NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

March April 2012

NAHMANews

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

IN THIS ISSUE

Industry Opposes FY 13 Budget, Funding Cuts

The Obama Administration's FY 2013 budget presents a mixed bag of increases, decreases and inadequate funding for affordable rental housing programs critical to NAHMA members and their constituents, as well as budget policy and priority changes that could inject a level of uncertainty into daily and long-term operations, according to NAHMA's analysis.

For FY 2013, the Obama Administration is proposing a HUD budget of $44.8 billion, an increase of $1.4 billion over FY 2012 appropriations and a decrease of $3.2 billion below the FY 2012 Presidential budget request.

However, the Administration's funding priorities in FY 2013 are very different from the FY 2012 budget request. For the first time, the Obama Administration did not request full funding for all Project-based Section 8 contract renewals for their 12-month terms. In fact, the budget recommendation for the Project-based Section 8 account is $640 million below the FY 2012 appropriation level.

NAHMA and its industry colleagues strongly oppose HUD's proposed Project-based Section 8 budget cuts. While the overall FY 2013 budget contains a number of good multifamily housing proposals that NAHMA supports on their individual merits, NAHMA cannot support a budget that fails to fully fund Project-based Section 8 contract renewals.

In addition, NAHMA is extremely concerned by the Administration's decision to include "savings" policies in the FY 2013 budget that could destabilize the operation, finances, and long-term preservation of the Project-based Section 8 portfolio.

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inside nahma

BY KRIS COOK, CAE

NAHMA Keeps You on the Cutting Edge

THE AFFORDABLE HOUSING community is fortunate to have so many knowledgeable volunteers whose work on NAHMA's board, committees and task forces results in cutting-edge tools for real-world solutions.

You can learn about these first hand at NAHMA's meetings, one of which just concluded and another will soon take place—the summer meeting and Public Policy Issues Forum on Wed., June 27 in Boston, held in conjunction with the NAA Annual Conference and Exposition on June 28-30, 2012 (for a wrap-up of the recently held NAHMA March meeting, see the article on page 15). You can also learn about the tools—or help create more—by joining a committee or task force on a topic of interest to you or about which you know a lot. Learning from your peers is always a way to keep ahead of the curve.

GET IN THE WEB SURFING HABIT

One of the best tools at your disposal is **NAHMA's website**. You would do well to bookmark www.nahma.org, because our staff works hard to keep it updated with all of the most legislative news, regulatory guidelines related to HUD, RHS and the LIHTC program, contests, credentialing and much more.

Especially if you go deep into the site, following the links into the **Members' Entrance** (which is password protected for our members), you'll find extensive files on all of the regulatory agencies as well as access to current and back issues of *NAHMAnalysis*. These analyses of legislative and regulatory affairs are concise and easily understandable reports that will save you from having to wade through often cumbersome and repetitive Notices, Guidances, *Federal Register* entries, NOFAs and much more.

CHECK OUT ALL OUR PROGRAMS

Also on the website are **Searchable Directories** that can take you to AHMA contacts in your area, the Communities of Quality® (COQ) National Registry, the NAHMA Credential and Membership Directory and HUD Software Vendors. You can also subscribe to NAHMA's News Release Listserve.

NAHMA's **designation programs** give our members an important career advantage by setting high standards for work in this industry. Our awards programs give you the opportunity to brag about your successes—a great marketing tool. And our **Career Center** may give you the boost you need if you're feeling sluggish in your current job.

The **Grassroots Advocacy Center** provides news and links to Congressional offices and federal agencies so that you can reach your Congressional representatives easily.

AHMA Maps is a search engine that can be an effective advocacy and marketing tool, providing the most comprehensive and up-to-date listing of affordable housing properties nationwide.

Use the tools of NAHMA to your advantage. We know you won't regret it. **NN**

Kris Cook is Executive Director of NAHMA.

MAJORITY OF PROGRAMS FLAT-FUNDED

The majority of HUD's other accounts would receive flat-finding under the budget request at FY 2012 appropriations levels. In terms of multifamily housing, the Obama Administration is proposing flat-funding the tenant-based Section 8 contract renewals, HOME and CDBG funding.

Nevertheless, the budget does request increased funding for Section 202 and 811 PRACs, LEP translations and assistance, and the Choice Neighborhoods initiative when compared to the FY 2012 appropriations. The budget also contains a proposal to reduce the frequency of Management and Occupancy Reviews (MORs) as part of its cost-saving efforts.

HUD's budget also includes two mandatory spending proposals that account for the increase in the FY 2013 request over the FY 2012 appropriations level. For the third year in a row, the Obama Administration is requesting $1 billion for the Housing Trust Fund, since Fannie Mae and Freddie Mac cannot fund the program for the near future. The Administration is also proposing to increase the FHA Mutual Mortgage Insurance Capital Reserve Account by $2.6 billion.

TREASURY, USDA BUDGETS

The FY 2013 Treasury budget request calls for four reforms to the LIHTC program:

- Income averaging;
- A basis boost for the preservation of public and assisted housing;
- Increasing private investment in the program by making LIHTCs beneficial to Real Estate Investment Trusts (REITs); and
- Requiring LIHTC developments to provide protections for victims of domestic violence.

For USDA Rural Housing Service (RHS), the Obama Administration is proposing to increase funding above FY 2012 appropriations levels for all multifamily accounts except for Section 515. The budget is requesting zero funding for Section 515 new construction in FY 2013 and shifting the focus to preserving existing affordable rural properties.

