

# NAHMA News

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

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## ‘Ryan Plan’ Envisions Block Grant Look-Alike

House Budget Committee Chairman Paul Ryan’s (R-WI) poverty reduction draft plan packs four key housing programs—Section 8 Housing Choice Voucher Program, Section 521 Rural Rental Assistance, Section 8 Project-Based Rental Assistance, and Public Housing and Operating Funds—into a pilot Opportunity Grant (OG) program in select states.

Chairman Ryan’s “Expanding Opportunity in America” consolidates 11 “safety net” and means-tested programs into the OG program. Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), child-care and housing-assistance programs would compose the largest contributions to the OG initiative.

He introduced his discussion draft in late July 2014 as a means to “start a conversation” on poverty reduction and economic opportunities for low-income and homeless Americans. In a press release, he said, “I don’t have all the answers; nobody does. But by working together, we can build a healthy economy and help working families get ahead.”

### POTENTIAL PERILS OF THE PLAN

NAHMA and colleague organizations are raising concerns about potential short- and long-term effects of the draft plan on low-income tenants and communities. For example, fewer than one in four eligible low-income families receives rental assistance. Static funding seems likely

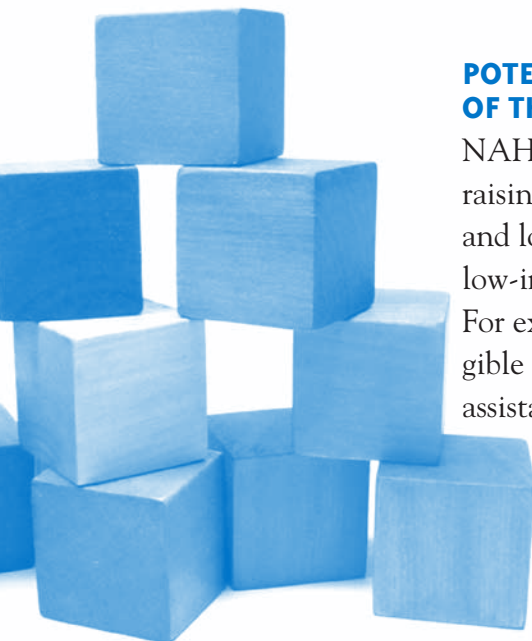
*continued on page 4*

### Senate Passes CR for Federal Funding

ON SEPTEMBER 18, THE SENATE PASSED THE continuing resolution (CR), H.J.RES 124, by a recorded vote of 78 to 22. The House of Representatives had passed the CR by a recorded vote of 319 to 108 on September 17. This CR provides funding for the federal government at the current annual cap rate of \$1.012 trillion until December 11, 2014.

In addition, the CR also includes an amendment to authorize the training and equipping of Syrian rebels to fight the Islamic State of Iraq and the Levant (ISIL), as requested by the president.

Congress still has to come to an agreement by the CR deadline on the appropriations figures for the remainder of December 2014 and the rest of FY 2015.



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## Our Website Redesign Improves Access

WE ARE VERY EXCITED TO announce the launching of NAHMA's newly designed website. Although we have had facelifts in the past, this is the first major redesign since the late '90s. The redesign alters not just the website's appearance but its navigation tools and overall functionality.

It is also designed to instantly adapt to whatever device is being used to access it. This means you can easily view it on your smartphone, tablet, laptop or other computer and have full functionality.

The redesign blends a more modern look with easy-to-use navigation capabilities that bring forward all of the vital content provided to NAHMA members and other visitors to the site. E-commerce functionality has been updated and improved, and a site search function added.

Resources limited to members are accessible using the website's current system of member usernames and passwords.

Among the updated capabilities is access to the Grassroots Advocacy Toolkit, which has a variety of tools to assist even novice advocates. Having NAHMA Maps be accessible on any mobile device will make it easier for you to pull up listings of affordable housing properties by state, county and congressional district, more readily showing your elected representatives what an asset affordable housing is to their constituents.

### WHY A REDESIGN WAS SO IMPORTANT

An estimated 93 percent of business purchasing decisions start with a search-engine search. NAHMA's new web design will make what NAHMA "sells"—its standing as the premier affordable

housing management trade association, for example—easier for the big search engines to capture what we have to offer and present to anybody looking for up-to-date information about our industry. Our redesigned website has search-engine optimization that will influence its presence through Google, Yahoo and Bing, the big three search engines.

Having a great website is a low-cost-per-impression marketing vehicle. Once the investment of the redesign has been made, ongoing costs are extremely low. People attracted to our website will be actively engaged in learning about NAHMA, and our determination to provide up-to-the-minute information will make us an outstanding resource to the industry.

With the redesign, we have focused on accessibility and usability. A menu on the home page makes finding specific information a breeze, as does the search function. Whether you're looking to find out about meetings, awards, advocacy or what NAHMA does in general, you can find this quickly and easily. Our online directories, online store and links to contacts are highly visible. So, too, are links to Facebook, LinkedIn, Twitter and YouTube, so that our online presence can continue to be expanded.

### THE SITE WORKS FOR YOU

NAHMA's website is for the benefit of its members, potential members and anybody interested in the affordable housing industry. Please go to [www.nahma.org](http://www.nahma.org) and try it out. Let us know if something doesn't work quite the way you thought it would. We welcome all feedback! **NN**  
Kris Cook is Executive Director of NAHMA.

under the OG framework and would increase economic pressure on these families and lengthen already long waiting lists for housing assistance.

Overall, the public- and assisted-housing industry worries that the proposal would bring additional perils to funding for housing, and that any cuts would ripple quickly into negative impacts on low-income, elderly, disabled and/or working-poor tenants and families with children. These concerns include:

- A continuation of existing inadequate funding levels, including resources insufficient to properly administer housing

and families to gain more services only if others lose services, due to OG management; and

- The introduction of a case-management model to pair skilled counselors with needy families could prove to be unsustainable. While individualized counseling has many merits, the model's scope and expense also could diminish the OG funds that actually reach recipients.

#### **OG CASE MANAGEMENT**

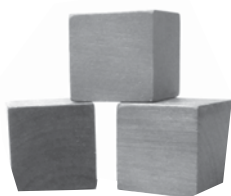
Under the Ryan case-management model, each OG participating state would approve a list of certified provid-

ers directly to the service providers, and providers in turn would provide aid with individual case management.

#### **STATE REQUIREMENTS**

Positioning the OG as the opposite of a "blank check," the Ryan draft suggests the federal government require each state participating to "submit for fast-track approval a concrete plan to develop a new aid program." Four conditions are presented, under which states must:

- "Demonstrate how the funds would be used to move people out of poverty and into independence." Funds could not



Overall, the public- and assisted-housing industry worries that the proposal would bring **additional perils** to funding for housing, and that any cuts would ripple quickly into **NEGATIVE IMPACTS** on low-income, elderly, disabled and/or working-poor tenants and families with children.

assistance programs;

- The potential for states to divert funds critical to the underwriting and operation of Low Income Housing Tax Credit (LIHTC) properties;

- The documented political vulnerability of these sorts of block grants, which are seen as easier to cut. While the Ryan plan avoids the use of "block grant," the key attributes of the plan resemble other state block grant models; and

- A history of declining funds for other housing and community development flexible block grants, such as HOME, CDBG and the Native American Housing Block Grant.

In addition, housing and human services groups are concerned that:

- Shifting management to states could increase bureaucracy and diminish total funding available to families and individuals when states draw administrative costs from the grant to lessen the cost of managing the grants;

- In an era of tight state budgets, the federal OG funds may crowd out state-level funding for services;

- The potential exists for individuals

ers. A person would then select a provider, and the provider would conduct a comprehensive assessment of that person's needs, abilities and circumstances.

The case manager would work with the recipient to create a customized "life plan" to address key needs, and financial assistance would then be provided to address food, clothing, child care, housing and other essentials. The life plan, according to the Ryan draft, would include, "at a minimum:

- A contract outlining specific and measurable benchmarks for success

- A timeline for meeting these benchmarks
- Sanctions for breaking the terms of the contract

- Incentives for exceeding the terms of the contract

- Time limits for remaining on cash assistance."

States would have new choices in accommodating residents. They could maintain the current programs or dedicate the same amount of resources through new programming. Service delivery channels would be flexible. For example, each person might apply

be shifted to other priorities ("such as highways"), and states must target direct assistance to those below the poverty line.

- Require work or work-related activities by "able-bodied adults" in exchange for aid, though the elderly and the disabled would be exempt.

- Dedicate some funds from the programs' consolidation for innovation purposes and for non-governmental organizations "with a proven track record," as well as increase recipients' choices by increasing the number of service providers.

- Reach an agreement with the federal government on measures of success and a third-party evaluation.

States would use the federal consolidated program funding to fuel a fixed funding stream. Local service providers, including nonprofits, for-profits and state agencies, would compete for the funds.

NAHMA is also concerned about the potential impact this proposal could have on preservation of affordable housing. NAHMA will continue to review this plan in consultation with the Federal Government Affairs Committee and other industry partners. **NN**



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# What a Difference a Year Makes— Or Does It?

AT THIS TIME LAST YEAR, I WAS pretty fired up about the possibility of a government shutdown. I made some good arguments against the shutdown, and I've been proven right! Let's journey back in time and compare what I wrote in the September-October 2013 edition of *NAHMA News*, to the findings in the Office of Management and Budget's (OMB) report from November 2013, *Impacts and Costs of the October 2013 Federal Government Shutdown*.

I argued there were “no efficiencies to be gained” by a federal shutdown:

“If the government shuts down, federal employees (with some exceptions) are essentially furloughed. The work left undone by these workers does not disappear; it simply becomes a backlog. ‘Inefficient government’ becomes a self-fulfilling prophesy when the employees are not permitted to do their jobs.”

