act of 2013 (introduced by Senators Mark Warner (D-VA) and Bob Corker (R-TN)) by:

- Eliminating Fannie Mae and Freddie Mac and replacing them with a Federal Mortgage Insurance Company (FMIC) to provide catastrophic reinsurance for mortgage-backed securities;
- Facilitating credit availability, monitoring access to credit, and providing market-based incentives and transparency to serve underserved areas;
- Building on successful risk-sharing mechanisms and products and providing access to a broad range of markets; and
- Eliminating affordable housing goals and establishing transparent and accountable housing-related funds to ensure availability of decent housing.

The Johnson-Crapo proposal would also support the Housing Trust Fund, the Capital Magnet Fund, and the newly-created Market Access Fund through an FMIC user fee of 10 basis points that is paid only by those institutions that choose to use the new system.

However, at press time, the fate of the Johnson-Crapo draft and its underlying legislative vehicle, S.1217, was not clear. On Tuesday, April 29, the committee was set to hold a markup hearing on S. 1217, but instead decided to delay the markup until later in the spring in order to gather more support from other lawmakers.

The Committee markup was subsequently rescheduled for May 15. It is unclear whether this vote from the committee will provide sufficient momentum for consideration by the full Senate and a conference with the House.

NAHMA has cautioned that housing finance reforms should continue the success of Fannie Mae's and Freddie Mac's multifamily divisions and promote stable, liquid, and efficient mortgage markets. NAHMA will urge lawmakers to reject proposals that decrease financing options or access for multifamily housing owners.

NAHMA will continue to monitor developments. Visit the NAHMA website for more details. **NN**

2014 NAHMA AFFORDABLE 100

How many housing units that receive at least one form of federal subsidy are currently rented or available for rent in the United States today? The annual NAHMA Affordable 100 list provides this important data!

THE NAHMA AFFORDABLE 100 comprises the largest affordable multifamily property management companies, ranked by affordable unit counts. The NAHMA Affordable 100 list contributes vital data to the ongoing national dialogue on the future of federal funding for affordable housing. In an effort to accurately determine the portfolio of affordable units receiving federal subsidy in the United States, NAHMA publishes this annual listing of affordable units containing at least one of the following federal subsidies:

- HUD Project-based Assistance
- Section 42 LIHTC
- HOME funds
- USDA Section 515
- Bonds

The National Affordable Housing Management Association (NAHMA) is the leading voice for affordable housing management, advocating on behalf of multifamily rental property managers and owners whose mission is to provide quality affordable housing.

NAHMA supports legislative and regulatory policy that promotes the development and preservation of decent and safe multifamily affordable housing. NAHMA serves as a vital resource for technical education and information, fosters strategic relations between government and industry, and recognizes those who exemplify the best in affordable housing.

RANK / MANAGEMENT COMPANY (2013 rank shown in parentheses)		HEADQUARTERS	TOTAL NUMBER OF UNITS	
			SUBSIDIZED[1]	RESIDENTIAL[2]
1	WinnResidential (1) *	Boston, MA	42,262	87,013
2	Interstate Realty Management Company (2) *	Marlton, NJ	31,596	31,749
3	FPI Management Inc. (4)	Folsom, CA	29,241	68,132
4	Concord Management (5)	Maitland, FL	28,500	30,700
5	The John Stewart Company (6)	San Francisco, CA	27,000	30,299
6	American Management Services (Pinnacle) (3)	Seattle, WA	25,000	101,763
7	LEDIC Management Group, LLC (9)	Memphis, TN	22,520	35,299
8	Edgewood Management (10) *	Germantown, MD	22,194	25,337
9	National Church Residences (13) *	Columbus, OH	21,428	21,428
10	Orion Real Estate Services, Inc. (12)	Houston, TX	20,178	27,328
11	Dominium (11) *	Plymouth, MN	19,657	21,880
12	ConAm Management Corporation (20) *	San Diego, CA	19,368	47,787
13	Capstone Real Estate Services, Inc. (14)	Austin, TX	19,054	32,665
14	KMG Prestige (120)	Mt. Pleasant, MI	18,321	19,853
15	Volunteers of America (16) *	Alexandria, VA	17,676	18,065
16	Related Management (7)	New York, NY	17,190	28,000
17	Mercy Housing Inc. (15) *	Denver, CO	17,050	17,437
18	PK Management (18) *	Greenville, SC	16,461	16,706
19	Royal American Management (26) *	Panama City, FL	15,421	17,237
20	Grenadier Realty Corp. (28)	Brooklyn, NY	14,265	21,887
21	The Cornerstone Group (19)	Hollywood, FL	13,662	13,767
22	Picerne Real Estate Group (21)	Phoenix, AZ	13,638	44,927
23	UAH Property Management	Dallas, TX	13,588	14,332
24	McCormack Baron Ragan Management Services, Inc. (23)	St. Louis, MO	13,518	17,012
25	Retirement Housing Foundation (24)	Long Beach, CA	13,495	18,859
26	Ambling Management Company (38) *	Valdosta, GA	12,547	20,322
27	Multifamily Management Services, LLC (dba Arco Management, TUC Management, Multifamily Management of Philadelphia, GoldOller Management) (25) *	New York, NY	12,345	22,159
28	Wallick Communities (27)	Reynoldsburg, OH	12,298	13,881
29	Boyd Management (29)	Columbia, SC	12,067	12,587
30	BSR Trust, LLC (34) *	Montgomery, AL	11,951	19,936
31	Maco Management Co., Inc. (30)	Clarkton, MO	11,657	11,780
32	Gene B. Glick Company, Inc. (37) *	Indianapolis, IN	11,619	20,353
33	Lincoln Property Company (43)	Dallas, TX	11,563	136,712
34	Professional Property Management, LLC (39)	Rockford, IL	11,326	11,326
35	Conifer Realty, LLC (35)	Rochester, NY	11,153	12,348
36	SPM, LLC (31) *	Birmingham, AL	10,702	14,555
37	Millennia Housing Management, Ltd. (49)	Valley View, OH	10,647	11,079
38	USA Properties Fund (47)	Roseville, CA	10,449	10,750
39	IMS Properties (41)	Fenton, MI	10,415	11,000
40	Forest City Residential Management (22)	Cleveland, OH	10,372	35,184
41	Preservation Management, Inc. (45) *	South Portland, ME	10,361	10,914
42	U.S. Residential Group (51)	Irvine, CA	10,239	37,475
43	AIMCO (33) *	Denver, CO	10,067	60,553
44	TM Associates Management Inc. *	Rockville, MD	9,885	9,885
45	Corcoran Jennison Companies (42) *	Boston, MA	9,806	13,061
46	The NRP Group LLC	Cleveland, OH	9,795	11,970
47	LNR Property (44)	Miami, FL	9,700	11,200
48	Partnership Property Management (48)	Greensboro, NC	9,685	9,754
49	Pedcor Management Corp. (46)	Carmel, IN	9,500	13,666