To that end, the budget requests $34.4 million for the Multifamily Housing Revitalization Program's preservation demonstration program. The proposed FY 2013 budget also requests increases for rural rental assistance and Section 538 loans.

> In addition, the funding delays typically caused by incremental HAP payments will cause deferral of needed maintenance, late payment penalties to properties for goods and services, and staff layoffs.

NAHMA'S TOP CONCERNS

NAHMA has prepared an in-depth examination of the individual affordable rental housing components in the Administration's FY 2013 budget (see *NAHMAnalysis* at www.nahma.org/member/analysis.html). Not surprisingly, the future of Project-based Section 8 contract renewals leads NAHMA's concerns, which are summarized below.

Project-based Section 8 Contract Renewal Funding

The proposal for Project-based Section 8 contract renewals represents a departure from the Administration's previous commitment to request full funding for 12-month HAP contracts at the time of renewal and a return to incremental, partially funded HAP contracts.

This method will not reduce the long-term cost of the contracts, but it will increase the time and paperwork associated with processing contract renewals. This is especially true if Congress approves a continuing resolution for FY 2013, which has been the standard operating procedure for the last several years. In addition, the funding delays typically caused by incremental HAP payments will cause deferral of needed maintenance, late payment penalties to properties for goods and services, and staff layoffs. As it becomes more difficult for property owners to employ the necessary construction and service personnel to support the properties, the ripple effect will endanger local jobs, economic benefits, and housing opportunities for low-income families who need it most.

Project-based Section 8 Savings Policies

NAHMA has substantial concerns regarding the savings policies HUD included in its FY 2013 budget request. NAHMA believes that HUD's efforts to generate savings—by reducing residual receipt accounts and limiting rent increases—may result in unintended consequences that could destabilize the operation, finances and long-term preservation of these properties.

Sections 202 and 811

NAHMA is interested in working with HUD to find new, more effective ways of using Section 202 funds to expand the availability of housing for elderly populations. The legislative language used to authorize the operation assistance accounts is vague, and HUD has not provided many details on how the new grant system would function.

In the meantime, NAHMA supports the capital advance program. It has provided a necessary development tool that allows nonprofits to leverage other capital when constructing senior housing properties. NAHMA encourages HUD to maintain funding for new construction of 202 units until the Department can develop a new, industry-supported model for development funding.

The Section 811 request did not include funding for new construction. Instead, the Administration has proposed shifting funding for the Section 811 program into the project-rental assistance demonstration program authorized by the Frank Melville Supportive Housing Investment Act.

NAHMA supports this demonstration, but providing funding for new construction and substantial rehabilitation of properties in addition to rental assistance is also essential.

Treasury Proposals

Although the Treasury states that its carried interest proposal is not intended to affect REITs, NAHMA still believes this proposal would negatively impact the development of affordable housing. Many other investors besides REITs participate in real-estate partnerships used to develop affordable multifamily housing.

NAHMA will continue to ask both the Administration and Congress to exempt real-estate partnerships of affordable multifamily housing development deals from any carried interest proposal they consider.

Rural Housing

NAHMA expressed disappointment with the Administration's decision to zero out the Section 515 program. While NAHMA understands and supports the Administration's desire to preserve the rural housing portfolio, this decision removes one of the few financing sources available for new construction and rehabilitation in rural areas. NAHMA will work with Congress to ensure continued funding for all RHS programs for FY 2013 and future appropriations bills.

POSITIVE ASPECTS OF THE FY 2013 BUDGET

The FY 2013 budget requests a number of good multifamily housing proposals that NAHMA supports on their individual merits, including:

- Full funding for the 12-month **tenant-based** Section 8, Sections 202 and 811 PRACs, and rural rental assistance contract renewals;
- A reduction in the number of MORs for high-performing properties;
- Continued funding for HUD and RHS

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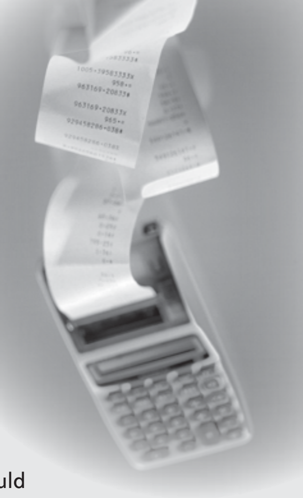


HUD Attempts Justification of Budget Cuts

On March 21, the House Appropriations Transportation-HUD Subcommittee held a hearing on HUD's FY 2013 budget with testimony given by Secretary Shaun Donovan. Members of the Subcommittee were primarily concerned with the solvency of FHA, cuts to CDBG, and reforming both the housing choice voucher (HCV) and Project-based Section 8 programs.

However, Subcommittee Ranking Member John Olver (D-MA) was extremely concerned by the proposed short-funding of Project-based Section 8 contract renewals for their full 12-month terms. Secretary Donovan called the move a difficult decision, saying the other option for HUD would have been to reduce the number of families served by the program.

Olver told the Secretary that inflation would drive up the costs of the Project-based Section 8 program further in FY 2014. He asked the Secretary if HUD would continue the practice of only requesting funding for the fiscal year in FY 2012 or would request full funding for the 12-month terms of the contracts, some of which would extend into FY 2014. Donovan said the FY 2013 budget proposed a one-time savings request. He admitted that the program would need $1.2 billion more than the FY 2013 request to fully fund all 12-month contract renewals. He said the funding need would be shifted into the following fiscal year.