OMB's report says federal employees were furloughed for a combined total of 6.6 million days during the 16-day shutdown. To calculate the price of the furlough, OMB proposed:

“One way to quantify the cost of Federal employee furloughs is in terms of payroll costs for furloughed employee pay—costs the Federal government incurred for services that could not be performed. We estimate that the total cost of pay for furloughed Federal employees during the period of the shutdown is roughly \$2.0 billion. Total compensation costs, including benefits, are about 30 percent larger, in the range of \$2.5 billion.” (See page 4 of the report.)

Later on page 6, the OMB report states

the federal government would be “required to pay interest on billions of dollars of payments that could not be paid on time during the shutdown, ranging from IRS refunds to payments to contractors.”

One year ago, I asserted that government shutdowns and “stop-and-go” paychecks “discourage talented individuals from joining the federal workforce,” at a time when most federal workers are already eligible for retirement. I wrote, “Regardless of how big or small the U.S.

only to find it closed. The generation of soldiers who stormed the beaches of Normandy, stomped out fascism, and survived kamikazes would not be deterred by a few barricades. They removed the barricades and entered the WWII Memorial. Then, in a display of shameless political theater, some of the very members of Congress who voiced the strongest support for the shutdown, who were adamant that nobody would miss the government while it was closed, and who apparently didn't

**We estimate that the total cost of pay for furloughed Federal employees during the period of the shutdown is roughly \$2.0 billion.**

government is, there will always be a need for talented, qualified individuals to fill available positions at the agencies.”

OMB agreed. The report provides a couple anecdotal examples of the challenges both the government and contractors are having in recruiting and keeping good employees. The Administration concluded, “...the government shutdown risks seriously damaging the ability to attract and retain the kind of driven, patriotic Americans to public service that our citizens deserve and that our system of self-government demands.” (See page 25.)

I warned, “The American people ultimately pay the price” of a shutdown. As supporting evidence, I recalled stories of families who visited Washington, DC but could not visit the Smithsonian museums during the shutdowns of FY 1996. The shutdown of 2013 featured a more dramatic twist. World War II veterans from all over the country had traveled to visit the memorial built in their honor,

understand what it meant to “close” the government went to the WWII Memorial to “support” the veterans.

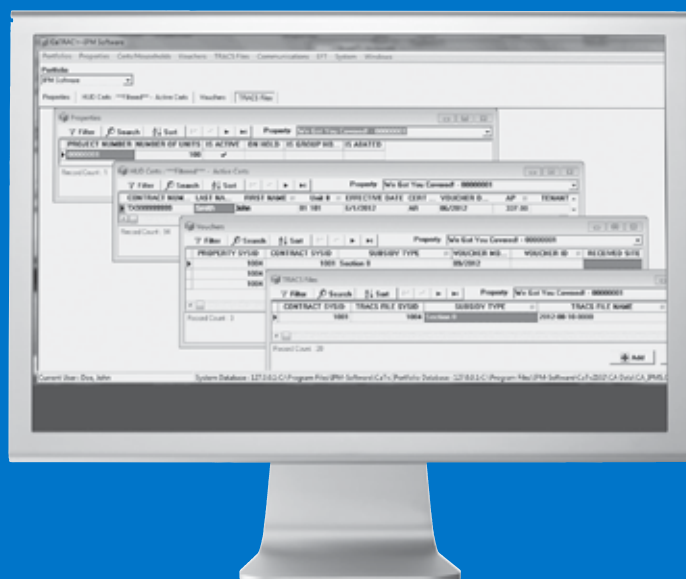
My last point was self-explanatory: “Congress and the President have a responsibility to govern.” Even though “There will always be debate over the size, scope and role of the federal government...the American people expect their leaders to keep the government running as efficiently and cost-effectively as possible.” I would like to believe Congress has learned some important lessons since last year. Congress has, after all, passed a short term spending bill that will keep the federal government operating into December.

While your senators and representatives are campaigning back in their districts, make a point to learn where they stand on federal affordable housing programs. Then, make your vote count in the mid-term elections on November 4! **NN**

Michelle Kitchen is Director of Government Affairs for NAHMA.



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## LIHTC PILOT PROGRAM UPDATE

## Increasing Flexibility and Availability

AFTER ENCOUNTERING SOME turbulence during its initial takeoff, a new affordable housing financing program has made some changes to ensure a smoother ride.

The U.S. Department of Housing and Urban Development (HUD) recently announced significant modifications to its Low-Income Housing Tax Credit (LIHTC) Pilot Program that are designed to allow more multifamily developers to enjoy the low rates and attractive terms of Federal Housing Administration (FHA) financing.

Since its introduction in February 2012, the LIHTC Pilot Program has been successful in aligning FHA-insured permanent financing, particularly via the FHA Sec. 223(f) program, with tax credit equity. As transactions commenced, however, tension between the underwriting guidelines for Sec. 223(f) projects and the conventional LIHTC structure became apparent. Addressing that issue, HUD released a memo on Feb. 28, 2014 that revised and clarified policies that should better serve the program's original purpose of making tax credits work with FHA financing and helping preserve the nation's affordable housing stock.

## REVISING THE PILOT

To better match LIHTC financing with permanent FHA-insured financing, HUD included six policy changes and six clarifications of existing policy. The six policy changes include:

**1. Waiver of 92.5% Loan-to-Value Restriction:** Most pilot transactions are "acquisition-rehabs," where the property is conveyed to a LIHTC limited partnership from the real estate

owner in an identity of interest acquisition. The value of the LIHTC equity depends on the project's qualified basis. The higher a project's qualified basis, the more LIHTC funds a project may generate. The qualified basis is equal to the project's eligible basis multiplied by the applicable fraction. The applicable fraction is merely the percentage of a project's residential units that contain low-income restrictions.

The eligible basis for existing rehabilitation projects is defined as the cost of acquiring the project (less the cost of land) and all construction-related costs. The cost is usually set at fair market value to maximize the eligible basis. However, the FHA-insured mortgage and LIHTC equity may not cover this purchase price. When that occurs, a seller note can provide gap financing.

The Sec. 223(f) underwriting guidelines historically limited total debt to 92.5% of fair market value, including seller financing. But the FHA-insured first mortgage will fund other mortgageable costs, including repairs and transaction costs. Therefore, the FHA-insured mortgage plus the seller note will be more than 100% of fair market value.

HUD now allows pilot projects to waive the 92.5% loan-to-value (LTV) restriction as long as: (1) the debt is a "soft" cash flow debt (only payments from surplus cash); (2) any such payments required under the note(s) may not exceed 75% of surplus cash; (3) the debt is documented in a promissory note; (4) the debt is not secured with a lien against the property or evidenced by any recorded instrument; and (5) the debt is subject to automatic re-subordination in any subse-

quent refinancing of the first mortgage. HUD will also consider balloon payments on a case-by-case basis when the debt holder is a nonprofit or public entity.

**2. Three-Year Waiver:** HUD has previously limited the 223(f) program to projects "originally completed or substantially rehabilitated less than three years prior to date of application for the Firm Commitment." HUD has waived this three-year rule for projects finishing construction but unable to secure permanent financing. The current waiver of this rule expires on Sept. 18, 2014. Now any project with building permits issued before Sept. 18 will be grandfathered.

**3. LIHTC Rehab-Acquisition under Sec. 223(f):** The Multifamily Accelerated Processing (MAP) guide requires an identity of interest acquisition to be treated as a refinance. Per HUD guidelines, 80% LTV restrictions apply in refinances versus 85% LTV restrictions in acquisitions. Therefore, LIHTC transactions would be limited to 80% LTV. The memo lifts that restriction and allows all 223(f) transactions with a transfer of title to underwrite at 85% LTV.

**4. Assurance of Completion Reduction:** The pilot has required a 20% escrow for all noncritical repairs. The escrow serves as the construction contingency for the transaction and is funded with cash or an irrevocable letter of credit. HUD has granted waivers to lower the escrow to 10%. HUD will now consider 10% the standard requirement for assurance of completion with the discretion to increase if the circumstances merit. The reduction applies only to the LIHTC Pilot Program.

**5. Repair Timing and General Equity Pay-in Schedule:** LIHTC equity

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# NAHMA

## TAX CREDIT COMPLIANCE, continued from page 1

does not fully fund at closing. Requiring that would necessitate a bridge loan or calling tax credit early. HUD will now allow for the gradual pay-in of equity, including the equity needed to fund the repair reserve as long as: (1) at least 20% of the total project equity must be paid at closing; and (2) a disbursement agreement is provided by the lender and approved by HUD.

**6. Tax Credit and Bond Cap Allocation Timing:** Previous guidance has required the project owner to obtain its 9% tax credit allocation (or 4% bond cap allocation) at the time a firm application was submitted. HUD may now waive this and issue a firm commitment with the condition that the project owner secures the tax credit allocation before closing. In the case of noncompetitive 4% bond allocations, HUD's flexibility may shorten the transaction timeline and allow quicker submission of firm applications.

## CLARIFICATIONS OF EXISTING POLICY

The six clarifications of existing policy include:

**1. FHA Lenders' Underwriting Requirements for Syndicators and Principals:** HUD expects lenders to analyze the qualifications, experience and financial capacity of tax credit syndicators or investors. If a syndicator or investor is not identified, HUD can still accept the application subject to syndicator review, which will include obtaining the fund level financials of the syndicator. More in-depth discussions about these disclosures will be needed between syndicator and the FHA lender on all LIHTC transactions.

**2. Tax Abatements:** Tax abatements will be recognized when calculating net operating income for value and debt service coverage, even if the abatement corresponds with the LIHTC owner and not the land, as long as the owner is the nonprofit sponsor. No waiver is required for including tax abatements in any LIHTC underwriting.