FOR AFFORDABLE 100 COMPANY LINKS AND THE “NEXT 20” COMPANIES ON THE LIST VISIT:

RANK / MANAGEMENT COMPANY (2013 rank shown in parentheses)	HEADQUARTERS	TOTAL NUMBER OF UNITS SUBSIDIZED[1]	RESIDENTIAL[2]
50 SL Nusbaum Realty Company (40)	Norfolk, VA	9,489	17,581
51 The Hallmark Companies (59)	**Atlanta, GA**	**9,427**	**10,963**
52 Community Management Corp. (56) *	Winston-Salem, NC	9,343	9,945
53 Pennrose Management Company (54)	**Philadelphia, PA**	**9,153**	**10,197**
54 Barker Management (52)	Anaheim, CA	8,836	8,836
55 Guardian Management LLC (17) *	**Portland, OR**	**8,824**	**13,000**
56 Riverstone Residential Group (8)	Dallas, TX	8,601	160,000
57 EAH Housing (55)	**San Rafeal, CA**	**8,500**	**9,194**
58 The Yarco Company, Inc. (61)	**Kansas City, MO**	**8,419**	**8,925**
59 Preservation of Affordable Housing (POAH)/Preservation Housing Management, LLC (73)	**Boston, MA**	**8,412**	**8,606**
60 NDC Real Estate Management, Inc. (53)	**Pittsburgh, PA**	**8,354**	**11,269**
61 The Community Builders (65) *	**Boston, MA**	**8,330**	**9,392**
62 Peabody Properties, Inc. (70) *	**Braintree, MA**	**8,007**	**9,533**
63 Winterwood, Inc. (50)	**Lexington, KY**	**7,950**	**8,000**
64 Lawler Wood Housing, LLC (60) *	**Knoxville, TN**	**7,905**	**7,905**
65 National Community Renaissance (58) *	Rancho Cucamonga, CA	7,904	8,600
66 Beacon Communities (92) *	**Boston, MA**	**7,891**	**11,000**
67 Reliant Realty Services, Inc. *	**New York, NY**	**7,817**	**7,817**
68 Cascade Management, Inc. (64)	**Portland, OR**	**7,600**	**7,804**
69 Maloney Properties (63)	Wellesley, MA	7,522	8,220
70 Sun Belt Management Company (62)	Albertville, AL	7,500	7,610
71 Equity Management II, LLC (57)	**Columbia, MD**	**7,438**	**8,700**
72 Fairfield Residential (72)	Grand Prairie, TX	7,201	49,535
73 Steadfast Management Company (36)	Irvine, CA	7,178	23,109
74 Woda Management & Real Estate, LLC (69)	**Westerville, OH**	**7,154**	**7,278**
75 Cambridge Management, Inc. (80)	**Tacoma, WA**	**7,057**	**7,142**
76 Oakbrook Corporation (66)	Madison, WI	7,025	8,600
77 American Apartment Management Co., Inc. (68) *	**Knoxville, TN**	**6,941**	**7,278**
78 RY Management (71)	New York, NY	6,751	13,200
79 Cohen Esrey Real Estate Services (82)	Overland Park, KS	6,682	11,031
80 Community Realty Management (77) *	**Pleasantville, NJ**	**6,653**	**6,749**
81 WRH Realty Services (76) *	**St. Petersburg, FL**	**6,623**	**15,863**
82 Seldin Company (86) *	**Omaha, NE**	**6,596**	**12,068**
83 Housing Management Resources *	**Quincy, MA**	**6,505**	**6,505**
84 GEM Management (78)	Charlotte, NC	6,500	8,000
85 G & K Management Co., Inc. (74)	**Culver City, CA**	**6,489**	**14,072**
86 MidPen Property Management Corp. (90)	**Foster City, CA**	**6,397**	**6,397**
87 Fairway Management (83)	Columbia, MO	6,378	6,851
88 Intergral Property Management (75)	Atlanta, GA	6,111	6,668
89 SHP Management Corp. (85) *	Cumberland Foreside, ME	6,080	7,000
90 Unified Property Group (87)	Milford, MI	6,000	13,000
91 Kettler Management, Inc. (81) *	**McLean, VA**	**5,952**	**23,609**
92 AWI Management Corporation (100)	**Auburn, CA**	**5,932**	**5,932**
93 CSI Support & Development (89) *	**Warren, MI**	**5,924**	**5,924**
94 H J Russell and Company (79) *	Atlanta, GA	5,900	5,900
95 Solari Enterprises, Inc. (97) *	**Orange, CA**	**5,766**	**5,832**
96 Flaherty & Collins (91)	Indianapolis, IN	5,601	9,256
97 Village Green (93)	Farmington Hills, MI	5,500	35,000
98 Alpha Property (95)	Los Angeles, CA	5,329	5,329
99 Shelter Properties, LLC (98)	**Baltimore, MD**	**5,281**	**5,486**
100 Leon N. Weiner & Associates, Inc.	**Wilmington, DE**	**5,267**	**5,276**

Website Lists Additional 20, Plus Top LIHTC and Rural Companies

NAHMA'S WEBSITE VERSION of the Affordable 100 also includes the next 20 largest multifamily property management companies, for a total list presenting the top 120.

Two specialty lists are also highlighted: the 25 largest housing credit (LIHTC) and the 25 largest Rural Development (RD) program property management companies. Also on the website are hyperlinks to many corporate websites so web visitors can quickly and easily find out more information on a particular company.

The Affordable 100 was created to accurately determine the size of the portfolio of affordable multifamily units receiving federal subsidy in the U.S. It lists affordable units containing at least one of the following federal subsidies: HUD Project-based Section 8, Section 42 LIHTC, HOME funds, bonds and USDA Section 515.

Companies in bold provided data for NAHMA's survey. All others are based on industry estimates.

* A NAHMA Communities of Quality® National Recognition Program Participant

[1] and [2] All unit data represent only units directly managed (not owned) that were rented or available to rent on December 1, 2013. Down units, abated units, units under construction or rehabbing units not available for rent are not included.