However, Donovan added that he was confident in HUD's ability to avoid operational risks and manage the Project-based Section 8 program effectively. He believed that HUD could avoid the problems caused by program shortfalls in the past. Nevertheless, he admitted there was some risk that lenders and investors would lose confidence in the program due to uncertainly in program funding, which would increase the interest rates.

Olver asked Donovan how serious he thought the threat of uncertainty in the lending community was. The Secretary stated that investors and lenders have lived with uncertainty in program to some degree in the past and implied there was some risk as a result. Olver reminded the Secretary that the previous short-funding of the Project-based Section 8 program caused the uncertainty in the investor and lender community in the first place. The Ranking Member was very troubled by what he saw in 2007 and 2008 when HUD made partial or delayed housing assistance payments (HAPs) to property owners participating in the program.

Secretary Donovan also discussed the negative impacts that across-the-board budget sequestration could have on affordable housing programs. He said this and additional budget cuts would be bad policies that could result in families losing their housing. Assuming a worst-case scenario of a 22 percent reduction in across-the-board spending for affordable housing programs, HUD calculated that over 1 million families could lose their homes. More than 585,000 households could lose their HCV assistance. The Project-based Section 8 program could have to cut assistance to 425,000 low-income families. Close to 180,000 formerly homeless households could be put back on the streets. Furthermore, close to 17,000 jobs could be lost through cuts to the CDBG program and close to 10,000 units of new affordable housing might not be built to meet the growing demand in a single year of sequestration.

Rep. John Carter (R-TX) asked what HUD was doing to reign in unnecessary and burdensome regulations. Secretary Donovan explained that HUD supported several proposals in the Affordable Housing and Self-Sufficiency Improvement Act (AHA) which would reform the HCV program and reduce operational costs. HUD specifically supported the streamlining of inspections, reducing income recertifications for families with fixed incomes, and simplifying income calculations.

Finally, Subcommittee Chairman Tom Latham (R-IA) asked Secretary Donovan about the over occupancy—where a household has more bedrooms than necessary to house the occupants—issues plaguing affordable housing programs. Donovan said it was not a simple issue and that HUD was working to ensure that PHAs and owners are implementing the housing rules but wanted to provide some flexibility. The Secretary offered to do a more specific analysis on the issue and provide some potential solutions to the Subcommittee.

NAHMA and 18 other industry organizations sent a letter to the Subcommittee on February 23rd expressing their "deep concern" for short-funding of the project-based rental assistance program. In addition, NAHMA submitted written testimony to the appropriators prior to the March 21st hearing. A copy of this testimony may be found at www.nahma.org/Leg%20area/FY%202013%20NAHMA%20Tesimony%20HUD%20Budget%20House%20Appropriations%20032112.pdf.

new construction and rehabilitation programs;

- LEP technical assistance funding;
- Housing choice voucher reforms; and
- Reforms to the LIHTC program that would work in conjunction with HUD's preservation agenda.

NAHMA WORKS FOR CHANGES

Despite some positive aspects of the budget, NAHMA opposes the FY 2013 budget and will work actively with Congress and industry colleagues during the FY 2013 appropriations cycle to remedy issues with the budget.

Communication is key. NAHMA and Congressional delegations need to know if there are disruptions in the HAP and PRAC processes or other ongoing problems. NAHMA also encourages members to contact their Congressional representatives to advocate for:

- Full-funding of all 12-month Project-based Section 8 contract renewals (*at least* $9.54 billion for contract renewals);
- Full 12-month funding for all other rental assistance contracts; and
- Continued funding for new construction and rehab programs in the FY 2013 appropriations legislation.

Members' continued grassroots advocacy efforts will help ensure strong affordable housing and an exceptional quality of living for low-income families in the coming fiscal year and beyond. **NN**

By the Numbers: FY 2013 Budget Request

The Administration's budget for FY 2013 presents a range of funding and program challenges for NAHMA members leveraging HUD, USDA and Treasury programs. Here are the principal programs and proposed budgets. NAHMA members may see the full *NAHMAnalysis* at www.nahma.org/member/analysis.html for details and positions.

HUD

Tenant-Based Section 8: $19.07 billion (total); $17.24 billion for voucher contract renewals. The budget represents a $200 million increase over the FY 2012 appropriations, with the increase due to higher proposed administration fees. HUD says the voucher contract renewals budget should provide assistance for 2.2 million households; it is a flat budget that depends on cost-savings plans.

Project-based Section 8: $8.7 billion (total); $8.44 billion for contract renewals. HUD estimates an ability to fund about one-third of all contract renewals—about 5,300 contracts—for their full 12 months. All other contracts—10,600 contracts—would receive funding through the end of FY 2013. Projected results depend in part on generating $400 million in savings due to the proposed cost-cutting measures. This proposal includes an advance appropriation of $400 million for FY 2014 and $260 million for contract administration.

Transforming Rental Assistance Initiative: $0. HUD did not request funding for the Rental Assistance Demonstration (RAD) program. Instead, HUD plans to transfer $74 million in FY 2012 funds from public housing accounts to the Project-based Section 8 account to pay for the demonstration.

Section 202: $475 million. The budget falls below the FY 2012 proposed budget but is nearly $100 million above FY 2012 appropriations. The proposal funds operational assistance for new construction and has $90 million for service coordinators.

Section 811: $150 million. The budget is $15 million less than allocated in the FY 2012 appropriations; has no funds for new construction or rehab; and proposes $54 million for the project rental assistance demo program.

HOME: $1 billion. This request is $650 million below the President's FY 2012 request but is even with the FY 2012 appropriated level.

