

NAHP Update

The Value of Neighborhood Networks Recognition

BY CATHERINE A. SMITH

IN THIS ISSUE

- 3 With Insurance, Can Less Really Be More?
- 4 Field Update
Multi-tasking for management and compliance excellence
- 5 Smart Advice
Answers from your peers
- 6 NAHP Profile
Judiann Turney: Confident in her career

In June of this year, HUD celebrated five years of its Neighborhood Networks Center Classification System. This system recognizes three levels of achievement—Designated, Certified and Model—for computer learning centers that provide onsite, multiservice access to technology to residents and staff of HUD-assisted communities.

One NAHMA-member company—A.F. Evans—has embraced the Neighborhood Networks Centers and the HUD classification system wholeheartedly. Its properties throughout California operate 11 Neighborhood Networks Centers.

One of its properties, The Plaza in San Bernardino, California, which serves the elderly, has been awarded a Neighborhood Networks Center Model certification, the highest. As of June 2011, theirs was the only A.F. Evans center to achieve Model classification, and only the second Model center in California.

Joseph George, resident service coordinator for the property and director of the center, said that getting this certification “establishes credibility in the community and to potential residents. It sets a higher standard



for other centers in the community and others in our company.”

“By offering the highest-quality Neighborhood Networks program, residents and others who use it achieve a greater self-sufficiency,” he said. The Plaza’s center is used by nearly 100 people each week—Plaza residents as well as visitors to the senior center run by the city’s parks department, which is conveniently located next door.

WHAT THE CENTERS OFFER

Created in 1995, there are now more than 1,400 Neighborhood

Networks centers in all 50 of the United States, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. These centers:

- Offer adults job-training classes, such as computer skills, resume writing, interviewing techniques, job placement services, General Educational Development (GED) preparation, and English as a Second Language (ESL) classes;
- Provide youth with educational afterschool activities and mentoring programs; and
- Operate programs that allow



NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION (NAHMA)—Protecting the Interests of Affordable Housing Property Managers and Owners

seniors to become familiar with computers and use them to better their lives.

The Plaza Center, for example, opened in 2004 and achieved Model classification on March 24, 2010. Open each weekday from 9 a.m. to 3 p.m., the Plaza offers users access to six computers and a variety of computer classes, including computer literacy, accessing the Internet and using e-mail.

The center also hosts an array of art, health and wellness programs. In addition to the support of its management company, these programs are made possible through community partnerships with the Fifth Street Senior Center, San Bernardino Police Department, Maxim Health Systems, Inland Agency, and the San Bernardino Adult School.

Such partnerships are critical to the success of any Neighborhood Networks center.

WELL-DESERVED RECOGNITION

The Neighborhood Networks-established Center Classification recognizes performance and offers standards for successfully managing and operating a Neighborhood Networks Center. Since it was launched in 2005, more than 230 Neighborhood Networks Centers located across the country have achieved advanced classifica-

tion levels. Twenty-five of these centers have achieved the highest level of center classification, Model classification.

Other staff of Model Centers whose property management companies are NAHMA members cite many benefits to receiving classification. Juvenal Sanchez is a resident service manager of the Cunningham Manor Neighborhood Networks Center in Brownsville, Texas, which is managed by Wedge Management.

Sanchez said that “the quest for Model classification was driven by a corporate-wide initiative and pride in a job well done. Model classification proves that, as resident service managers, we are meeting the quality standards set by our company for the services we provide for our residents.”

The Cunningham Manor Neighborhood Networks Center offers access to 20 computers and a full curriculum of classes and programs. These include ESL, job search and computer skills classes, and an afterschool program. Currently, the largest group of center users is youth, but Sanchez is adding programs to encourage greater adult participation.

ACHIEVING MODEL CLASSIFICATION

Neighborhood Network Centers that have received the highest classification did not

find doing so too difficult—as long as they already provided the programs that met the needs and wants of residents and community members, thereby fulfilling many of the program requirements.