[1] Total affordable units managed. Federal programs only, including HUD, LIHTC, USDA, HOME, and Bond programs. Data do not include state or local subsidy, public housing, tenant-based vouchers (Section 8 or RD tenant-protection vouchers), or Federal mortgage insurance or loan guarantee programs. If a unit has more than one subsidy, it is counted only once.

[2] Total residential units managed (including market or affordable).

NAHMA would like to extend its sincere thanks to the NAHMA Survey Task Force, without whose hard work and support this survey would not be possible. In particular, sincere appreciation goes to Task Force Chair John Yang, RentalHousingDeals; Brian Carnahan, Ohio Housing Finance Agency; Gustavo Sapiurka, RealPage; Janel Ganim, Property Solutions; Jed Graef, MRI Software; Lori Russell, RealPage; Mark Livanec, Yardi; Rue Fox, IPM Software; Shari Smith, Choice Property Resources; Dave Layfield, ApartmentSmart.com; Kris Panks, Yardi; Bill Sullivan, IPM Software.

If you believe your company should be included in next year's survey, please contact Brenda.Moser@nahma.org.

Policy Changes to FHA LIHTC Pilot

HUD HAS INTRODUCED SIX NEW POLICY changes to the FHA Low Income Housing Tax Credit (LIHTC) Pilot to be implemented immediately through waivers and then formally incorporated in revisions to the Multifamily Accelerated Processing (MAP) Guide later in 2014.

The changes were conveyed by a HUD memo dated Feb. 28, 2014, which noted that the changes are intended "to provide more flexibility to the Pilot and make it available to a wider array of projects."

The six policy changes with waiver requirements, outlined in part one of the memo, center on:

- **total debt load allowed under 223(f);**
- **three-year waiver transactions;**
- **Identity of Interest (IOF) and mortgage calculations;**
- **completion assurance;**
- **timing of repair escrow funding and general equity pay in schedule; and**
- **tax credit and bond cap allocation timing.**

An additional six elements, described in part two of the memo, "are simply clarifications of existing policy" and will not require waivers, according to the HUD memo. They also will be written into the MAP Guide. They are:

- **clarification of FHA lenders' underwriting requirements for syndicators and principals;**
- **tax abatements;**
- **use of Form 2530;**
- **pre-approval of special limited partners;**
- **due diligence with respect to nonprofit boards; and**
- **building permits.**

The pilot was created in 2011 "to better align FHA's underwriting process with the timing constraints of LIHTC projects, to increase FHA's affordable housing production and preservation and to test the Single Underwriter operating model," said HUD.

Thirty-seven qualified MAP Lenders and nine Pilot Hubs with specially trained underwriters are part of the initiative. Nearly 100 deals with 10,000 units in the pipeline, and 20 closed projects, have been generated under the pilot.

The memo is available at http://portal.hud.gov/hudportal/documents/huddoc?id=Pilot_Program_Revisions.pdf. NN

NAHMA Meets with RD on Fee Freeze

NAHMA and industry colleagues delivered key recommendations designed to "conclude with a new performance criteria and a management fee implemented in the near future," according to a letter to Tony Hernandez, administrator of the Rural Housing Service, USDA Rural Development (RD).

NAHMA, the Council for Affordable and Rural Housing and the Institute for Real Estate Management met with RD officials on April 16 to discuss a proposal for calculating management fees.

"Companies managing USDA-RD 514/515 properties have not received a management fee increase since January 2011," the group told Hernandez in a preliminary letter. Management fees were fixed at the 2011 level in 2012, 2013, and to date in 2014.

"The Agency has justified this lack of an increase by explaining that the rental assistance budget was limited and/or the IPIA audit results were not acceptable," the group noted. "Neither of these items continues to be an issue. Rental assistance has increased roughly 20% since 2013 and the IPIA error rate continues to remain low (1.79% in 2013)."

The letter says that despite increased expenses such as health insurance, employee's salaries for retention of quality management staff, technological improvements, and management fees have been stuck at 2011 level. "Thus," said the group, "management agents need at least a 'cost of living' adjustment to ensure their ability to properly supervise and maintain their properties in the RD portfolio."

The group's recommendations focus on the:

- **2014 management fee**, asking for an immediate adjustment via a cost-of-living factor covering the past three years. The group included a spreadsheet with an analysis, based HUD's Operating Cost Adjustment Factor (OCAF) figures since 2011, of what minimum value could be placed on a 2014 management fee and proposed that this fee be enacted effective July 1, 2014.
- **2015 management fee,** by responding to Rural Development's "informal request for a 'performance based' management fee system."

"We understand that RD staff have been proposing building in performance basis into the fee system," said the group's letter. "We believe that the current system has such performance limitations, both through limiting fees for occupied units, as well as providing RD with asset management tools."

To bring the issue to an action level, the group also provided a sample management fee calculation form that owners could use for submitting annual budgets and requesting a management fee increase for the upcoming year.

The group took issue with the annual surveys by RD to set or adjust management fees, noting that "the surveys in practice have not always been conducted and even when conducted, RD has not agreed to increase management fees when data clearly indicated fees should be increased."

"Therefore, it would appear that the RD survey is not a practical way to solely review, adjust or set management fees," said the group, suggesting instead a move to an OCAF adjustment with periodic reviews. The recommended frequency would include "surveys every five years to test that the OCAF adjustments remain reasonably appropriate." **NN**

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Proposed Rent Comparability Study Changes Concern NAHMA

NAHMA's preliminary review of proposed changes to HUD's Section 8 Renewal Policy Guide noted several concerns. Perhaps the most noteworthy is a new proposal for benchmarking rents.

The proposed changes would require HUD to hire a third-party appraiser if the market rents proposed in the rent comparability study (RCS) exceed 110 percent of the median gross rent for that zip code tabulation area (published by the U. S. Bureau of the Census or other comparable source as determined by HUD). According to the draft guidebook, "There are no negotiations allowed nor is there an appeal process when there are differences between comparability studies." The draft guidebook describes whose rents prevail in these circumstances.

NAHMA noted that the proposed RCS changes would result in basing decisions on outdated information that fails to adjust for "current economic realities." Rent growth in many markets as the economy improves is likely to confound the methodology proposed by HUD and produce disparities in data, said NAHMA.