HOPE VI: $0. HUD was not expected to request any HOPE VI funding for FY 2013.

Choice Neighborhoods Initiative: $150 million. The budget proposes $30 million above the FY 2012 allocation. HUD estimates that full funding will provide for four to six transformation grants in high-poverty urban areas.

Community Development Fund: $2.95 billion for the Community Development Block Grant program. Though much lower than that of the FY 2012 budget, this request is level with the FY 2012 appropriation.

Limited English Proficiency (LEP) Program: $500,000. LEP now appears as a line item within Fair Housing and Equal Opportunity and is proposed for $200,000 above the FY 2012 appropriation.

Affordable Housing Trust Fund: $1 billion. In lieu of the indefinitely suspended contributions from Fannie Mae and Freddie Mac, the budget calls for $1 billion in mandatory spending for the Housing Trust Fund.

General HUD Budget Provisions. These provisions include an extension to HUD's authority to transfer Project-based Section 8 rental assistance between properties in FY 2013 and 2014.

TREASURY

Low Income Housing Tax Credit Reforms. Four reforms are outlined in the budget proposal. They concern income averaging; special tax considerations for REITs that receive LIHTCs; strengthening the viability of the 4 percent credit for funding via a 30 percent basis boost for qualifying properties; and protection for victims of domestic violence who live in LIHTC homes.

Carried Interest. To boost revenue, Treasury proposes to increase the tax rate on "carried interest" from the current 15 percent capital gains rate to the 35 percent tax rate for income (exemption may apply for REITs).

USDA

Multifamily Housing Revitalization Program: $46.9 million. The budget figure exceeds both the President's request and the appropriations levels for FY 2012. The proposed funding shifts support from the Section 515 loan program. It includes $34.4 million for the revitalization demonstration program and $12.6 million for housing vouchers. The recommendation also would make the program permanent.

Rural Rental Assistance: $907 million. Rural Housing Services projects that this budget—$2 million above the FY 2012 appropriations—is needed to fund all existing rural rental assistance contracts for their one-year terms.

Section 538 Multifamily Housing Loan Guarantees: $150 million. This proposal reflects a significant increase above the FY 2012 budget request and appropriations levels. It also calls for a fee structure and targeting to LIHTC projects.

BY MICHELLE KITCHEN

OK, Remind Me Again—What Did We Agree To Last Year?

IF YOU ARE CONFUSED ABOUT the FY 2013 federal budget debates, join the club. Members of Congress are expected to disagree on budget priorities. This year Congress is outdoing itself. Not only do they disagree about *how* to spend the money, they also disagree about *how much money is available to spend* as a result of the spending caps established by last year's Budget Control Act.

Led by Budget Committee Chairman Paul Ryan, the House of Representatives passed a budget resolution which deeply cuts non-security discretionary spending. (The "security category" includes discretionary appropriations for the Departments of Defense, Homeland Security, Veterans Affairs, the National Nuclear Security Administration, the intelligence community management account and all accounts in budget function 150, international affairs). Budget Committee Democrats in both chambers cried foul, and accused House Republicans of breaking the bipartisan agreement for spending caps set in the Budget Control Act (BCA).

The first question you have to answer in sorting out this disagreement is, "What is the FY 2013 discretionary spending limit established by the Budget Control Act?" One would assume this argument could be quickly settled just by re-reading the law. Here's the catch: the correct number depends on which part of the bill you are reading. Different sections of the bill set different discretionary spending caps for FY 2013.

Senate Budget Committee Chairman Kent Conrad released a statement on March 20, 2012 which blasted the Ryan budget as a "breach of faith that will increase the likelihood of an unnecessary and harmful government shutdown later this year." Sen. Conrad explained,

> "The fact is the budget for the next fiscal year is already in place. The Budget Control Act provided the key components of the budget for 2012 and 2013, including setting discretionary spending limits and providing the tools to enforce those limits. It is the law of the land. And today I filed a budget deeming resolution in the Senate that formally sets spending to match the levels agreed to in that law."

Sen. Conrad's argument relies on language from Title I of the Budget Control Act, which sets discretionary limits for FY 2013 and instructs the Senate Budget Committee Chairman to provide allocations consistent with those spending limits to the Senate Appropriations Committee by April 15, 2012. His view is shared by Democrats in the House.

On the other hand, House Republicans cite language from Title III of the Budget Control Act, which reduces the discretionary spending limit for FY 2013 from $1.047 trillion to $949 billion, due to "sequestration." Rep. Ryan states the lower spending cap is required because the Joint Select Committee on Deficit Reduction (JSCDR) failed to produce legislation with at least an additional $1.2 trillion in deficit reduction. The JSCDR's failure triggered an automatic sequestration process which forces spending reductions effective January 2, 2013. Page 95 of Ryan's FY 2013 budget resolution explains,

> "…The BCA's pre-sequester spending caps reduced discretionary spending for FY2013 to a maximum of $1.047 trillion. …
>
> "But Congress is no longer operating in a pre-sequester world. Last November, the JSCDR announced that it could not reach agreement on a deficit-reduction bill by the statutorily required deadline, thus triggering the sequester. Congress is now operating in a post-sequester world—one in which discretionary spending for FY 2013 is capped at $949 billion, and defense spending will be cut by $55 billion, or 10 percent, in January 2013 unless Congress acts to replace this sequester by reprioritizing the savings."