**3. 2530 Forms:** HUD 2530 forms are not required for tax credit syndicators,

investor members or any passive party as long as the syndicator's identity of interest is not with the general partner.

**4. Preapproval of Special Limited Partners:** In the event of default or failure of the general partner, HUD has approved a process for a substitute "special limited partner." That will require a 2530 submission as the special limited partner will no longer be a passive investor. Replacement of passive investors will require a modified Transfer of Physical Assets (TPA).

**5. Due Diligence with Nonprofit Boards:** 2530s are only required for nonprofit board officers, not all board members. Furthermore, personal financial statements and personal credit reports are not required for board members or board officers. On March 24, 2014, HUD issued a clarifying memo stating 2530 submissions are normally required for all board members, only under the pilot program is approval limited to board officers.

**6. Building Permits:** Building permits are only required by the time of closing for tax credit projects. Firm commitments can be issued prior to obtaining applicable building permits on all HUD projects.

Going forward, affordable multifamily housing developers will find that HUD considered industry feedback and made the changes necessary to make the program more effective. As such, for the LITHC Pilot Program, the sky is the limit. **NN** Brian Graney is an associate with Lancaster Pollard in Columbus. He may be contacted at [bgraney@lancasterpollard.com](mailto:bgraney@lancasterpollard.com). Reprinted with permission from The Capital Issue at [www.lancasterpollard.com](http://www.lancasterpollard.com).

## RELATED LINKS:

Low-Income Housing Tax Credit (LIHTC) Pilot program: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/map/maphome/taxcredit](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/map/maphome/taxcredit)

A memo on Feb. 28, 2014: [http://portal.hud.gov/hudportal/documents/huddoc?id=Pilot\\_Program\\_Revisions.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=Pilot_Program_Revisions.pdf)

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# RD Fee Increase Pending; Other Shortfalls Loom

**U**SDA's Rural Development (RD) has alerted industry groups to expect approval for increased management fee limits for 2015. The official announcement will be issued as a Procedural Notice (PN), NAHMA has learned.

RD told its state offices to advise borrowers to budget for the increases in their 2015 planning. The adjustment base is the 2011 fees, which was marker for the last allowed management fee increases. NAHMA and industry colleagues have persistently recommended that RD review allowable fee limits and take into account the financial stress at the local management level over the last few years.

According to NAHMA's information at press time, management fee calculations will rely on HUD's Operating Cost Adjustment Factor (OCAF). As a result, fee limits will vary on a state-by-state basis. RD has informed NAHMA that although the PN is still in the clearance process, field staffers are up to speed on both the overall plan and the state-by-state breakdown of the OCAF that calculates to the state's maximum fee.

Meanwhile, in a September 18, 2014 call, stakeholders were told that, under the pro-rated share of funding it will receive from the continuing resolution (see article on page 1), RD will not have enough money to renew contracts. It is requesting an "exception apportionment" from the Office of Management and Budget to get more money upfront for Rental Assistance (RA).

Also:

■ As they did last year, RD asked owners/management agents (O/As) who were due for renewal in October not to submit mortgage payments or RA requests before the October 1 due date.

■ Notices of Funding Availability (NOFAs) for the Multifamily Preservation & Revitalization Program and the Preservation Revolving Loan Demonstration Program would be published in the Federal Register.

■ The Section 538 program has been accepted for securitization by Ginnie Mae.

■ A significant amount of discussion was directed to RD's controversial July 11 unnumbered letter, "Prepayment Incentives Processing Guidance." Basically, the letter requires approval at the national office for preservation incentives which require additional Rental Assistance. Relevant excerpts from the letter state:

"Per CFR 3560.656 Incentive Offers, the Agency may offer the following incentives:

1. The Agency may increase the borrower's annual return on equity;
2. The Agency may agree to convert projects without interest credit or with Plan I interest credit to Plan II interest credit or increase the interest credit subsidy for loans with Section 8 assistance to lower the interest rate on the loan and make basic rents more financially feasible;
3. The Agency may offer additional rental assistance or an increase in assistance;
4. The Agency may make an equity loan to the borrower;
5. The Agency will offer rental assistance to protect tenants from rent overburden caused by any rent increase as a result of a borrower's acceptance of an incentive offer or tenants who are currently overburdened; and
6. In housing projects with project-based Section 8 assistance, the Agency may permit the borrower to receive rents in excess of the amounts determined necessary by the Agency to

defray the cost of long-term repair or maintenance of such a project.

Because of the funding situation, incentives (3), (4), and (5) shall not be offered to borrowers without the concurrence of the National Office. Concurrence from the National Office must be received prior to the states' formulation of the general offer to the borrower seeking to prepay. In order to offer incentives (3), (4) and (5), the state office must provide the National Office a justification that includes an explanation for the need to specifically offer RA incentives to retain that project and the importance of the affordable housing it provides in its community. Since additional equity loans may require additional RA to pay for the additional debt service, incentive (4) should only be offered when it is financially feasible without additional RA. As long as RA funding to a property does not increase as an immediate or future result of the offer, state offices may make specific incentives offers (1), (2), and (6) in accordance with CFR 3560.656 and with the State Director's approval."

RD officials stated they are not eliminating incentives, but they are making tough decisions with limited RA. They are asking state directors to make the case that a particular Section 515 property is important enough to keep in the portfolio, because with the tight budget, the RA directed to preserve that property could come at the expense of another property's contract.

NAHMA is concerned about the potential difficulties this policy could cause for owners who want to preserve Section 515 properties. NAHMA's Rural Housing Committee will be carefully reviewing this policy and recommending appropriate next steps. **NN**

# Final Rule Adds Twist to RAD-2

**A** HUD final rule intended to facilitate use of Project-Based Vouchers (PBVs) for the development and preservation of affordable housing, among other purposes, is now raising questions about existing and future transactions affecting Component 2 of the Rental Assistance Demonstration Program (RAD-2), according to review of the final rule's impact by affordable housing industry groups.

Specifically, language in the final rule's preamble clouds the applicability of Davis-Bacon wage rates for RAD-2 preservation transactions where existing project-based subsidies—Rental Assistance Payments Contracts and Rent Supplement Contracts—are converted to new Project-Based Vouchers. The final rule is “The Housing and Economic Recovery Act of 2008 (HERA): Changes to the Section 8 Tenant-Based Voucher and Section 8 Project-Based Voucher Programs” (*Federal Register* of June 25, 2014).

In part, the preamble says, “This language clarifies that Davis-Bacon requirements may apply to existing housing (which is not subject to the agreement) when the nature of any work planned to be performed prior to HAP contract execution or after HAP contract execution, within such post-execution period as may be specified by HUD, constitutes development of the project.”

The Davis-Bacon Act of 1931 establishes the requirement for paying the local prevailing wages on public works projects for laborers and mechanics. It applies to “contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works,” according to the law.

Prior to the final rule, HUD's policy

has been clear on Section 8 Project-Based Voucher contracts executed on an “existing housing” project. Any subsequent repairs or rehabilitation work performed at the property did not require the owner to execute an agreement imposing Davis-Bacon wage rates on the repairs.

The RAD notice adopted this policy.

## The Davis-Bacon Act of 1931 establishes the requirement for paying the local prevailing wages on public works projects for laborers and mechanics.

Unfortunately, the final rule indicates that HUD may be about to reverse this longstanding HUD policy. (RAD-2 was implemented by HUD in March 2012.)

### SEEKING POLICY CONFIRMATION

In a letter to new HUD Secretary Julian Castro, NAHMA and colleague organizations point out that “public finance agencies, owners, lenders, and investors have underwritten dozens of RAD-2 transactions without incorporating Davis-Bacon wage rates.” When doing so, they relied on “HUD's policy that Davis-Bacon did not apply when an existing housing project based voucher Section 8 contract was executed.”

The preamble language could be clarified without an amendment or change to the final rule, argues the letter. A statement from HUD that “nothing in the PBV final rule changes the policy that Davis-Bacon wage rates do not apply to RAD-2 transactions involving existing housing” would allow critical RAD-2 preservation efforts to proceed.

“Over the past two years,” the groups said, “several dozen RAD-2 transactions have been closed without a Davis-Bacon agreement and additional RAD-2 deals are on track to close before the end of 2014.

“In one state, more than \$250 million of tax exempt bond cap with the as-of-right 4% low income housing tax credit may go wasted unless the Davis-Bacon issue is resolved immediately. Transactions contemplated for 2015 are now on hold.”

To forestall further confusion, the industry groups ask that HUD pub-

licly confirm the policy that “RAD-2 preservation transactions that qualify as existing housing can execute a Section 8 Project-Based Voucher contract and can do subsequent repairs without an agreement requiring the imposition of Davis-Bacon requirements.”

### MORE TO THE FINAL RULE

In addition, the final rule topics include:

- Rent to Owner: Reasonable Rent—Preamble Clarification;
- Description of the PBV Program and Maximum Amount of PBV Assistance—Clarification of Timing of Notification Requirements;
- Prohibition of Excess Public Assistance—Further Clarification of When Subsidy Layering is Not Required;
- The Lease: Provisions Governing Term of Lease and Governing Absence from Unit—Clarification of Owner Termination of Lease for Good Cause;
- Reasonable Rent; and
- Numerous other items.

NAHMA continues to review all the changes made to the Tenant-Based Voucher and Project-Based Voucher programs. Members with observations or additional concerns about the final rule should contact Michelle Kitchen of NAHMA. **NN**



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## WINNERS OF NAHMA'S ANNUAL POSTER/CALENDAR CONTEST

# *It's a Celebration!*

THE THEME OF NAHMA'S 2015 CALENDAR IS "JOIN the Dance of Life: Celebrate Music, Arts and Crafts"—and the winning entries certainly took the theme to heart.