The most apparent flaw with HUD's proposed methodology is that the median gross rent is from the 2011 American Community Survey (ACS) 5-Year Estimates, and there is no adjustment for inflation. At press time, NAHMA was working with an industry group in preparing formal comments to HUD on the proposed RCS. As part of this effort, the industry groups hired an apartment market data research company to conduct analyses of 23 key metropolitan areas. "Conducting an assessment that compares data used by market analysts, apartment providers, investors and financial institutions to the data used by the government will provide a fact-based argument to the approach being proposed/taken by the government," the group reported.

The Section 8 Renewal Policy Guide is HUD's comprehensive guidance for renewing expiring Section 8 contracts. HUD posted the draft revision of the guide on February 28, 2014 for public comment, setting an April 30 deadline for comments which was then extended to May 14.

HUD has asserted that a market based, rather than a Fair Market Rate (FMR) based, RCS measure would work best.

In its explanation, HUD said it believes that the "most comprehensive market-based benchmark would be median gross rents, as determined and as published by the United States Census Bureau or some other comparable source."

The draft Renewal Guide is at http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/mfhsec8 under the section "What's New." **NN**

NAHMA Supports Permanent Rural Vouchers

AN ANALYSIS BY NAHMA OF THE PROPOSAL TO MAKE THE RURAL Development Voucher Program (RDVP) permanent said that the demonstration program "served low-income Americans well in providing them with stability and reassurance in times of property transition."

The RD vouchers are only available to low-income tenants of rural multifamily properties where the Section 515 Rural Rental Housing loan has been prepaid either through owner prepayment or foreclosure action, prior to the loan's maturity date and after September 30, 2005.

RDVP can step in to help tenants and families when affordability is at risk due to loan prepayment, NAHMA says. RD affordable housing requirements and rental assistance subsidies are generally discontinued at that time. Faced with rising and possibly unaffordable rents as a result, the tenant-based vouchers provide a subsidy to supplement rent payments.

Under RDVP, the maximum voucher amount is the difference between the comparable market rent for the family's former Section 515 unit and the tenant's rent contribution on the date of the prepayment. USDA's Rural Housing Service (RHS) monitors the prepayment request or foreclosure process and obtains a rent comparability study for the property 90 days prior to the date of prepayment or foreclosure.

As a subsidy based with the tenant, not the project, the voucher offers a degree of portability. Those with an RD voucher may use the assistance in the same project or move to another location. The voucher may be used in other properties financed by RD but cannot be combined with Section 521 Rental Assistance or used in HUD Project-based Section 8 units.

Many RD-financed multifamily housing properties that prepay the Section 515 mortgage or are subject to a foreclosure action are no longer officially located in rural areas, NAHMA pointed out. To lessen tenant hardships associated with restricting the vouchers to rural areas exclusively, the proposed rule would allow tenants to use their vouchers at their formerly RD-financed properties.

The proposed rule also lays out the following program elements:

- **Comparable market rent studies will be used for voucher calculation.**
- **RHS will ensure the tenant's selected unit meets inspection standards.**
- **RD will then execute a Rural Development Assistance Payments (RDAP) contract with owners and management agents (O/As), who must also execute a one-year lease with the tenant.**
- **The term of the RDAP contract and the lease should be concurrent; O/As will receive payments through electronic transfers.**

In fiscal 2013, the rural voucher demonstration program was appropriated $11 million. Estimates in the Catalogue of Federal Domestic Assistance indicate that the need could rise to $13 million. NN

Data Innovations Aid in Strategy, Preservation

Affordable housing preservation tools developed at the local level by two nationally known research centers are creating new insights for property owners, planners, managers and policymakers.

The implications of this work "are profound for both the communities that are the objects of these research efforts and other communities that could benefit from their use," reports HUD's Policy Development and Research unit in an overview of "multilayered database analysis" efforts of New York University's Furman Center and The Shimberg Center at the University of Florida.

For example, Furman Center's Subsidized Housing Information Project (SHIP) combined 50 disparate datasets to catalog privately owned, publicly subsidized affordable rental properties in New York City. Shimberg's Housing Suitability Model (HSM) scores land parcels in a county or metropolitan area by various characteristics to identify preferable affordable housing locations.

These two centers are among several research hubs pushing deeper into multilayered databases and mapping technologies to better understand the nation's current stock of privately owned and publicly subsidized housing.

Integrated datasets and data layering innovations are:

- clarifying the nature of units subsidized by local, state, and federal programs;
- improving assessments of the existing subsidized housing stock, the units that have exited affordability programs, and the properties on the cusp of opt-out and expiring-use contracts;
- building geographic information system (GIS) models to help analyze affordable housing's proximity to employment, transit, and other community amenities; and
- equipping planners and policymakers with critical information for sustainable community initiatives, including the most strategic uses for affordable housing.

"Analyses using a single layer of data can miss important insights that can come when additional layers are added," said Dr. Lindley Higgins, an independent housing researcher. "Multilayered database tools can provide a clearer, more complete, more relevant picture of the true housing development and preservation environment."

ALIGNING DATA

According to HUD, SHIP covers data on approximately 235,000 subsidized units. These units are supported through HUD's financing and insurance programs, HUD's Project-based Rental Assistance (PBRA) program, the city- or state-sponsored Mitchell-Lama program, and the federal Low-Income Housing Tax Credit (LIHTC) program.

SHIP tackled the challenge of aligning subsidy data from multiple agency databases, with some evocative results. The Furman Center's first comprehensive SHIP analysis showed that 15 percent of the city's affordable properties had subsidies through multiple programs. More than half the PBRA properties had an additional subsidy.

"In fact, every affordable property in SHIP receiving multiple subsidies has either PBRA or HUD financing and insurance that requires affordability," according to HUD's paper. "Deriving such a conclusion would have been nearly impossible before SHIP; manually sifting through all of the financing layers on any given property would have been too onerous a task."

So, for example, instead of concluding from a one-layer perspective that 108,402 units no longer receive a subsidy, SHIP's multilayered analysis reveals that only 62,000 units are without subsidy.

The Furman Center also integrated more than 360 neighborhood-based indicators into SHIP, adding context about other factors and yielding insights into affordable housing's role in a community's overall health and well-being.

SHIMBERG'S 'SUITABILITY ANALYSIS'

The Shimberg Center maintains a multilayered database known as the Assisted Housing Inventory (AHI) as well as another dataset, the Lost Properties Inventory (LPI). AHI tracks 252,000 affordable rental units in Florida subsidized by local, state, and federal sources. LPI is a complete dataset of affordable multifamily rental units in Florida formerly subsidized by different federal, state, or local programs.