Notwithstanding the debate over the "true" cap for FY 13 discretionary spending, Rep. Ryan's budget does, at the very least, violate the BCA agreement which set the post-sequester spending caps for security and non-security spending. Reasonable people may disagree about the wisdom of this action, but all parties should be aware that affordable housing programs may be a casualty of this decision if it is implemented. In order to spare further cuts in national security programs, six congressional committees must find the necessary savings in their programs. One of those committees, Financial Services, has oversight jurisdiction for the HUD and Rural Development affordable housing programs.

The House passed the Ryan budget, but the Senate is proceeding on its own course. Gridlock will result. Except for a possible continuing resolution, I would not expect Congress to complete action on any appropriations bills before the November elections. Unfortunately, a continuing resolution funded at current levels may be our best outcome for FY 2013. **NN**

Michelle Kitchen is Director, Government Relations for NAHMA.

BY RAPHAEL BOSTIC

HUD Assistant Secretary Considers 25 Years of LIHTC

This article, "Message From the Assistant Secretary: The LIHTC Program" was originally published by the U.S. Department of Housing and Urban Development and is reproduced here with the Department's permission.

AMONG THE VARIOUS PROGRAMS the federal government uses to provide decent and affordable housing to low-income households, the Low-Income Housing Tax Credit (LIHTC) program has become the most important, both in terms of units placed in service each year and as a means of stretching the funds of other subsidy programs. For a program that now produces over 100,000 affordable units each year, it is hard to believe that the program was a last minute addition to the 1986 Tax Reform Act and only after Congress realized that it had eliminated parts of the tax code that encouraged the development of affordable rental housing.

Despite this near oversight, the program Congress established has proven quite resilient, thanks in large part to the flexibility it affords the state housing finance agencies (HFAs) to set priorities according to their own particular needs. With the overriding goal of providing decent affordable rental housing, the LIHTC program addresses the rental needs for different types of communities. For example, in older communities that may already have low rents but also substandard units, the program has financed the rehabilitation of buildings to provide quality rental housing. However, in more expensive markets where affordability, not quality, is the overriding concern, the program has increased the number of units for which low-income households can qualify.

The program's flexibility and multi-outcome nature, while no doubt beneficial for tenants, has proven difficult for researchers examining the program's efficacy. As mentioned, in smaller and older communities, which are already affordable, program rents are similar to unsubsidized rents. Some might interpret this as a sign that the program has failed to provide benefits in exchange for the public expenditure. However, one should not overlook the quality effect—new LIHTC units are often of higher quality than the existing stock. Although this is difficult to discern from the information contained in most data sets, it is an important tangible benefit.

A larger issue the program faces is concern over its effect on certain communities. One of the most robust debates about LIHTC program impact is about how the program influences the sifting of affordable housing, which is a particular concern for those working in the fair housing and community development fields. Critics argue that program rules encourage, some might even say dictate, the location of properties in economically depressed areas rather than communities with more employment and educational opportunities. Recent research, including a PD&R-sponsored study by Casey Dawkins,[1] provides some empirical support for these claims. Others counter with an observation that LIHTC projects are more distributed than public housing and units associated with other forms of housing assistance. In this view, the tax credit program is serving an important function. Future research can potentially help tease out the relationships in a clearer way to shed light on whether and how each of these views comports with experiences on the ground.

On March 22, PD&R will be convening a panel that focuses on these issues. As part of our regular Quarterly Housing Market and Research Update, which you can watch via the webcast, the panel will feature a lively exchange and work through many of the prevailing opinions and perspectives around the impacts of the LIHTC program and its potential.

Aside from this ongoing debate, gaps in our knowledge about the LIHTC program provide other opportunities for research. For example, questions remain about how the tax credit program fits into the broad menu of housing subsidy programs. While it is clear that tax credits are an important source of low-cost capital, meaning they can help stretch the funds of other federal subsidy and loan programs, exactly how and in what circumstances this support occurs is not fully understood. Similarly, there are questions about how the tax credit program serves families. The tax credit program is often used to support certain targeted populations, such as families, the elderly, and the disabled. Yet, the extent that these populations are served by the program is not well-documented.

Hopefully, this will soon change. In 2008, Congress mandated that HUD start collecting detailed data on program tenants. HUD staff has been working hard to compile this information and transform it into a database that will complement the existing LIHTC database on properties placed into service, which provides basic information on financing and property characteristics. This new database represents an excellent opportunity for researchers to expand our understanding of how this important program serves American families.

As the tax credit program celebrates its twenty-fifth anniversary, the time is ripe to reflect upon not only the achievements of the program—including its current place as the preeminent vehicle for the production of affordable and rental housing—but also ways to strengthen it. PD&R hopes to catalyze research and conversations about how to improve the program and tailor it, so that the housing produced through it matters to even more families and communities. **NN**

Raphael Bostic is HUD Assistant Secretary for Policy Development and Research.

1. Dawkins, Casey J. "Exploring the Spatial Distribution of Low Income Housing Tax Credit Properties" Prepared for U.S. Department of Housing and Urban Development Office of Policy Development and Research, February 2011.

HUD Issues NOFA for PBCA Administration

On March 9, 2012 HUD released its FY 2012 Notice of Funding Availability (NOFA) for the Performance Based Contract Administration (PBCA) Program for the Administration of Project Based Section 8 Housing Assistance Payments Contracts. On March 16, HUD made technical corrections to the NOFA that included pushing the application deadline to 11:59:59 p.m. Eastern Time on **June 11, 2012**.