The 28th annual contest drew an estimated 5,000 children, elderly/disabled and special needs residents of NAHMA- and AHMA-member affordable housing communities nationwide. The 2015 calendar showcasing the winning artwork will be for sale through NAHMA and the AHMAs beginning in September 2014.

The contest's grand-prize winner is Jennifer Lauzon, an eighth grader from Fall River, MA. Her artwork will appear on the cover of the 2015 calendar. She will also receive an all-expenses-paid trip to Washington, D.C. for NAHMA's annual Fall meeting in October, as well as a scholarship of \$2,500 from the NAHMA Educational Foundation. The foundation grants other national winners scholarships of \$1,000 and Honorable Mentions scholarships of \$100. All are featured in the calendar.

The foundation's scholarship program is supported greatly through the auctioning of the original winning artwork during NAHMA's Fall meeting.

For the contest, the artwork was categorized by grade, with winners selected from each category (grades K-1, 2-3, 4-6, 7-9, 10-12, seniors and special needs residents). Only children could be selected for the grand prize.

Calendars may be ordered by visiting NAHMA's online store at [www.nahma.org](http://www.nahma.org). Calendars cost \$5.50 and are a HUD and RHS allowable expense.



# Calendar Contest Winners

## NATIONAL WINNERS

**NAME:** Barbara Balogh  
**GRADE:** Senior  
**PROPERTY:** Laurelwood Apartments  
**CITY/STATE:** Johnstown, PA  
**MGMT. CO.:** Improved Dwellings for Altoona  
**AHMA:** PAHMA

This year's calendar theme "fit the style of drawing I enjoy," Barbara said. She enjoys spending time with her grandchildren, drawing, reading, art books and listening to spiritual CDs.

**NAME:** Kenneth Camacho  
**GRADE:** Special Needs  
**PROPERTY:** Winteringham Village  
**CITY/STATE:** Toms River, NJ  
**MGMT. CO.:** Interstate Realty Management  
**AHMA:** JAHMA

Kenny is a comic book artist who is also interested in animation and other kinds of art. With respect to drugs, he urges young people to "stay clean, live smart and be happy."

**NAME:** Bianca Salcido  
**GRADE:** 11  
**PROPERTY:** Strathern Park  
**CITY/STATE:** Sun Valley, CA  
**MGMT. CO.:** Thomas Safran and Associates  
**AHMA:** AHMA PSW

Bianca likes to ride her bike around the valley and take photographs of people and places she sees. She loves animals and wants to be a vet tech when she is older.

**NAME:** Lizbeth Torres  
**GRADE:** 5  
**PROPERTY:** Glenoaks Townhomes  
**CITY/STATE:** Sylmar, CA  
**MGMT. CO.:** Alcole Properties  
**AHMA:** AHMA PSW

Lizbeth loves music, the arts and anything cultural. Her hobbies are painting and cheerleading. When she grows up, she wants to be a teacher.

**NAME:** Winnie Mei  
**GRADE:** 8  
**PROPERTY:** Charlesview Residences  
**CITY/STATE:** Brighton, MA  
**MGMT. CO.:** Peabody Properties, Inc.  
**AHMA:** NEAHMA

Winnie likes to draw, watch television and play on the computer. She would like to become a fashion designer or have another career in the arts.

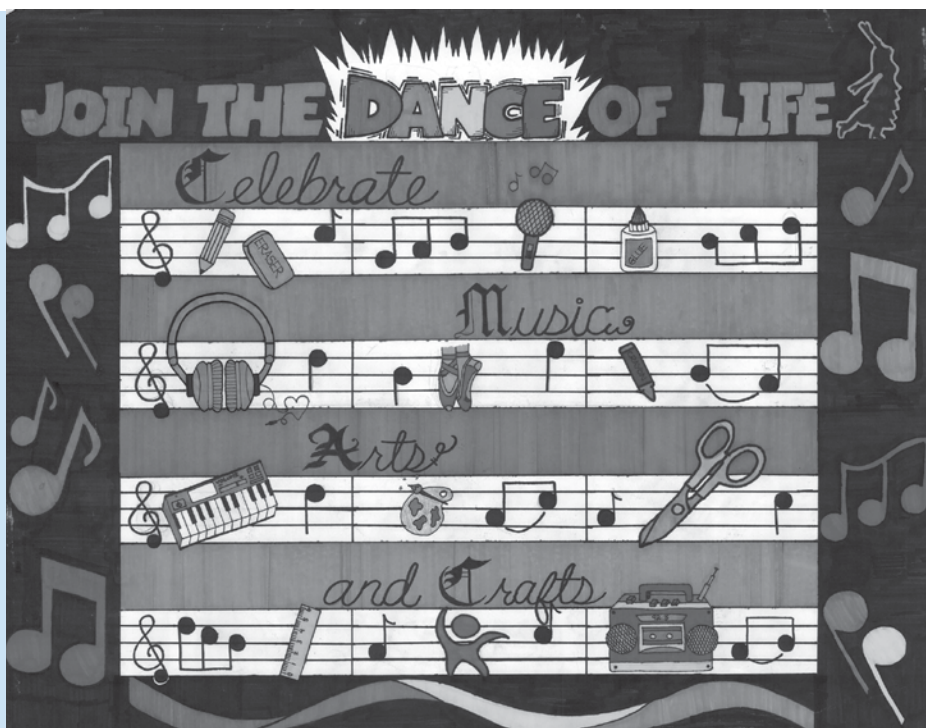
**NAME:** Alphonso Veasey  
**GRADE:** 2  
**PROPERTY:** Chickasaw Place  
**CITY/STATE:** Memphis, TN  
**MGMT. CO.:** Alco Management  
**AHMA:** SAHMA

Alphonso is very concerned about what drugs do to your body and your family. He wants to be a basketball player when he grows up.

## GRAND-PRIZE WINNER: Jennifer Lauzon

**GRADE:** 8  
**PROPERTY:** Bay Village Apartments  
**CITY/STATE:** Fall River, MA  
**MGMT. CO.:** First Realty Management  
**AHMA:** NEAHMA

Jennifer's love of music, arts and crafts influenced her artwork. She enjoys singing, drawing, crocheting and knitting. She would someday like to become a teacher, hairdresser or nail artist.





Barbara Balogh



Kenneth Camacho



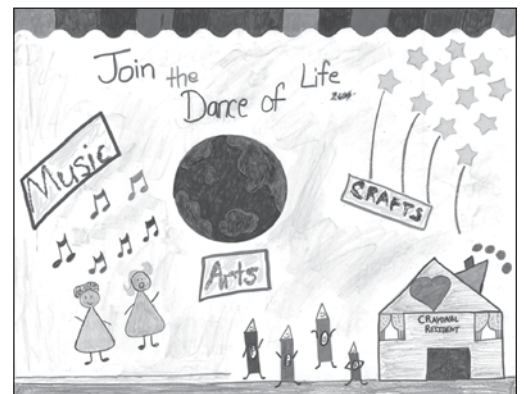
Bianca Salcido



Lizbeth Torres



Winnie Mei



Alphonso Veasey

**NAME:** Asael Lopez

**GRADE:** 3

**PROPERTY:** Don De Dios Apartments

**CITY/STATE:** San Jose, CA

**MGMT. CO.:** EAH Housing

**AHMA:** AHMA NCH

Asael finds music to be "a very nice expression of life." Asael likes to play soccer and collect shells and hopes to become a doctor.

**NAME:** Genesis Serrano Davila

**GRADE:** 1

**PROPERTY:** Parque De Los Monacillos

**CITY/STATE:** San Juan, PR

**MGMT. CO.:** Blanco Enterprises

Corporation

**AHMA:** SAHMA

Genesis likes to sing, dance and do crafts. When she grows up, she would like to be a professional dancer, painter or teacher.



Asael Lopez



Genesis Serrano Davila



# Calendar Contest Winners

**NAME:** Ciondra Craig  
**GRADE:** 5  
**PROPERTY:** Winnsboro Arms  
**CITY/STATE:** Winnsboro, SC  
**MGMT. CO.:** Southern Development Management Company, Inc.  
**AHMA:** SAHMA

Ciondra enjoys band, art, dance, shopping and is very active in church. She wants to be an artist or a singer when she grows up.

**NAME:** Zudarius Glass  
**GRADE:** 5  
**PROPERTY:** North Hills  
**CITY/STATE:** Meridian, MS  
**MGMT. CO.:** Interstate Realty Management  
**AHMA:** SAHMA

Zudarius likes when people get together and have fun. He enjoys texting, riding

his bike and hanging out with friends. He hopes to become a doctor.

**NAME:** Kia Taylor  
**GRADE:** 9  
**PROPERTY:** The Fairways Apartments  
**CITY/STATE:** Worcester, MA  
**MGMT. CO.:** First Realty Management  
**AHMA:** NEAHMA

Kia's main hobby is drawing, and she wants to be a Marine when she grows up.

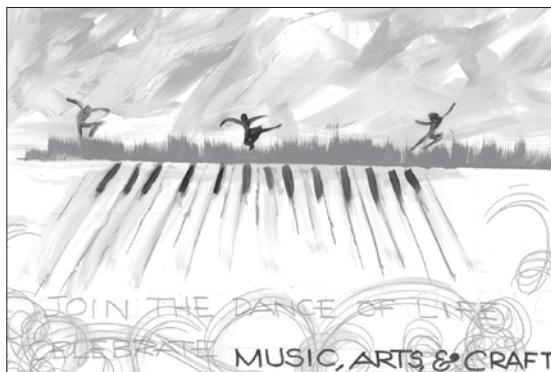
**NAME:** Bette Shapiro  
**GRADE:** Senior  
**PROPERTY:** Ocean Park Villas  
**CITY/STATE:** Santa Monica, CA  
**MGMT. CO.:** G&K Management  
**AHMA:** AHMA PSW

Bette studied voice for 10 years, does something "crafty" every day, and taught

art to special-needs children for 10 years. She loves "everything creative."