Shimberg's HSM innovation is founded on "suitability analysis" which determines fitness of land for a specified use. This process can be used to evaluate the siting of current and planned affordable housing locations and relies on multilayered mapping. Similar to Furman's approach, the overlaid maps produce a robust depiction that would escape individual factor analysis.

As the development of publicly accessible multi-databases and mapping models continues, the affordable housing industry will gain additional tools for strategic development and preservation of affordable housing. "Layered datasets such as SHIP and AHI will become even more critical as older subsidies expire and new ones are utilized to finance future affordable housing," said HUD.

The HUD overview, "How Research Tools Are Assisting Communities To Preserve, Plan Affordable Housing," is available on the HUD web portal at www.huduser.org/portal/periodicals/em/summer13/highlight2.html. **NN**

PUBLICATIONS FROM NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

Three Great Books for Your Reading List

Green Housing: A Practical Guide to Green Real Estate Management

This user-friendly publication is 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 Tax Credit Housing Management

This study guide for the Specialist in Housing Credit Management (SHCM) certification program is informative for everyone in the industry. It covers key concepts in the Low Income Housing Tax Credit program and is a must for every tax credit property manager! **$25 for members and $30 for non-members. Add $3 shipping per copy.**

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 non-members.**

To order NAHMA books, visit www.nahma.org/store/index.html or call Rajni Agarwal at 703.683.8630, ext. 15.
Quantity discounts available.

NAHMA

Poster Contest Theme for 2015

Join the Dance of Life: Celebrate Music, Arts, and Crafts

The 28th annual AHMA Drug-Free Kid poster and art contest has a celebratory theme and sub-theme: *Join the Dance of Life: Celebrate Music, Arts, and Crafts*. The entry deadline to NAHMA is **Monday, June 2, 2014**, but entries must first be sent to a local AHMA, which has an earlier deadline.

Local AHMAs are promoting the contest heavily this year and should have already announced their deadlines to their members. The winning artwork will appear in NAHMA's 2015 Drug-Free Kids calendar.

The popular calendar poster and art contest invites children, elderly/disabled and special needs residents to create artwork and compete for prizes. Typically the contest draws more than 5,000 participants nationwide. Through the annual fall auction of the winning poster entries, the contest generates significant annual contributions to the NAHMA Educational Foundation's scholarship program and is a key source of support for NAHMA Foundation scholars.

"It's always exciting to see the artwork generated by children as young as five and seniors who call our communities home," said Kris Cook, executive director of NAHMA. "The contest is an opportunity for self-expression and, with this particular theme, for celebrating a life that is healthy and drug-free."

"We urge all of the AHMAs and their member companies to get their properties' residents to compete for the exciting prizes the contest affords," Cook said.

Most AHMAs offer prizes to local contest winners. For the national contest, prizes include:

- **Grand-Prize Winner (children only):** a $2,500 Educational Scholarship Check and trip to Washington, D.C. during the NAHMA fall meeting October 26-28, 2014.
- **National Winners (children):** $1,000 Educational Scholarship Check
- **National Winners (elderly and special needs residents):** $1,000 Donation for their Community
- **Honorable Mentions:** $100 Educational Scholarship Check

The poster contest is open to:

- **Children** who live in a family community of a NAHMA and/or a local Affordable Housing Management Association (AHMA) member company;
- **Elderly and/or special needs residents** 55 years or older who live in a community of a NAHMA and/or a local AHMA member company.
- **Special Needs Residents** who live in a permanent supportive housing community or 811 community of a NAHMA and/or a local AHMA member company.

> "The contest is an opportunity for self-expression and, with this particular theme, for celebrating a life that is healthy and drug-free."

HOW THE CONTEST WORKS

For each grade category (for children) and up to three entries in the elderly/disabled and special needs categories, local AHMAs select three winning pieces of art—posters, photographs, websites, computer art or other media.

The categories for children are based on the grade level the contestants have completed by June 2014: Kindergarten-1st Grade; 2nd grade-3rd grade; 4th grade-6th grade; 7th grade-9th grade; 10th grade-12th grade.

All AHMA winning submissions are forwarded to NAHMA, where a distinguished panel of judges selects the 13 winning entries that will appear inside the pages of the 2015 calendar. One special entry will be selected as the grand-prize winner, which will appear on the cover. (Only children are eligible to become the grand-prize winner.)

HONORABLE MENTIONS

Children, elderly and special needs residents in communities from across the nation who participate in the annual art contests held by regional and state AHMAs are eligible to be selected as Regional AHMA art contest "Honorable Mentions" and will have their artwork featured nationally in a special section of the NAHMA 2015 "Drug-Free Kids" Calendar. These participants are in addition to those that will be selected as national winners.

HOW THE SUBMISSIONS ARE JUDGED

Entries are judged on the artist's ability to create a submission with the "Join the Dance of Life: Celebrate Music, Arts, and Crafts" theme.

All art submitted to NAHMA becomes the property of NAHMA, and NAHMA has the right to use the art for publicity, publications and advertisements.

As always, NAHMA looks forward to receiving the artwork and presenting the prizes to the winners! **NN**

Call for Entries for Communities of Quality® Awards

Now is the time to start preparing submissions to the Communities of Quality® Awards Program, which honors outstanding affordable housing communities. **The submission deadline to NAHMA is November 7, 2014.** However, the deadline for submitting an application to a local AHMA to become a Nationally **Recognized Community of Quality® in time to also submit an awards entry is September 8, 2014.**

"Being recognized as a Community of Quality is completely worth the effort," said NAHMA President Gianna Solari, FHC, SHCM, NAHP-e. "It shows that yours is not only an outstanding property but also a management company committed to providing the highest quality, affordable multifamily rental housing. It demonstrates what a community asset affordable housing can be."

To enter the 2014 COQ Awards competition, a property must first apply for and achieve National Recognition as a NAHMA Community of Quality® with a minimum score of 325 points on its National Recognition Application. As noted earlier, the deadline for submitting an application to a local AHMA to become a Nationally Recognized Community of Quality® in time to also submit an awards entry is September 8, 2014.

The AHMAs will also be honoring NAHMA Communities of Quality® program participants. Please check locally for your AHMA's program details; a directory of the AHMAs is available at the NAHMA website, at www.nahma.org/content/map1.html.