Award announcements will be made on August 31, 2012, and the transition period will last from September 1 through November 30. The estimated start date of the Annual Contributions Contract (ACC) is December 1, 2012, and it will still have a term of 24 months. HUD plans to have an interim two-month contract extension for incumbent PBCAs operating under the limited ACC from October 1 through November 30.

HUD plans to have an interim two-month contract extension for incumbent PBCAs operating under the limited ACC from October 1 through November 30.

The NOFA can be found at http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/rfp/NOFA.

The NOFA provides applicant information, submission deadlines, funding criteria and other requirements for this program, including the availability of an ACC with a public housing agency (PHA) for each of the 42 states for which an ACC has not previously been awarded, to provide for the administration of Project-based Section 8 HAP contracts in those states. There will be one award per state.

HUD included some major changes in the NOFA. There are still eight performance-based tasks required of PBCAs, but under the new ACC, the protocol for MORs will change. The reviews will only be required for projects with an "Unsatisfactory," "Below Average" or "Satisfactory" rating assigned to the last review under the new risk-based MOR approach that HUD proposed in its FY 2013 budget. No MORs will be conducted for projects with an "Above Average" and "Superior" rating assigned to the last review during either 12-month period of the ACC Term. MORs will still be required for all Mark-to-Market projects without regard to the rating assigned to the last review.

The NOFA also makes it extremely difficult for applicants to compete outside their home states. HUD will consider applications from out-of-state applicants *only* for States for which HUD does not receive an application from a legally qualified in-state applicant. Receipt by HUD of an application from a legally qualified in-state applicant will result in the rejection of any applications that HUD receives from an out-of-state applicant for that state.

All applicants will be required to submit a reasoned legal opinion (RLO) as part of the application process that demonstrates the applicant is legally eligible to serve as PBCA in the state for which it applies. However, out of-state applicants must also include with their RLO a Supplemental Letter, signed by an attorney authorized to practice law in the state for which it applies, that establishes that nothing in the laws of the state for which the applicant is applying in any manner prohibits the applicant, although formed under the laws of a sister state, from acting as a PHA in the state for which it is applying.

NAHMA has concerns with a number of the provisions in this NOFA. NAHMA is reviewing the NOFA in consultation with its PBCA Subcommittee to determine potential next steps.

HUD will be updating its FAQs for the NOFA on a regular basis. The PBCA NOFA FAQs may be found at http://portal.hud.gov/hudportal/documents/huddoc?id=pbcanofaaccqandasumm.pdf.

HUD also held a webcast on applying for the PBCA NOFA and the technical corrections. This can be found at http://portal.hud.gov/hudportal/HUD?src=/press/multimedia/videos.

The Department has also posted a PowerPoint slideshow which highlights the changes made to the ACC and the NOFA, which may be found at http://portal.hud.gov/hudportal/documents/huddoc?id=highlightspbcaandaccnofa.pdf.

A copy of the technical corrections notice may be found at www.nahma.org/member/New%20HUD%20Docs/PBCA%20Technical%20Corrections%20031612.pdf.

In addition to the date changes noted above, the technical corrections notice also makes changes to the tiebreaker methodology and corrects a typo in the definition of full-time equivalent (FTE) hours.

Questions about the NOFA may be addressed to HUD at pbca_acc_revisions@hud.gov. **NN**

Endorsed by NAHMA

WELLS FARGO

Multifamily Affordable Housing Insurance Program (MAHIP)

This program is accessible directly to affordable housing providers, or through their local, trusted agent or broker.

Risk profile

Affordable housing providers, including:

- For-profits and non-profits
- Assisted living facilities
- Property developers
- Social service agencies
- Management companies
- Public housing authorities
- Senior housing
- Market rate apartments
- Commercial occupancies

Coverages available

- Property
- General liability
- Auto liability and physical damage
- Workers' compensation and employers liability
- Umbrella liability
- Professional liability
- Directors and officers liability
- Employment practices liability
- Fiduciary liability
- Low income housing tax credit first party insurance
- Low income housing tax credit professional liability insurance
- Bed bug infestation coverage

Wells Fargo Insurance Services USA, Inc.
601 Union Street, Suite 1300, Seattle, WA 98101
206-892-9200 | 206-892-9201 Fax

Megan Davidson, Program Director
MAHIP@wellsfargo.com

wfis.wellsfargo.com/mahip

Together we'll go far

MARCH MEETING IN WASHINGTON

A Blooming Success!

March 2012 in Washington, D.C. was so mild that the famed cherry trees were practically in bloom. Certainly participants were treated to fine weather, bursts of color from daffodils and wisteria, and good spirits within the conference itself.

NAHMA's annual winter meeting always focuses on legislative and regulatory issues. The need to fight for affordable housing programs and to advocate on behalf of fair and sensible regulations led participants to reach out to their legislators during the meeting, held March 11-13.

All of NAHMA's committees met to bring the benefit of their considerable experience to issues of concern to the entire industry, including rural housing, senior housing, tax credits, TRACS, and HUD, RD, regulatory and federal affairs.

Other dedicated NAHMA members met in committees to discuss issues of internal importance to NAHMA: education and training, membership and marketing, budget and finance, and others.