**NAME:** Karla Davila  
**GRADE:** 10  
**PROPERTY:** Laredo Manor Apartments  
**CITY/STATE:** Laredo, TX  
**MGMT. CO.:** Housing & Community Services, Inc.  
**AHMA:** SWAHMA

Karla loves music, drawing and writing stories. When she grows up she wants to be an animator and would love to work for Disney.



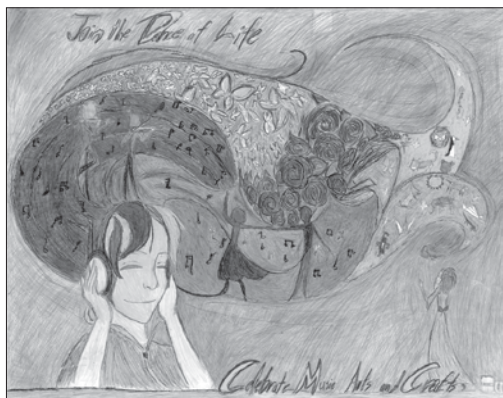
Ciondra Craig



Zudarius Glass



Bette Shapiro



Karla Davila



Kia Taylor

## HONORABLE MENTIONS

**NAME:** Juanita Gallegos  
**GRADE:** Special Needs  
**PROPERTY:** Country Club Village Apartments  
**CITY/STATE:** San Antonio, TX  
**MGMT. CO.:** Housing & Community Services, Inc.  
**AHMA:** SWAHMA



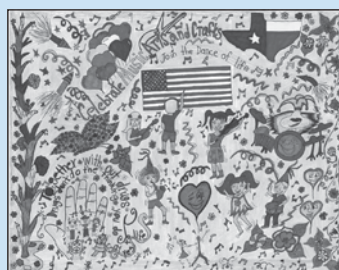
Juanita Gallegos



Winifred LeVeris

**NAME:** Winifred LeVeris  
**GRADE:** Senior  
**PROPERTY:** Vittoria Square  
**CITY/STATE:** Newberg, OR  
**MGMT. CO.:** Housing Authority of Yamhill County  
**AHMA:** OR AHMA

**NAME:** Jazmin Moreno  
**GRADE:** 11  
**PROPERTY:** Fawn Ridge Apartments  
**CITY/STATE:** The Woodlands, TX  
**MGMT. CO.:** BSR Trust  
**AHMA:** AHMA East Texas



Jazmin Moreno



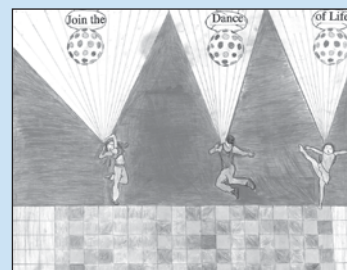
Allina Mohammad Nadir

**NAME:** Allina Mohammad Nadir  
**GRADE:** 5  
**PROPERTY:** Village Park Apartments  
**CITY/STATE:** Scranton, PA  
**MGMT. CO.:** Interstate Realty Management  
**AHMA:** PennDel AHMA

**NAME:** Imani Claiborne  
**GRADE:** 6  
**PROPERTY:** Cross Creek  
**CITY/STATE:** Portsmouth, VA  
**MGMT. CO.:** Community Housing Partners  
**AHMA:** Mid-Atlantic AHMA



Imani Claiborne



Jamal Ali

**NAME:** Jamal Ali  
**GRADE:** 8  
**PROPERTY:** Southpark Apartments  
**CITY/STATE:** Columbus, OH  
**MGMT. CO.:** American Apartment Management  
**AHMA:** MAHMA

**NAME:** Shevonne Bivens  
**GRADE:** 4  
**PROPERTY:** Council Groves Apartments  
**CITY/STATE:** Missoula, MT  
**MGMT. CO.:** Tamarack Property Management  
**AHMA:** Rocky AHMA



Shevonne Bivens



# HUD Multifamily Modernization Progresses

In early September 2014, HUD's Office of Multifamily Housing moved into the second of five waves of its *Multifamily for Tomorrow* (MFT) field office transformation, focusing on development of a Midwest Region.

Multifamily offices in Chicago, Minneapolis, Detroit, Columbus, Cleveland, Indianapolis, and Milwaukee are being streamlined into one Midwest Region. Chicago will serve as the Regional Center, with Minneapolis and Detroit as the Regional Satellite Offices. Asset Management will continue to operate in the remaining field offices.

In keeping with previous commitments to help staff adjust and maintain productivity during the transition, HUD will reallocate some of the workload to different Multifamily offices or to third-party vendors in Production (Summit Consulting, LLC) and Asset Management (Alpine Companies, Inc.).

Elements of this initiative include workload sharing, digitization of property records, adopting industry best practices in Production and Asset Management, and streamlining the Multifamily organizational structure.

MFT will take place across the country in five consecutive waves over two years, and will include the following components: National Workload Sharing, the Underwriter Model and risk-based processing in Production, the Account Executive Model in Asset Management, and streamlining the organizational structure in headquarters and in the field.

## WORKFLOW UPDATES

Beginning October 15, 2014, all production applications for the Midwest Region must be sent to a single point of contact for processing under the following procedures:

- Lenders submit electronic copies (CDs) of the applications to the

multifamily production division in the Chicago Regional Center office.

- Applications are uploaded and assigned to a regional center or satellite office or to Summit Consulting for processing.

- Lenders are notified of the office processing the application and receive instructions from the Midwest Regional Center in Chicago on where to forward hard copies of the application.

Until further notice, HUD said, all concept meetings will be conducted in the current program centers.

Many asset management transactions in the existing Chicago, Minneapolis, Detroit, and Columbus Hubs, including Cleveland, Indianapolis, and Milwaukee, will shift to other locations. Property owners and lenders who are impacted will receive notification with directions for contacting the appropriate HUD or Alpine Companies, Inc. representative.

## ONGOING STREAMLINING

HUD kicked off the first wave of MFT activity in mid-summer. The first wave focused on field transformation, training and employee adjustment to the new service models, and workload sharing.

**Field Transformation:** First-wave activities got underway in the Fort Worth/Kansas City region. Employees received their reassignment letters and began relocating from the future Asset Management Servicing Offices, where Production operations are being consolidated, to the Fort Worth Regional Center and the Kansas City satellite office.

In addition, HUD reports that it:

- Posted to USAJobs.gov a total of 33 new positions for the Fort Worth/Kansas City region and 24 positions in headquarters.

- Kept on schedule for all employees in the region to be in place in their new locations and positions by October 6.

- Is facilitating voluntary relocations to the

regional center or satellite office for over 27 percent of Asset Management employees in the Wave 1 Asset Management Servicing Offices, in addition to aiding Production employees' relocation.

**Training Employees in the New Model:** Development and refinement of a "train the trainer" model is underway, "to ensure that HUD staff are both teaching and learning throughout the process," said HUD.

One key training goal is successful operation of the Underwriter Model and risk-based processing in Production, and the Account Executive Model in Asset Management by new and existing staff. Nearly 60 field and HQ staff members have been involved in designing the training content for over 1,200 field staff nationwide. The training material uses a case-based model and will include involvement from stakeholders.

**Workload Sharing:** HUD reported in July that due to workload management transformation improvements in Production, "for the first time since before the housing market collapse, there is no longer a queue in the Production workload."

Asset Management employees have concentrated on the paperless infrastructure "that will allow offices to share workload all around the country to ensure consistent workloads and processing times," said HUD.

For example, the Fort Worth/Kansas City region scanned 420 boxes of files with 4,368 assets. The office will be reassigning 1,400 assets to the Asset Management service contractor to "provide Wave 1 employees with additional capacity as they transition into their new positions and locations and undergo their training regimen."

NAHMA will continue to monitor MFT developments and would appreciate updates from members on their experiences with the transformation. **NN**

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## Deadline Nearing for Communities of Quality® Awards

NOVEMBER 7, 2014 IS RIGHT AROUND THE corner, so prepare your submissions now for the Communities of Quality® (COQ) Awards Program. 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 has passed, but if a property has been recognized, competing for an actual COQ Award is another rung up the ladder of success.

"A COQ Award acknowledges that a property and a management company exemplify the very best in high-quality affordable housing," said NAHMA President Gianna Solari, FHC, SHCM, NAHP-e. "It demonstrates what a community asset affordable housing is."

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/membership/ahma-directory/](http://www.nahma.org/membership/ahma-directory/).

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/awards-contests/communities-of-quality/](http://www.nahma.org/awards-contests/communities-of-quality/).

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](mailto:pwashington@nahma.org). NN

# Court Denies Request to Rehear PBCA Case

**T**he U.S. Court of Appeals for the Federal Circuit has rebuffed HUD's request to rehear a case over HUD's attempt to recast project-based contract administrator (PBCA) administrative services contracts as "cooperative agreements."

The August 8, 2014 decision reaffirms the court's earlier decision that HUD must follow competitive procurement contracting rules when acquiring administrative services to support the Project-Based Section 8 affordable housing program.

Specifically, the court denied HUD's request that the full court rehear the case, *CMS Contract Management Services, Inc., et al. v. United States*. In March 2014, the court sided with the plaintiffs and ruled that HUD erred in deeming the PBCA annual contribution contracts as "cooperative agreements" and avoiding the federal procurement contracting process.

"By refusing to grant HUD's request to rehear this case, the court has made clear that HUD violated the law and must restore competitive contracting to the project-based Section 8 housing program," said Robert K. Tompkins in a news release announcing the denial. Tompkins, an attorney with Holland & Knight, LLP, argued the case for the plaintiffs.