NAHMA is also pleased to announce that this year's COQ Awards program will be jointly sponsored by HD Supply Multifamily Solutions, a leading supplier of maintenance and renovation products to the multi-housing industry, and Navigate Affordable Housing Partners, a leading provider of consulting and development services to public housing authorities and the HUD Section 8 project-based contract administrator (PBCA) for Alabama, Mississippi, Virginia and Connecticut.

An overview of the program and the National Recognition program and the awards' detailed application information and submission materials are available at the NAHMA website at www.nahma.org/content/coq.html.

The awards competition has five categories:

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

Award winners will be notified in early January 2015 and will receive their awards in a special ceremony at the NAHMA 2015 winter meeting in Washington, D.C.

For more information, please call Paulette Washington at NAHMA at 703-683-8630, ext. 110, or email pwashington@nahma.org.

NAHMA looks forward to judging numerous applications in every category from every AHMA. The time to start preparing applications is now! **NN**

NAHMA Scholars Find Fans at Foundation Gala

THREE NAHMA EDUCATIONAL Foundation Scholars attended NAHMA's annual Summer Meeting, held on Wednesday, June 18th in Denver, and they wowed the crowd at the foundation's fundraising gala.

The event was planned by the Rocky AHMA. Many fun and exciting activities took place at the gala, including brief introductions of three women from Willow Place Apartments in Loveland, Colorado, who have received scholarships from the foundation.

Each is both an outstanding academic students and a single mother. In addition to briefly sharing their own stories, they mingled with the guests, giving members, donors and sponsors a chance to hear firsthand the positive impact a NAHMA Foundation scholarship has had on their lives. The foundation believes that seeing and hearing real people who have benefitted from an award helps personalize the scholarship program.

The names of the 2014 Class of NAHMA Scholars were also released earlier in the day, following the foundation board meeting.

"The good folks at Rocky AHMA did a great job planning a wonderful evening," said NAHMA Foundation Chairman Wayne Fox. "We felt that releasing the names of the 2014 NAHMA Scholars and having the attendance of the three 2013 recipients, coupled with all the other great events that night, made it a great success." NN

NAHMA's Comments for Treasury and IRS Priorities

Working with its Tax Credit Committee members, NAHMA developed recommendations for priority guidance projects for Treasury Department and IRS focus during the period of July 1, 2014 through June 30, 2015.

The Treasury Department's Office of Tax Policy and the IRS use the Priority Guidance Plan each year to identify and prioritize the tax issues that should be addressed through regulations, revenue rulings, revenue procedures, notices and other published administrative guidance.

Treasury and IRS dedicate substantial resources to published guidance projects "necessary to implement the provisions of the multitude of tax Acts that have been enacted over the past several years," such as the Affordable Care Act and various tax relief, employment and education laws.

Proposed priorities are evaluated on several factors such as the significance of the tax issue to many taxpayers; the likelihood that the idea would reduce outmoded, ineffective and burdensome regulations; and whether "the recommended guidance promotes sound tax administration," among others, according to the Notice.

NAHMA's comments are available on the Tax Credit webpage, www.nahma.org/member/TC2.html. The comments urged the Treasury Department and IRS to finalize the utility allowance submetering rule for LIHTC properties, harmonize the casualty loss policies for LIHTC developments inside and outside of Presidentially declared disaster areas and pursue comprehensive modernization of the student occupancy rules for LIHTC and mixed-finance properties.

UA SUBMETERING

On August 7, 2012, the IRS-Treasury Department issued the "Utility Allowances Submetering Notice of Proposed Rulemaking and Notice of Public Hearing" [REG–136491–09], RIN 1545–BI91]. NAHMA urged IRS-Treasury to add finalization of this rule to its 2014-2015 Guidance Priority List but also strongly urged IRS-Treasury to revise its interpretation of state housing agencies' authority to disapprove UA estimation methods permitted under current policies. NAHMA requested that IRS-Treasury issue a final rule that reaffirms LIHTC property owners' options for selecting an appropriate UA estimation method available under current IRS policies.

CASUALTY LOSS

Under Treasury–IRS's current policies, casualties are treated differently depending on whether they are the result of a Presidentially declared disaster. A taxpayer can continue to claim the credits during the restoration period for casualty events in Presidentially declared disaster areas, as long as certain conditions are met. Properties that suffer casualty losses outside of these declared disaster areas operate under different terms. IRS policies provide relief from recapture of previously earned credits if the building is restored within a reasonable time; however, the taxpayer cannot claim the credit during the time that the building is being restored.

NAHMA urged IRS-Treasury to apply the same casualty loss policies across the board. Properties should be able to continue to take the credits during the restoration period, regardless of whether or not the property is in a Presidentially declared disaster area. It is reasonable, however, for IRS to establish criteria for owners to demonstrate that they took prompt action to begin the restoration process following the casualty event when the loss occurs outside of a Presidentially declared disaster area.

STUDENT OCCUPANCY

The student occupancy rules for the LIHTC program are intended to ensure that qualified families are not displaced by college students who need affordable off-campus housing. While NAHMA supports the goal of these restrictions, its position is that the LIHTC student occupancy policies require comprehensive modernization. Ideally, NAHMA would like IRS-Treasury to pursue reasonable statutory changes that preserve the intent of the student occupancy restrictions but allow otherwise qualified independent adults to pursue greater economic opportunities through education.

NAHMA commented that both short-term and long-term measures are necessary to help housing providers navigate the conflicting student requirements. In the short term, NAHMA recommended that IRS-Treasury and HUD release a memorandum of understanding (MOU) to provide guidance on treatment of full-time student residents and applicants at mixed-financed properties. In the long-term, NAHMA suggested that IRS-Treasury, HUD and the U.S. Department of Agriculture-Rural Development utilize the Rental Policy Working Group and stakeholders to propose a uniform student occupancy policy for all federal multifamily housing programs. This policy should permit occupancy by full-time student households in LIHTC, HUD and RD properties, provided that the full-time students are independent adults who are otherwise income-qualified and who meet the program requirements. **NN**

THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO) recently released a report on HUD's Rental Assistance Demonstration (RAD) program. The Consolidated and Further Continuing Appropriations Act of 2012 mandated that GAO review conversions under RAD. The GAO found that the property owners, PHAs, residents and housing organizations they spoke with generally viewed the RAD program as a useful tool for preserving affordable housing. NAHMA and its members contributed information to this report. To read the report, go to http://www.gao.gov/products/GAO-14-402.