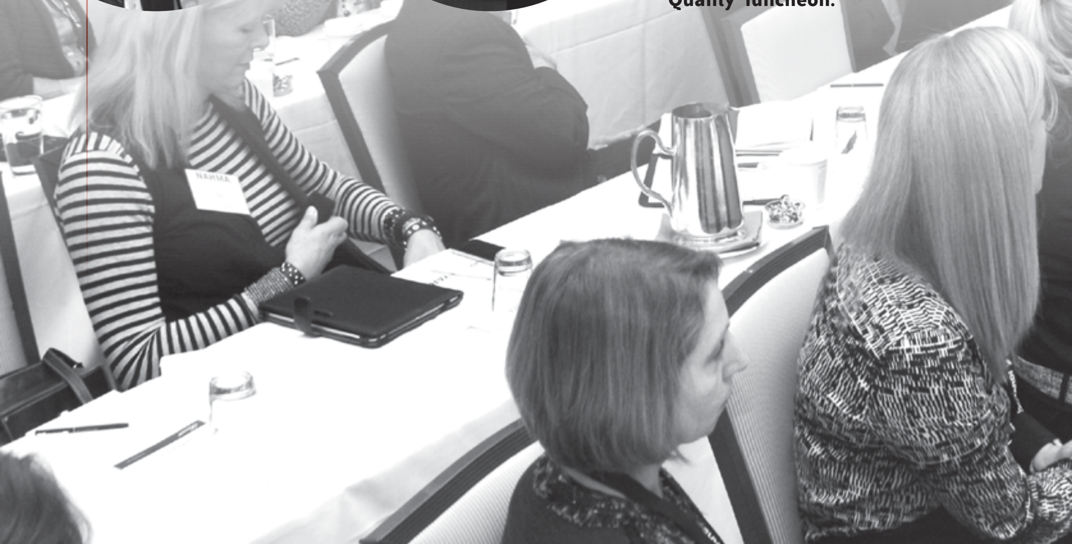
The depth and breadth of information relayed during the meeting owed a great deal to the special guests who felt it was important to meet with NAHMA members, including senior officials from HUD, the IRS, Rural Housing and related industry groups.

In addition to panel discussions on these topics, NAHMA members visited members of Congress and their staff, networked with one another and participated in ceremonies honoring Communities of Quality® (COQ) award winners and Industry Award winners (see article on page 16). **NN**

TOP: David Durik, CEO of Indatus and Chair of NAHMA's Affiliates Committee, hosts the Affiliates Committee Presentation and Breakfast at the NAHMA March meeting.

FAR LEFT: David Smith, Chairman, Recap Real Estate Advisors, gave an informative presentation on "The Changing Face of America and Likely Impacts on Affordable Housing."

LEFT: HUD Deputy Assistant Secretary of Multifamily Housing Marie Head provided keynote remarks at the Communities of Quality® luncheon.



March Meeting Sponsors

The winter meeting wouldn't have been possible without the support of the following key sponsors:

Platinum Sponsors:

Wells Fargo Insurance Services
Yardi
RealPage
HD Supply Multifamily Solutions

Thanks to COQ Corporate Sponsors

NAHMA wishes to thank the following corporate partners for their support of the Communities of Quality® Awards program.

- American Apartment Management Company Inc.
- AIMCO
- American Baptist Homes of the West (ABHOW)
- CSI Support and Development Services
- First Realty Management
- Metropolitan Associates
- Peabody Properties, Inc.
- PRD Management
- Spear Management
- TESCO
- The Community Builders, Inc.
- Walton Community Services
- Wesley Housing Corporation of Memphis, Inc.
- Westminster Company
- WinnResidential

Special Thanks to HD Supply—Sponsor of the 2011 COQ Awards Program!

Once again, this valuable partner to NAHMA and its members showed their support for our work by sponsoring this award program. HD Supply Multifamily Solutions is a leading wholesale distribution company, providing a broad range of products and services to professional customers in the Infrastructure & Energy, Maintenance, Repair & Improvement and Specialty Construction markets. HD Supply has sponsored the COQ Awards program since 2003.

KUDOS TO NAHMA'S 2011 INDUSTRY AWARD WINNERS

At its March 2011 meeting, NAHMA acknowledged the outstanding achievements of individuals and organizations who have contributed tremendously to the cause of developing, improving and preserving affordable housing. Seven individuals received awards, and 15 awards were presented to AHMAs and member companies. The event was hosted by NAHMA Board Member Bill Wollinger, SHCM, NAHP-e, President, WinnResidential.

NAHMA INDUSTRY STATESMAN

This award goes to an outstanding industry leader whose long-term service and dedication to NAHMA, its local affiliated AHMA and the affordable housing industry have been a constant source of inspiration.

Ted Seldin, Chairman, Seldin Company, Omaha, Neb.

Ted Seldin got his B.A. and law degrees and then served 15 years in the U.S. Air Force, retiring as a Captain, before beginning what would become a 50-year career in housing and real-estate development. He joined his father's firm and worked in sales, marketing, residential ad commercial property management, commercial leasing and construction. He was Executive Vice President of the Seldin Development and Management Company until 1993, when he became President, a position he held until 2001. He has since been Chairman of Seldin Company's Executive Committee. Ted is very active in civic and business life in Iowa and Nebraska, and particularly in Omaha. The Seldin company now owns or manages more than 9,000 apartment units in five Midwestern states and more than 1.25 million square feet of mixed-use retail and office space. Ted has been a member of the Iowa State Bar Association for more than 60 years, has served on numerous boards of directors in Iowa and Nebraska, and has held leadership positions in numerous professional societies, including the International Council of Shopping Centers, the Metropolitan Omaha Builders Association, and the National Association of Home Builders. He has been inducted into the Omaha Commercial Real Estate Hall of Fame, the Metro Omaha Builders Hall of Fame, and the Greater Omaha Chamber of Commerce Hall of Fame. Ted was a founder of both Iowa/Nebraska AHMA and of NAHMA.