## COURSE REVERSAL BEGAN IN 2012

Prior to the issuance of the NOFA in 2012, HUD had expressed no preference as to whether the PBCA contracts be awarded to applicants located in-state or out-of-state. Under the PBCA NOFA, HUD expressed for the first time its preference for in-state applicants over out-of-state applicants. The Department automatically rejected PBCA bids from otherwise qualified out-of-state applicants in states where there was a qualified in-state applicant. In a letter to HUD dated April 27, 2012, NAHMA raised its concerns regarding the "NOFA's restric-

tions on competition for out-of-state applicants." The plaintiffs and others have provided services to HUD for years under the previous PBCA contracts.

The case will now be remanded to the Court of Federal Claims to enforce the higher court's decision. The claims court first heard the case in 2012. Following the plaintiffs' appeal, the case was sent to the appeals court, which issued the March ruling to strike down the NOFA.

Meanwhile, Congress has also declined to support HUD's position that the contracts are cooperative agreements rather than federal procurements.

Weighing in at an earlier stage of the contention, House Report 113-464 said, "The Committee concurs with decisions by the Government Accountability Office (GAO) and the Court of Appeals for the Federal Circuit that HUD's contracts for performance based contract administrator (PBCA) services are procurement contracts.

"The recommendation rejects the request to give HUD authority to administer PBCA funds as grants or cooperative agreements and directs HUD to follow the law and GAO by soliciting and awarding procurement contracts under full and open competition and without geographic limitations."

Similarly, Senate Report 113-182 notes that the "Committee believes that fair and open competition is the best way to ensure that the taxpayer receives the greatest benefit for the costs incurred. The Department is directed to ensure that the PBCA selection process be, to the greatest extent legally permissible, full, open, and fair."

At press time, the federal parties were determining their next step. An alert on HUD's web portal said, "PBCA NOFA STATUS UPDATE—August 19, 2014: ... HUD and the Department of Justice are reviewing options. We will post an update when more information is available." NN

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# 2014 NAHMA Scholars: Diverse Paths at Great Schools

**T**he list of schools being attended by the 67 students in the 2014 class of NAHMA scholars is an extremely impressive list of colleges, community colleges and trade/technical schools across the country. Massachusetts College of Pharmacy & Health Sciences, Virginia Commonwealth University, Wentworth Institute of Technology, Spartanburg Community College, University of Rhode Island, Piedmont Technical College, Lehigh Carbon Community College, Penn State University, Rollins College, Pennsylvania College of Technology, University of

Hawaii, Seton Hall University, Montana State University, Simmons College, South Seattle College, and the University of Delaware are some of the schools offering the diverse programs of study sought by NAHMA scholars (see sidebar for the list of scholars).

Each year, individuals from within the group present interesting and compelling profiles. Here are some outstanding students involved in activities outside the classroom that will broaden their experiences, expertise and background in their chosen fields of study.

■ This 20-year-old resident of St. Croix

is an applied mathematics major at the University of the Virgin Islands. As a junior, she carries a 3.97 grade point average and her goal is to become a chemical engineer. She has been selected as an Emerging Caribbean Scientist and is a senator in the National Society of Black Engineers. Over the summer, she attended the Emerging Researchers National Conference in Washington, D.C. to study with Dr. Paula Hammond, a leading researcher in nanotechnology.

■ Aspiring to become an Air Force officer, this New Jersey resident attends Norwich University, a military college,

## 2014 NAHMA Scholars List

**Sixty-seven recipients received a total of \$167,500 in scholarships and the annual \$2,000 donation to the Real Estate Management Department of Virginia Tech. All 2014/2015 NAHMA Scholars receive \$2,500 scholarships.**

### AHMA PACIFIC SOUTHWEST

Alma Ayala  
Azusa Apts., Azusa, CA  
SK Management, LLC  
University of La Verne, La Verne, CA

Ellada Davtyan  
LaBrea Franklin Apts., Los Angeles, CA  
Thomas Safran & Associates  
CA State University-Northridge,  
Northridge, CA

Estelita Pascual  
Union Point, Los Angeles, CA  
Solari Enterprises  
Marymount CA University, Rancho Palos  
Verde, CA

### AHMA WASHINGTON

Dai Nis Barragan-Gomez  
Pear Tree Place, Yakima, WA  
Next Step Housing  
Yakima Valley Community College, Yakima, WA

Raymond Hohnholz  
Terre View Apts., Pullman, WA  
Cambridge Management  
Washington State University, Pullman, WA

Kowsar Mohamad  
New Holly, Seattle, WA  
Seattle Housing Authority  
Seattle Central Community College, Seattle, WA

Penny Robinson  
High Point, Seattle, WA  
High Point North Limited Partnership  
South Seattle College, Seattle, WA

### MID-ATLANTIC AHMA

Bertha Castaneda-Guzman  
Capital Manor Cooperative, Washington, DC  
NDC Real Estate Management  
Penn State University, University Park, PA

Rickey Davis  
Timbercroft, Owings Mills, MD  
Preservation Management, Inc.  
Baltimore City Community College,  
Baltimore, MD

Herve Iradukunda  
Northampton, Alexandria, VA  
Fairfax County Department of Housing  
Virginia Commonwealth University,  
Richmond, VA

Derek Litvak  
Afton Garden Apts., Roanoke, VA  
WinnResidential  
Virginia Tech, Blacksburg, VA

Michael McKethan-Johnson  
Langley Square, Hampton, VA  
Edgewood Management Corporation

Alisha Prince  
Ansell Garden Apts., Portsmouth, VA  
Community Housing Partners  
Old Dominion University, Norfolk, VA

Tristen Stone  
Dolly Ann, Covington, VA  
Community Housing Partners  
Mary Baldwin College, Staunton, VA

### NEW ENGLAND AHMA

Sydney Anzellotti  
Fresh Water Pond, Enfield, CT  
SHP Management  
Southern Connecticut State University, New  
Haven, CT

Andres Brito  
Wiggin Village Apts., Providence, RI  
WinnResidential  
University of Rhode Island, Kingston, RI

Yi Lin Chen  
Charles Newtown, Charlestown, MA  
WinnResidential  
Massachusetts College of Art and Design,  
Boston, MA

Iouliana Chifrina  
West End Place—Boston, MA  
Maloney Properties, Inc.  
Bunker Hill Community College, Boston, MA

Pascal Delphe-Brice  
Stony Brook Commons, Boston, MA  
First Realty Management  
Wentworth Institute of Technology, Boston, MA

Rebecca Eugene  
Canterbury Place, Roslindale, MA  
First Realty Management  
University of Massachusetts-Boston

Michael Fedorouk  
West End Place, Boston, MA  
Maloney Properties, Inc.  
Rollins College, Winter Park, Florida

Heena Gulam  
Fresh Pond Apts., Cambridge, MA  
The Schochet Companies  
University of Massachusetts-Boston

Sharon Hatstat  
Pine Crest, Orange, MA  
Federal Management Company  
University of Massachusetts-Amherst

Jiamin Huang  
Charles Newtown, Charlestown, MA  
WinnResidential  
Simmons College, Boston, MA

Bruce Mazurowski  
Charlesview, Brighton, MA  
Peabody Properties, Inc.  
Bunker Hill Community College, Boston, MA

Reina Mefferd  
Lamplighter Village, Canton, MA  
Peabody Properties, Inc.  
University of Massachusetts-Boston

Melissa Mejia  
Market Mills, Lowell, MA  
Peabody Properties, Inc.  
University of Massachusetts-Lowell

Yesung Shin  
Wilbraham Commons, Wilbraham, MA  
SHP Management  
Massachusetts College of Pharmacy and  
Health Sciences, Boston, MA

James Tetreault  
Greenwoods, Brockton, MA  
First Realty Management  
Massasoit Community College, Brockton, MA

Jenny Trinh  
Charles Newtown, Charlestown, MA  
WinnResidential  
Boston University, Boston, MA

Terry Voong  
Charles Newtown, Charlestown, MA  
WinnResidential  
Simmons College, Boston, MA

in Northfield, Vermont. He maintains a 3.24 grade point average entering his sophomore year and is active in the school's Air Force ROTC program. He was selected to be an instructor in the rigorous Mountain Cold Weather unit of his ROTC program. This program requires many hours per week and specialized skills in mountaineering, fitness and teaching. During his limited free time, he works several jobs as a lifeguard, a research assistant at a private corporation and as a whitewater rafting guide.

■ As a senior at CA State-Northridge, this Los Angeles resident will be

supplementing her studies by completing an internship at the Mattel Toy Company. She is a graphic arts major with a 3.88 grade point average. She also enjoys teaching art to younger students and, as a result, is seeking to secure her teaching credentials. She is a member of the graphic arts honor society at school and is a three-time recipient of a NAHMA scholarship.

■ As a student at the University of Massachusetts in Boston majoring in biology, this young woman wants to become a doctor. Her 3.47 grade point average allowed her to apply to and be accepted at the prestigious Medical

Career Exploration Volunteer Program at Brigham & Women's Hospital in Boston (a Harvard University hospital). As she enters her junior year, she will be committing more than 20 hours per week to this program in addition to her regular academic requirements.