LIMITED DENIAL OF PARTICIPATION (LDP)

IN LATE MARCH, HUD'S OFFICE OF ASSET MANAGEMENT published a Housing Notice for Limited Denial of Participation (LDP) that seeks to provide clarity and instruction on existing policy. The purpose of this Notice is to establish requirements and procedures for Multifamily Hub Directors and Multifamily Program Center Directors to initiate proceedings against FHA-insured multifamily borrowers who have failed to meet program requirements. With this Notice, Multifamily intends to increase the use of the LDP process to ensure that borrowers that have made claims against the Insurance Fund are prevented from initiating new business with the Federal Housing Administration for at least one year. NAHMA is reviewing this Notice in consultation with its Regulatory Affairs Committee.

To view this Notice, go to www.nahma.org under the Members' portal.

HUD NEWS

HUD'S REAL ESTATE ASSESSMENT CENTER (REAC) recently updated the Schedule of the Status of Prior Audit Findings. Accounts S2800-005 (Previous Finding Reference Number) and S2800-030 (Report Period) were eliminated. Account S2800-020 (Narrative) was renamed "Finding." Account S2800-020 (Status) was reconfigured to be a text field instead of a drop-down box. Active submissions with a status of Validated or CPA Attested were reverted back to a draft status on May 30th and will need to be re-validated with the new account changes. These changes only affect profit-motivated/limited-distribution owners filing in accordance with IG2000.04. This message is posted on the REAC website.

HUD RECENTLY ISSUED THE 2014 INCOME AND RENT LIMITS FOR THE HOME PROGRAM; both were effective May 1, 2014. The HOME Income Limits are calculated using the same methodology that HUD uses for calculating the income limits for the Section 8 program. These limits are based on HUD estimates of median family income, with adjustments based on family size. To view both the income and rent limits for 2014, go to HUD's OneCPD Resource Exchange at https://onecpd.info/resource-library/home-income-limits/.

HUD RECENTLY ISSUED A CLARIFICATION ON HOUSING NOTICE H2013-23, "CHANGE IN ANNUAL FINANCIAL STATEMENT (AFS) SUBMISSION REQUIREMENTS FOR SOME MULTIFAMILY HOUSING PROJECTS." It reads: "Housing Notice H2013-23 allows profit-motivated owners that receive less than $500,000 in combined federal financial assistance to file owner-certified financial statements in lieu of audited statements. The $500,000 threshold applies to owning entities and not to individual projects. If an owner owns more than one HUD assisted project then the federal awards threshold would apply to all Section

8 contracts and HUD mortgages owned by the entity." H2013-23 can be found at www.nahma.org under the Members' portal.

HUD RECENTLY RELEASED FAQS AND BEST PRACTICES FOR INTRUSIVE TESTING AS PART OF CAPITAL NEEDS ASSESSMENTS. Accompanying this document was the following explanation: "Housing Notice 2012-27 and Mortgagee Letter 2012-25 (ML) were published November 21, 2012. The Notice and ML addressed the need to implement risk mitigation measures and to align PCNA guidance for multifamily insurance programs. The Department has received questions and feedback from multifamily offices and industry partners on what constitutes intrusive testing, who can perform intrusive testing, and what systems in older buildings are primary concerns. As a result, the Department has developed a Frequently Asked Questions document to clarify the intent and address some of the common questions about intrusive testing, and to promote greater consistency in implementation of the Housing Notice/ML requirements." The FAQs document can be found in the NAHMA website's Member Portal.

HUD RECENTLY ISSUED NOTICE PIH 2014-05, which details the implementation of the fiscal year 2014 funding provisions for the Housing Choice Voucher Program. The Notice implements the "Consolidated Appropriations Act of 2014" (PL 113-76) which establishes the allocation methodology for calculating housing assistance payments (HAP) renewal funds, new incremental vouchers and administrative fees. This Notice describes the funding made available under the Appropriations Act and HUD's implementation of the provisions related to the allocation of that funding, eligibility and instructions for applying under the HAP set-aside, and other important information regarding the administration of the public housing agency's HCV program. To view this Notice, go to www.nahma.org under the Members' portal. **NN**

EDUCATION CALENDAR

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

MAY

19-20
AHMA-PSW 37th Annual Los Angeles Seminar
Los Angeles, CA
Jennifer Diehl, AHMA PSW
(855) 598-2462
www.ahma-psw.org

19-21
Tennessee State Meeting
Murfreesboro, TN
Betsy Eddy, SAHMA
(800) 745-4088
www.sahma.org

Tennessee State Meeting
Murfreesboro, TN
Betsy Eddy, SAHMA
(800) 745-4088
www.sahma.org

21
Occupancy 4350.3
Kansas City, MO
Sue Streck, HAHMA
(913) 722-1999
www.hahma.org

LIHTC Compliance Workshop
Greenbelt, MD
Terry Doherty, Mid-Atlantic AHMA
(804) 673-4128
www.mid-atlanticahma.org

Occupancy Training
Pittsburgh, PA
Chuck Scalise, PAHMA
(412) 445-8357

JUNE

3
LIHTC
MA
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

4
Understanding REAC
MA
Terry Doherty, Mid-Atlantic AHMA
(804) 673-4128
www.mid-atlanticahma.org

4-5
LIHTC & SHCM Exam
MA
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

5
FHC
Mt. Laurel, NJ
Jo Ann McKay, JAHMA
(856) 786-9590
www.jahma.og

15
Communicating with Residents
St. Louis, MO
Sue Streck, HAHMA
(913) 722-1999
www.hahma.org

18
NAHMA Summer Meeting
Denver, CO
Natasha Patterson, NAHMA
(703) 683-8630
www.nahma.org

24-26
CPO
Germantown, MD
Terry Doherty, Mid-Atlantic AHMA
(804) 673-4128
www.mid-atlanticahma.org

JULY

2
HOME/CDBG Workshop
Washington, DC
Terry Doherty, Mid-Atlantic AHMA
(804) 673-4128
www.mid-atlanticahma.org

8-9
Annual WV Affordable Housing Conference
Charleston, WV
Terry Doherty, Mid-Atlantic AHMA
(804) 673-4128
www.mid-atlanticahma.org

10
FHC
CT
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

16-18
CPO
Camp Hill, PA
Gerri Aman, PennDel AHMA
(856) 786-2183
www.penndelahma.org

23
NEAHMA/IREM
RI
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

AUGUST

6
Basic Occupancy
CT
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

13
Assets 101/201
CT
Julie Kelliher, NEAHMA
(781)380-4344
www.neahma.org

14
REAC
RI
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

14-15
FHC
Oakland, CA
Jennifer Diehl, AHMA NCNH
(510) 432-2462
www.ahma-nch.org

20-21
SHCM 1½ Day Prep Course
MA
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