HUD provides guidance regarding certification through technical assistance coordinators and regional workshops that make the process easily understandable.

Among the benefits of being a certified Neighborhood Networks Center are that it :

- Strengthens grant applications. Grants are often a large percentage of a center’s budget, and certification proves that the center has high standards and is able to deliver results.
- Adds value. Certification adds value with partners and individual donors.
- Opens the door to more partners. Local agencies that offer social services and other services to residents feel more comfortable partnering with the centers, offering residents greater opportunities and access to programs.
- Adds to the quality of life for residents and demonstrates the management company’s commitment to them.

For more information about creating a Neighborhood Networks Center or achieving center classification, contact the Neighborhood Networks Information Center toll-free at (888) 312-2743. The hearing impaired may access the number via TTY by calling the Federal Information Relay Service at (800) 877-8339. **NU** Catherine A. Smith is the editor of NAHP Update.



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With Insurance, Can Less Really be More?

BY AL SHAPIRO

There is an old adage in the insurance world that the thicker the policy, the less coverage it contains. While it sounds counterintuitive, most general liability policy forms pretty much cover everything—unless specifically excluded.

This is particularly true of the industry standard “Commercial General Liability Policy Form,” which is all but universal. But the devil is in the details—those additional endorsements and exclusions that most liability insurers add to their policies.

The standard policy form has evolved over the years to include many customary exclusions and conditions that have been inserted as the policy adapted to the changing legal environment. These exclusions may be added to “invite” you to purchase separate coverage such as pollution, or to avoid covering hazards deemed uninsurable, such as asbestos, war or nuclear exposures.

The result is a policy that is predictable and acceptable to the insurers who offer the policy, as well as to most customers who buy it.

That is not to say that some insurers won’t try to get away with chipping away at coverage provided by the standard policy by adding “more paper” in the form of endorsements. This additional bulk almost always “takes away” coverage rather than enhance it. Even endorsements labeled “addi-

tional coverage” more often than not are actually veiled attempts to restrict the breadth of the policy.

Some additional exclusions have become standard on policies and are almost impossible to delete, such as the new “silica dust” or “mold” exclusions. But there are several endorsements insurers commonly employ that property owners/managers should (and often can) avoid if at all possible.

DESIGNATED PREMISES ENDORSEMENT

Many liability policies include a “designated premises” endorsement, which limits coverage to activities arising from, or incidental to, the operations at the locations listed in the property schedule. This is problematic if your operations extend beyond the simple renting of apartments to tenants. If you manage other properties, provide any “non-incident” services or provide services that emanate from a location not listed, you run the risk of a denial of coverage if a claim arises.

PUNITIVE DAMAGES

Sometimes insurers try to slip punitive damages exclusion into a policy. These exclusions typically exclude coverage for any punitive award or the multiplied portion of any damage award. While not all jurisdictions allow you to insure these types of damages, you want your policy to

respond wherever it is legal to do so.

CONSTRUCTION OPERATIONS

If you are a developer and hire general contractors to do the work, you should always be named on their policy as an additional insured. However, additional insured status only protects you from the acts of the general contractor—not your own activities. You should have your own coverage to protect your organization from this exposure.

Unfortunately, many general liability policies exclude construction activities from coverage (particularly for residential work); however, these exclusions are not standard and are often subject to negotiation. Consult your insurance professional to try to narrow the scope of construction operations exclusion as much as possible.

ABUSE OR MOLESTATION

Why should you avoid this exclusion? Your employees would never consider, let alone be guilty of, such heinous activity! But most “abuse and molestation” exclusions exclude coverage for any abuse or molestation committed by **anyone**, not just your employees.

This means if the molestation was perpetrated on your property by an outsider, you may have no coverage if you are named in the suit—and

you will be named! Even if you are ultimately found not to have any liability, your policy should respond to defend you. Although your policy (rightfully) will not cover the guilty employee, it should cover (and defend) your officers and the organization.