All NAHMA members can all be proud of the work and accomplishments of this year's NAHMA scholars. Fine students like these live in AHMA-affiliated properties all over the country. All students are encouraged to apply for a 2015 scholarship when the applications are released in February 2015. **NN**

Kevin Walsh  
Mashpee Village Apts., Mashpee, MA  
The Community Builders, Inc.  
Bridgewater State University, Bridgewater, MA

Terry Woolard  
Old Middletown High School, Middletown, CT  
POAH  
Central Connecticut State, New Britain, CT

Juxhin Xhuxha  
Brandywyne, Boston, MA  
First Realty Management  
University of Massachusetts-Boston

#### **PENND EL AHMA**

Dana Andrews  
Maple Mt. Vernon Apts., Philadelphia, PA  
Community Realty Management  
Community College of Philadelphia

Islam Ekhwat  
Stoney Brook, Claymont, DE  
Arbor Management  
University of Delaware, Newark, DE

Kris Hilliard  
Zephyr Apts., Whitehall, PA  
Interstate Realty Management Company  
Lehigh Carbon Community College,  
Schnecksville, PA

Debra London  
Newberry Estates, Williamsport, PA  
Community Realty Management  
Pennsylvania College of Technology,  
Williamsport, PA

Dytiesha Sims  
Park Spring Apts., Spring City, PA  
Interstate Realty Management Company  
St. Joseph's University, Philadelphia, PA

Robin Walker  
Venice Ashby I, Bristol, PA  
Community Realty Management  
Bucks County Community College,  
Newtown, PA

#### **SAHMA**

Teia Avery  
Westowne Apts., McCormick, SC  
Westminster Company  
Piedmont Technical College, Greenwood, SC

Keturah Bethel  
Lorraine Village, Fredriksted, St. Croix, Virgin Islands  
Community Realty Management  
University of the Virgin Islands, Kingshill, VI

LeQuanta Carney  
Providence Place, Winston-Salem, NC  
Community Management  
Winston-Salem State University, Winston-Salem, NC

Olga Floresku  
Ledgewood Village Apts., Asheville, NC  
Housing Management Resources, Inc.  
Asheville-Buncombe Technical Community College, Asheville, NC

Kristal Graham  
Willows Peake Apts., Winston-Salem, NC  
Community Management Corporation  
Carolina Christian College, Winston-Salem, NC

LaLonne Humphrey  
Valley Garden, Huntsville, Alabama  
Oxford Properties  
Calhoun Community College, Decatur, Alabama

Courtney Jones  
Isle Parkway Apts., Mobile, AL  
SPM, LLC  
University of Mobile, Mobile, AL

Julian Jones  
Ledgewood Village Apts., Asheville, NC  
Housing Management Resources, Inc.  
Western Carolina University, Cullowhee, NC

Laquinta Linder  
Kensington Manor, Spartanburg, SC  
Westminster Company  
Spartanburg Community College,  
Spartanburg, SC

Dionne Stevenson  
Partnership Village, Greensboro, NC  
Partnership Property Management  
Strayer University, Greensboro, NC

Lakela Wade  
Blakely Commons, Blakely, GA  
Ambling Management  
Albany State University, Albany, GA

Trilandra Ware  
Oakdale Apts., Forest, MS  
Interstate Realty Management Company  
East Central Community College, Decatur, MS

#### **JAHMA**

Margaret Brown  
Roosevelt Manor, Camden, NJ  
Interstate Realty Management Company  
Rutgers University, Camden, NJ

Jacquelynn Chmeil  
Princeton Community Village, Princeton, NJ  
Princeton Community Housing  
Rutgers University, New Brunswick, NJ

Jonas Daniecki  
Princeton Community Village, Princeton, NJ  
Princeton Community Housing  
Norwich University, Norwich CT

Mary Ebong  
Princeton Community Village, Princeton, NJ  
Princeton Community Housing  
Rutgers University, New Brunswick, NJ

Cindy Guzman  
Princeton Community Village, Princeton, NJ  
Princeton Community Housing  
Rutgers University, New Brunswick, NJ

Vanessa Guzman  
Princeton Community Village, Princeton, NJ  
Princeton Community Housing  
Farleigh-Dickinson University, Teaneck, NJ

Phoebe Hanna  
Princeton Community Village, Princeton, NJ  
Princeton Community Housing  
Seton Hall University, South Orange, NJ

Roger Licairac  
Baylor Arms, Moorestown, NJ  
MEND, Inc.  
Rutgers University, New Brunswick, NJ

Christian Nazario  
Princeton Community Village, Princeton, NJ  
Princeton Community Housing  
Mercer County Community College, West Windsor, NJ

Hiba Fatima Raza  
Princeton Community Village, Princeton, NJ  
Princeton Community Housing  
Rutgers University, New Brunswick, NJ

#### **ROCKY AHMA**

Shannon McMillan  
Mountain View III, Hamilton, MT  
Highland Property Management  
Montana State University-Northern, Havre, MT

Michelle Miller  
Willow Place, Loveland, CO  
Housing Authority of the City of Loveland  
Colorado State University, Fort Collins, CO

#### **AHMA NCNH**

Vivian Lee  
Kukui Tower, Honolulu, Hawaii  
Ecumenical Association for Housing, Inc.  
University of Hawaii, Manoa, Honolulu, HI

Anna Wen  
Kukui Tower, Honolulu, HI  
Ecumenical Association for Housing, Inc.  
University of Hawaii, Manoa, Honolulu, HI

#### **SWAHMA**

Michelle Marlow  
Lakeshore, Claremore, OK  
Interstate Realty Management Company  
Northcentral University, Prescott Valley, AZ

# REGULATORY WRAP-UP

ON SEPTEMBER 5, HUD ISSUED A NOTICE regarding Implementation of Tenant Participation Requirements in HUD Handbook 4381.5 REV-2, The Management Agent Handbook. This Notice supersedes Notice H 2012-21. Procedures for tenants to appeal findings of complaints filed with the Hub or Program Center (Hub/PC) have been added to Section F. To view this Notice, go to [www.nahma.org/wp-content/uploads/2014/04/Tenant-participation-revisions\\_Sept-5-2014.pdf](http://www.nahma.org/wp-content/uploads/2014/04/Tenant-participation-revisions_Sept-5-2014.pdf).

## MULTIFAMILY LOANS ABOVE \$25 MILLION

On September 5, HUD issued a Notice that supersedes the Department's underwriting standards for large multifamily loans above \$25 million and/or which support projects exceeding unit thresholds. These policies do not apply to: a) loans below these loan size or unit thresholds specified in this Mortgagee Letter, b) refinancing loans processed under Section 223(a)(7), c) refinancing or substantial rehabilitation loans for properties with rental assistance contracts covering 90 percent or more of the property's units, or d) the insurance programs administered by the Office of Healthcare Programs. To view this Notice, go to [www.nahma.org/wp-content/uploads/2014/04/Large-loans-revisions\\_Sept-5-2014.pdf](http://www.nahma.org/wp-content/uploads/2014/04/Large-loans-revisions_Sept-5-2014.pdf).

## HUD NEWS

**IN EARLY SEPTEMBER, HUD ISSUED A MEMO THAT DELEGATES THE APPROVAL OF FIVE SECTION 8 RENEWAL POLICY GUIDE WAIVERS TO THE HUB DIRECTORS.** Before these waivers may be granted to owners, specific information requests must be met. HUD plans on incorporating these information requests into the forthcoming Section 8 Renewal Policy Guide. To view this memo, go to [www.nahma.org/wp-content/uploads/2014/04/waiver\\_authority\\_sec8\\_ren.pdf](http://www.nahma.org/wp-content/uploads/2014/04/waiver_authority_sec8_ren.pdf).

**IN LATE AUGUST, HUD ISSUED A NOTICE WHICH UPDATES THE REVISED PROCEDURES PERTAINING TO UNDERWRITING AND CONSTRUCTION ADMINISTRATION GUIDANCE FOR SECTION 202 SUPPORTIVE HOUSING FOR THE ELDERLY AND SECTION 811 SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES PROGRAMS.** The Notice is divided into three parts. The first addresses general issues that concern all Section 202 and Section 811 proposals in which the Owner has not submitted a firm commitment application. The second and third specifically address mixed-finance transactions. To view this Notice, visit the NAHMA website.

**ON AUGUST 21, HUD PUBLISHED A HOUSING NOTICE THAT UPDATES THE EXISTING HN 2011-18, UPDATED PROCESSING GUIDANCE FOR THE SECTION 202 SUPPORTIVE HOUSING**

**FOR THE ELDERLY AND SECTION 811 SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES PROGRAMS.** This

updated guidance includes corrections and clarifications to certain sections to improve the underwriting process, as well as corrections based upon the governing regulatory changes. For more information go to HUD-clips at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/notices/hsg](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/hsg).

**IN LATE AUGUST, HUD ISSUED THE FISCAL YEAR 2015 PROPOSED FAIR MARKET RENTS (FMRs) FOR THE HOUSING CHOICE VOUCHER (HCV) PROGRAM AND THE MODERATE REHABILITATION SINGLE ROOM OCCUPANCY PROGRAM.**

The primary uses of FMRs are to determine payment standards for the HCV program, determine initial renewal rents for some expiring Project-Based Section 8 contracts, determine initial rents for housing assistance payment contracts in the Moderate Rehabilitation Single Room Occupancy program, and serve as rent ceilings in the HOME program. The Notice provides the proposed FY 2015 FMRs for all areas that reflect the estimated 40th and 50th percentile rent levels trended to April 1, 2015. See NAHMA's website for further information.

**HUD'S OFFICE OF HOUSING PUBLISHED A FINAL RULE** in the Federal Register that amends reimbursement of excess bond proceeds to FHA. The rule is in the July 29, 2014 Federal Register. NN

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# 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](http://www.nahma.org/content/mem_calendar.html).