SEPTEMBER

10
Allowances & Deductions 101/201
CT
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

15-16
AHMA NCH Annual Conference
CA
www.ahma-nch.org

16
Fair Housing On-site Best Practices
CT
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

18
Bed Bugs
MA
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

20-21
SHCM 1½ Day Prep Course
MA
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

23
504 Coordinator
MA
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

OCTOBER

2
EIV Beginner
MA
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

9
EIV Advanced
MA
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

14-15
NEAHMA Annual Conference & Trade Show
MA
Julie Kelliher, NEAHMA
(781) 380-4344
www.neahma.org

26-28
NAHMA Fall Conference
DC
Natasha Patterson, NAHMA
(703) 683-8630
www.nahma.org

Learning the Business from the Bottom Up

DEBORAH ROSS-WESELOH BEGAN her career in affordable housing as a site manager "so, so many years ago," she said, managing a Section 236 co-op in Denver.

Starting from the ground up has served Ross-Weseloh well. "When you start as a site manager, then become a secretary in a property management firm, then move up to assistant property manager, then manager, you come to know a great deal from the inside out," she said. She took advantage of every training opportunity she could. At one point Ross-Weseloh worked for a commercial broker but "decided my heart was in residential."

She started her own company, The Ross Management Group, in 1986 with two other people. The two others amicably dropped out three months after the opening ("I think it was those calls at 2:00 in the morning that did it!" she said), leaving three small properties in her care. The company now has 88 employees working at 52 sites, managing 3,200 units, about 75 percent of which are affordable. They also manage market rate and some commercial properties.

"We don't do any sales," she said, "just property management, training and consulting." Currently, the properties are mostly in Colorado, Oklahoma and Wyoming, although they do and have done management, training and consulting nationwide.

The Ross Management Group has received several awards, including a Community of Quality© Award for Exemplary Family Development from NAHMA. They have also been recognized twice as "HUD Management Agent of the Year" for a six-state region. "We have also received awards of excellence for specific properties from various state and local regulatory agencies," she said.

FOUNDING MEMBER OF ROCKY AHMA

The director of the regional HUD office suggested that Ross-Weseloh and others create an affordable housing management association for the Rocky Mountain region, and Rocky AHMA was formed in 1982. It serves the needs of industry members in Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming. Its members manage approximately 60,000 units of HUD, Rural Development and LIHTC properties. Rocky AHMA sponsors approximately 40 industry trainings each year throughout its six-state region, and also has an annual conference.

Ross-Weseloh served on the Rocky AHMA board of directors for 18 years and was its president from 1997-1999. Her daughter, Stacy Packard, is the AHMA's immediate past president. The AHMA has a busy training schedule, with seminars held throughout the region. "We as a company and as a member of Rocky AHMA believe strongly that education is the key to our success and that of the entire industry," Ross-Weseloh said. She said she expects the AHMA to continue to grow, "especially as rules and regulations get more complicated.

"People are reaching out for help, and I see the AHMA and NAHMA as being around for a long time."

Rocky AHMA recently pitched in to host the NAHMA Educational Foundation's 20th anniversary gala, held in conjunction with NAHMA's spring 2014 meeting in Denver. "It was a fantastic event, and we were so proud that some of the NAHMA scholars were able to be in attendance. The work of the foundation is truly inspiring."

"It was a fantastic event, and we were so proud that some of the NAHMA scholars were able to be in attendance. The work of the foundation is truly inspiring."

WHEN NOT IN THE OFFICE ...

Ross-Weseloh just saw her youngest daughter graduate from college, so she's thinking she might have more time for her other loves, which include "scuba diving, hiking our Colorado Rockies and traveling whenever I can."

For someone who's devoted herself to building a successful business that employs so many people, and giving so much of herself to Rocky AHMA and other organizations, she certainly has earned all the outdoor adventures she wants. **NN**

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

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

thelastword

Hot Times in Washington

AT PRESS TIME, THE TEMPERATURE in Washington was about to hit 88 degrees—in May. So a hot, humid, Washington summer will soon permeate everybody's lives and work. Hot days can equal hot tempers and, as you can read throughout this issue of *NAHMA News*, there is much for people to get exercised about.

The appropriations battles are raging. There is just not enough money to go around. That's why we are so adamant that you get involved in advocating on behalf of **yourself**. We must get even louder and stronger in urging Congress to reject program cuts and restore full funding for affordable multifamily housing. All of our programs will be affected by these cuts and the effects of retaining sequestration levels: Section 8, Sections 202 and 811, Rural Rental Assistance contracts, HOME, CDBG and more.

I don't know about you, but this makes me mad enough to get into action. These proposed cuts jeopardize our ability to do our jobs well and, in some cases, to do our jobs at all. Planned property renovations may need to be postponed or cancelled. Our operating costs will rise. We may have to lay off staff due to insufficient funding. Our properties can accumulate late fees to lenders and service providers as a result of having insufficient funds to make mortgage and utility bill payments. The reductions to the Housing Choice Voucher (HCV) program will further erode that program's ability to meet a demand that is already far greater than the supply.

In addition to full funding, we need to advocate for reforms to existing programs, including the HCV program. The most recent proposal was the Affordable Housing and Self-Sufficiency Improvement Act (AHSSIA) developed by the House Financial Services Committee in 2012. The savings and efficiencies achieved through these reforms would help stretch limited funds and minimize the risk of harsh cuts in assistance to needy families.

We also need to put pressure on Congress to support LIHTC reforms, which will enhance its use as a preservation tool. Both the 9 percent LIHTC credit for new construction and the 4 percent LIHTC credit for acquisition and rehabilitation (preservation) must be preserved in any tax reform legislation.

Nobody is going to fight our battles for us. My letters to my members of Congress are already in my email sent box. Are yours? Why not? Your voice matters. Your letters matter. Letters from your staff and even your residents matter.

What if we put a concerted effort into getting our residents to write to their Congresspersons? Wouldn't that be awesome? We should not underestimate the power of a handwritten letter from an elderly person, or a person with disabilities, or a struggling mother or father. They want to continue to live in safe, decent affordable housing. They need **us** to let them know what is at stake.

Let's get down to business, using all the wonderful tools on NAHMA's Grassroots Advocacy Page. Believe me, an avalanche of such letters would **really** turn up the heat in Washington. **NN**

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