POLLUTION EXCLUSION

Not all pollution exclusions are created equal. The standard policy form provides exceptions for smoke and fumes originating from the building’s heating or cooling systems, or smoke or fumes that arise from a “hostile fire.” A hostile fire is one that becomes uncontrollable or breaks out from where it was intended to be.

Many insurers replace the standard pollution exclusion with one of their own—some of which provide further exceptions. But others delete the standard exceptions. Make sure that the pollution exclusion on your policy includes at least the coverage provided by the standard exceptions.

If your general liability policy contains one or more of these exclusions, you should consider talking to your insurance agent, broker or consultant to find out why and explore ways to improve your policies (make them thinner!) or replace coverage with an insurer that will. **NU**

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Multi-tasking for Management and Compliance Excellence

Which would you prefer?

A. An effectively managed community.

B. A property that is in compliance with all the programs that financed it.

C. Both A and B.

Hopefully you answered “C,” which is what you can get with a skilled multi-tasking property manager.

Usually properties that are in compliance are also the best managed. While this seems an obvious statement, it is not.

Experienced affordable housing professionals can name apartment communities that are beautiful in appearance but woefully inadequate where compliance is concerned. The files, for example, never quite measure up to expectations.

At the same time, there are many poorly maintained and managed properties that stay on top of compliance issues.

HOW TO GET IT RIGHT

How do you identify and thus create multi-tasking properties—those properties getting it “right”? These are apartment communities that have:

- Sufficient well-trained staff for both maintenance and leasing needs;
- Customer-oriented staff members;

■ Knowledgeable staff members who know what is expected of them and know how to interact as a team;

- Curb appeal;
- Low turnover; and
- Satisfied residents.

The multi-tasking properties that possess the ideal characteristics have found a way to combine management effectiveness

and compliance excellence. Multi-tasking apartment communities place their priorities on a few key tasks:

- Resident relations and excellent customer service;
- Enforcing the lease and house rules;
- Keeping up maintenance and curb appeal; and
- Leasing units according to program rules.

KEYS TO SUCCESS

How do these projects do it? Here are the keys:

- Get trained and provide training—in fair housing, program compliance, property management, marketing and customer service. Regularly assess staff training needs through evaluations and surveys, which can

help to highlight key areas for training.

■ Have high expectations—it’s not *just* affordable housing, it’s someone’s home.

■ Apply the adage “what gets measured gets done.” High expectations only matter to the degree that progress is measured. Establishing clear measures covering both man-

agement and compliance will help you communicate expectations to staff.

■ Ensure consistent leadership involvement in all aspects of project performance. Leaders at all levels should see and be seen. Visit properties as often as possible.

■ Promote leadership attitudes—drive home the importance of the residents, the owners’ obligations and the company’s values.

■ Develop a great team atmosphere, wherein every task is important to the overall success of the community. It takes a team that is dedicated and trusts one another to get the job done. Working as a team also often requires identifying talents. Multi-tasking projects

help to highlight key areas for training.

■ Have high expectations—it’s not *just* affordable housing, it’s someone’s home.

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agement and compliance will help you communicate expectations to staff.

not have to be more difficult than managing the property well. The same values that lead to a well-run property also ensure that compliance is maintained. By staying focused and acting strategically, even the most challenged projects can be great rental assets and compliant properties. **NU**

Staying in compliance does have to be willing to use staff to do what they do best. Not everyone is great at following up on tenant income verification, while someone else is a fantastic sales person.

■ Use technology to aid in the day-to-day tasks and create systems to enforce standards of performance.

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Answers From Your Peers

FMRs; Audits; and Income Limits

Q: Will the latest determination of Fair Market Rents (FMRs) use 2010 Census data?

A: No. Proposed FY 2011 FMRs will still be based on 2000 Census data, updated with more current survey data. For FY 2011, these updates will utilize 2008 American Community Survey (ACS) data, and more recent Consumer Price Index (CPI) rent and utility indexes. HUD continues

paper copies of audited financial statement reports, given HUD's new electronic submission requirements?