## OCTOBER

**26-28**

### **NAHMA Fall Conference**

Washington, DC  
Julie Kelliher, NEAHMA  
(781) 380-4344  
[www.neahma.org](http://www.neahma.org)

**27**

### **CPO**

Long Beach, CA  
Jennifer Diehl, AHMA-PSW  
(855) 598-2462  
[www.ahma-psw.org](http://www.ahma-psw.org)

**28**

### **Managing RD Compliance**

Salem, OR  
Maggie Meikle, OR AHMA  
(503) 357-7140  
[www.oregonaffordablehousingmanagement.com](http://www.oregonaffordablehousingmanagement.com)

**29**

### **Basic Management Boot Camp and Roundtable**

La Mirada, CA  
Jennifer Diehl, AHMA-PSW  
(855) 598-2462  
[www.ahma-psw.org](http://www.ahma-psw.org)

**28-30**

### **CPO**

Detroit, MI  
Audra Garrison, MAHMA  
(888) 242-9472  
[www.mahma.org](http://www.mahma.org)

**30**

### **Landlord-Tenant Law Medley**

Salem, OR  
Maggie Meikle, OR AHMA  
(503) 357-7140  
[www.oregonaffordablehousingmanagement.com](http://www.oregonaffordablehousingmanagement.com)

## NOVEMBER

**5-7**

### **CPO**

Mt. Laurel, NJ  
Jo Ann McKay, JAHMA  
(856) 786-9590  
[www.jahma.org](http://www.jahma.org)

**12-14**

### **CPO**

Columbia, SC  
Betsy Eddy, SAHMA  
(800) 745-4088  
[www.sahma.org](http://www.sahma.org)

**13**

### **Special Claims**

Detroit, MI  
Audra Garrison, MAHMA  
(888) 242-9472  
[www.mahma.org](http://www.mahma.org)

**18**

### **Secure Systems**

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Audra Garrison, MAHMA  
(888) 242-9472  
[www.mahma.org](http://www.mahma.org)

**18**

### **Educational Seminars on REAC Appeals**

New York, NY  
NYAHMA  
(718) 592-5655  
[www.nyahma.org](http://www.nyahma.org)

**18-19**

### **CPO**

Oakland, CA  
Debbie Hawkins  
(510) 452-2462  
[www.ahma-nch.org](http://www.ahma-nch.org)

**19**

### **Creating Great Relationships**

Salem, OR  
Maggie Meikle, OR AHMA  
(503) 357-7140  
[www.oregonaffordablehousingmanagement.com](http://www.oregonaffordablehousingmanagement.com)

**21**

### **TRACS 202D**

Salem, OR  
Maggie Meikle, OR AHMA  
(503) 357-7140  
[www.oregonaffordablehousingmanagement.com](http://www.oregonaffordablehousingmanagement.com)

## DECEMBER

**4**

### **Tenant Repayment Agreements**

Conference Call Learning  
Betsy Eddy, SAHMA  
(800) 745-4088  
[www.sahma.org](http://www.sahma.org)

**9**

### **Creating Great Customer Relationships**

Salem, OR  
Maggie Meikle, OR AHMA  
(503) 357-7140  
[www.oregonaffordablehousingmanagement.com](http://www.oregonaffordablehousingmanagement.com)

## JANUARY

**13-14**

### **FHC Certification**

Santa Rosa, CA  
Debbie Hawkins  
(510) 452-2462  
[www.ahma-nch.org](http://www.ahma-nch.org)

**27-28**

### **Basic Occupancy for HUD Housing Managers**

Salem, OR  
Maggie Meikle, OR AHMA  
(503) 357-7140  
[www.oregonaffordablehousingmanagement.com](http://www.oregonaffordablehousingmanagement.com)

## FEBRUARY

**18**

### **Creating a Maintenance Plan for Multifamily Projects**

Salem, OR  
Maggie Meikle, OR AHMA  
(503) 357-7140  
[www.oregonaffordablehousingmanagement.com](http://www.oregonaffordablehousingmanagement.com)

**24-25**

### **Tax Credit Mini Conference**

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Maggie Meikle, OR AHMA  
(503) 357-7140  
[www.oregonaffordablehousingmanagement.com](http://www.oregonaffordablehousingmanagement.com)

**26**

### **Developing & Delivering Effective Resident Services**

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[www.oregonaffordablehousingmanagement.com](http://www.oregonaffordablehousingmanagement.com)

## Having Compassion on the Job

JEFF BAKER JUST GRADUATED from the University of Maryland when he got a job with Oxford Management Company as a leasing consultant. Six months after he started, Baker was moved to a position at one of their Section 8 properties. Once on the ground Baker demonstrated a diverse skill-set that enabled him to move up the ladder quickly and become a manager at the community.

He discovered that he loved it. “Managing affordable housing is a job where you actually can make a difference in people’s lives,” Baker said. This initial experience in affordable housing had a positive impact on his life. In addition to excellent training by his employer, Baker benefitted from analysts with the Virginia Housing Development Authority taking an interest in his training and mentoring.

### FINDING WORK THAT FELT LIKE HOME

He stayed with Oxford Management Company for four years, until it was sold. Then Baker worked for several companies on a quest to rediscover the special elements of Oxford’s culture that had made him so “highly engaged.” He discovered Beacon Communities in Boston, which he has been a part of ever since.

Baker started as a regional manager with Beacon in 2001, working with several large Hope VI properties in Connecticut and Pennsylvania. The Hope VI program was truly unique in that each site combined market-rate, tax credit, and public housing all in one community. “We would take over a distressed public housing development, demolish it in phases, relocate residents

temporarily offsite, and then rehouse them in the new community,” Baker said. “It was a beautiful social experiment because there was no low-income section; it was truly a mixed community.”

“I really believed in the Hope VI program,” he said. “It was an amazing experience to hand over the keys for a brand-new apartment to people who too often had been disrespected when it came to their housing needs.” At one such property in Connecticut, Baker said, “I saw kids teetering on the fence of being in gangs and dropping out of school or graduating and going on to college. Keeping them in school and moving towards success was a direct result of Beacon’s programs at their community. These resident services created a place to grow and succeed.”

This property now has a Wall of Fame with pennants of colleges that the youth of the community have attended. “In a sense, those pennants are a more important indicator of success than any balance sheet,” Baker said. “At Beacon, we believe that setting up our residents for success in life has a very direct correlation to our overall success as a company.”

### COMMITTED TO QUALITY

Baker has served as president of Beacon Residential Management since June 2005. The portfolio has almost doubled in the past three years. Beacon’s portfolio consists of approximately 11,000 apartments in seven states and includes market-rate, tax-credit, Section 8 and



public housing properties. Under the Beacon umbrella there are a variety of divisions that create a dynamic synergy between management, development, investment/acquisitions, and design.

Understanding that their strength is in their people, Beacon

has partnered with the Employee Engagement Group, which offers workshops, consulting, and other services in organizational development. Baker commented that “By creating a phenomenal work environment we can recruit the best talent. Our goal is to be known as a best place to work in the industry, an employer of choice.”

Further showcasing his deep commitment to recruiting and nurturing great people, Baker serves on the Virginia Tech Residential Property Management (RPM) advisory board, which encourages young, bright students to earn a bachelor’s degree in the property management field. Beacon is a founding member of this program. Baker also serves on the board of ROCA, which is Spanish for rock, a nonprofit whose mission is to help disengaged and disenfranchised young people move out of violence and poverty. Baker feels this mission aligns nicely with Beacon’s own goals for community improvement and personal empowerment.

“I love my job, love the people I work with,” Baker said. “I’ve surrounded myself with the best people in the industry, and we work in a wonderful, caring, and supportive culture. We really want people to come to work, enjoy their jobs, make a positive difference in communities, and create career growth and opportunities for all our team members.” **NN**

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

## thelastword

# Congress Needs to Read, See and Hear Our Message



MID-TERM ELECTIONS ARE QUICKLY approaching. I imagine, like me, you are wondering what will happen within the affordable housing industry. We all have much invested in the communities we manage, the residents who call our units home, and those still in need of quality affordable housing. I did some research on what “we” are facing and found the following:

■ Forty-two Representatives are retiring from their seats in the House of Representatives, including Ways and Means Chair Dave Camp (R) of Michigan.

■ Thirty-six Senators are up for re-election, including Senator Tom Coburn (R) of Oklahoma who, as you may remember, led the charge for the elimination of the Low Income Housing Tax Credit Program.

It is apparent that change is on our horizon. With that, some might say there is a potential for concern. I say there is a great potential to educate and share the success stories we all have related to the communities we manage. Studies show that adults retain 10 percent of what we read, 40 percent of what we see and hear

and 50 percent of what we say.

Get ready to educate and re-educate your elected officials. Schedule meetings with staff members, either in district or during your time in Washington, D.C., to present your message: that affordable housing is an essential and still very much needed.

Once you have your meeting scheduled, prepare a brief one-page leave behind for later reference (see “retain 10 percent of information read,” above). Also, invite staff and elected officials to your communities. Now is a great time to do so, as many representatives are in their districts frequently in preparation of the mid-term elections.

Offer to host a town hall meeting or coffee time, as it’s a win-win. You can show first-hand the quality housing being provided, and the residents will likely share in the enthusiasm (“retain 40 percent of what is seen and heard”). Officials and their staff will leave the community in a de-briefing mode (“retain 50 percent of what is repeated”).

It is time to strike while the iron is

hot, make the introductions and start building relationships. You might be surprised at how easy it is to deliver a message and have it heard. Should you need assistance in how to advocate, please visit NAHMA’s Grassroots Advocacy section of our webpage. There are a variety of tools that will assist you or strengthen your abilities in advocating for affordable housing. NAHMA Maps is an exceptional tool, detailing in a variety of ways the specific types of affordable housing within a voting district. Your advocacy can make a difference, as we have seen time and time again at NAHMA.

Mark your calendars for NAHMA’s Fall Meeting and Regulatory Issues Forum in Washington, D.C., October 26-28, 2014 at The Fairmont Washington. Visit NAHMA’s webpage at [www.nahma.org](http://www.nahma.org) for more information on meetings and current happenings in affordable housing. **NN**

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