A: Yes. REAC is collecting supplemental financial and compliance data related to the audited financial statements, as well as certain audit information, but not the full audit report, or necessarily the actual audited financial statements themselves. Therefore, paper or hard copy financial

that only receive federal assistance from HUD, REAC will approach OMB about the prospect of eliminating this requirement in the future, since HUD will have already electronically received the annual financial statement and audit information it needs to monitor its programs.

Q: Given the recession that our area has experienced in recent years, why have income limits increased?

A: Although HUD uses the most recent data available concerning local area incomes, there is still a lag between when the data are collected and when the data are available for use. For example, FY2010 Income Limits are calculated using 2006-2008 3-year American Community Survey (ACS) data. These data were collected between 2005 and 2008. The effects of the latest recession on local area incomes are most likely to be detected in subsequent ACS years. **NU**

ALTHOUGH HUD USES THE MOST RECENT DATA available concerning local area incomes, there is still a lag between when the data are collected and when the data are available for use.

to use ACS data in different ways based upon the number of two-bedroom standard-quality and recent-mover sample cases that are available in the FMR area or its Core-Based Statistical Area (CBSA). To find out what the fair market rents are for your area, refer to HUD's Metropolitan Area County Look-Up Tool on its website, which can be accessed at <http://www.huduser.org/portal/datasets/geotools.html>.

Q: Is it necessary to produce and maintain

statement audit reports should still be prepared and maintained as previously required by HUD Handbook requirements, *except that the paper copy reports no longer have to be submitted to HUD, unless requested.*

Q: Does annual audit information submitted to REAC still have to be submitted in paper form to the OMB Clearinghouse?

A: For the time being, yes. However, for projects

Welcome New Certificants!

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- >> Roman Castro
The Community Builders
Newington, CT



Confident In Her Career

NAHP: Judiann Turney, NAHP, CPO, SHCM

MANAGEMENT COMPANY: AIMCO

POSITION: Community Manager III

YEAR OF CERTIFICATION: 2010

Judiann Turney worked in a deli for 15 years and a car dealership for 10 years before finding her career when she “walked in off the street” to apply for a job as property manager for Coatesville Towers in Coatesville, Pa.

Now in property management for nearly 10 years, “I feel like I was meant to do this.”

Judiann manages the 90-

unit Coatesville Towers and recently became responsible for the 200-unit Sencit Townhouse community in Reading, Pa. Both serve the elderly.

Although she had no property management background, Judiann said she “had a fabulous mentor” and lots of on-the-job training. She also has a regional property manager who lets her go to every training program she can. Most recently she has been attending sessions offered by Penn Del AHMA. Also in her effort to do her job well, she is proud to have recently earned her real estate license.

What she finds most interesting about her job “is that it’s new every day,” she said. “When you work with the

elderly, their joys are your joys, and their challenges are your challenges.” She manages an assistant, a service manager and a service technician at both sites, with Sencit also having a resident services coordinator. She recently got a grant through HUD for a resident services coordinator at Coatesville.

Judiann believes the key to being successful in a position like hers is “the ability to accept change. Residents change, policies change, regulations change. Your world is one of constant change. If you are able to accept this, you will be successful.”

Judiann is very proud of the community project encouraged by AIMCO every year. “The

company affords us 10 hours a year to do fundraisers or volunteer for a community project,” she explained. “Our regional property manager’s group has chosen to do fundraising for Juvenile Diabetes, and my two properties have always done very well.” Staff and residents at Coatesville raised over \$3,000, and \$3,800 was raised at Sencit. Their group as a whole raised over \$20,000 in 2009.

Judiann and her husband have been married for 30 years and have one grown son and two dogs. She’s lived her whole life in Coatesville. They like to travel but she rarely takes vacation time. “I’m one of those people who love to get up and go to her job,” she said. **NU**

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

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