THE NAHMA PRESIDENT'S AWARD

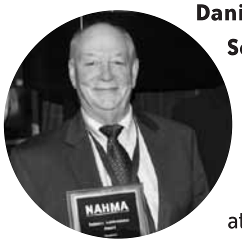
The NAHMA President's Award is presented annually to a NAHMA member or other affordable housing organizational partner who has made an outstanding contribution to the cause of affordable housing in the previous year(s).

This annual surprise award was presented to NAHMA Educational Foundation Chair **Wayne Fox**, **President of Realty Management Associates in Chantilly, Va**. In presenting the award, NAHMA Board

Chair Scott Reithel noted that Fox was selected "for his tireless and highly effective leadership of the NAHMA Educational Foundation as its chairman for the past six years. "Wayne has been an inspirational champion in the launch and growth of the Foundation's National Scholarship Program, which has distributed scholarship awards amounting to approximately $180,000 to hundreds of deserving residents of NAHMA and AHMA properties… Under Wayne's leadership, the program has launched innovative software and operational processes for accepting and reviewing scholarship applications, expanded its outreach to companies and AHMAs across the country, and debuted an exciting new marketing campaign." Fox also serves on the NAHMA Board of Directors and is a voting past president.

NAHMA INDUSTRY ACHIEVEMENT

The following awardee is recognized for his ever-increasing level of service, the strategic nature of this service and his commitment to affordable housing.



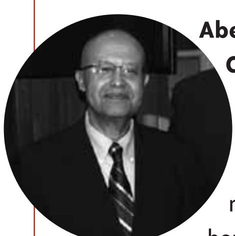
Daniel F. Murray, President, DM Associates, Scottsdale, Ariz.

Dan Murray is a recognized leader and innovator whose contributions have been integral to the success and continued growth of the affordable housing management industry at the local, national and international levels. He actively promotes the increased knowledge and professionalism in the industry and many recognize his commitment to continuing education, not only within his own company, but also within competitor companies. As past president of NAHMA, Dan has exhibited great leadership and vision. He ensured fiscally sound operations, improved membership contributions, reduced expenses and increased partnerships with industry partners such as National Apartment Association and HUD. Dan's longstanding commitment and active participation in NAHMA, IREM, NAA, and other trade, industry and agency groups is a testament to his commitment to the industry. He has a well-earned reputation as someone who tackles tough jobs and has a solid track record in turning around trouble properties. The affordable housing industry is fortunate to have Dan's professional, dedicated experience.

NAHMA INDUSTRY PARTNER

The Industry Partner Award is given to a government agency, nonprofit, business or other partner that has made a significant contribution to the cause of affordable housing in the previous year. The co-winners of this award exemplify the value that can result from strong partnerships between government and industry.

Robert W. Reavis, Jr., former HUD Administrator (retired)
Bob Reavis, longtime friend and supporter of SAHMA, recently retired from government service. He began his long and illustrious career as an urban intern in June of 1969 with the Department of Housing and Urban Development. He worked for the Office of Administration as a staff member and as a manager in the Atlanta Regional Office for 16 years. Bob joined the Office of Housing as the Director of the Housing Development Division in the Atlanta Regional Office in 1990 and became the Atlanta Multifamily HUB Director in 1998. As director, Bob was responsible for the production and asset management of HUD Multifamily insured and assisted housing in Kentucky, Tennessee, Georgia and Puerto Rico. Just prior to his retirement, Bob also served in a dual capacity as Acting Director, Jacksonville Multifamily HUB. Bob's dedication and commitment to the affordable housing industry have left an indelible mark. Bob was instrumental in SAHMA's ability to establish a partnership in Puerto Rico, which had grown to more than 300 attendees at the recent seventh annual conference in San Juan.



Abebe Tsadik, Chief of Asset Management for the California Housing Finance Agency (retired)
Abebe (Abe) Tsadik recently retired as the Chief of Asset Management for the California Housing Finance Agency, which provides oversight and management to over 500 agency-financed affordable housing developments throughout California. During the past 21 years, Abe has made immeasurable contributions to the southern California affordable housing industry. He participated in the development and implementation of many of the policies and procedures for the agency's Asset Management Division that are in operation today. Most recently, Abe participated with the Department of Mental Health in the creation of the Mental Health Services Act (MHSA) program providing housing to the homeless and mentally challenged and capitalized operating subsidies to sponsors in order to operate their developments. In addition, CalHFA serves as the Section 8 Contract Administrator for over 8,000 Section 8 units. Abe was an inspirational leader who recognized the importance of partnership between the agency, residents, owners and management agents. He took a leadership role in partnering with other dedicated affordable housing agencies in the state, including HUD, the California Tax Credit Allocation Committee, and California Housing and Community Development, to streamline reporting requirements, physical inspections and other administrative functions. His attention to detail was well known and very admired throughout the agency and the community it serves.

AHMA OF THE YEAR

Regardless of size, these organizations excel in membership recruitment and retention, education and training, financial stability and growth and other criteria.

SAHMA (Large)—SAHMA continues to be a leader and an innovator among the AHMAs. In 2011 it created a new membership category for representatives of any public housing agency (state, county, municipality or other government entity or public body or agency) in its region. Because the geographical area it serves is large and its member density uneven, providing education translates into a large number of events. SAHMA plans its educational offerings in strategic cities for the convenience of its members. SAHMA continues to be an active supporter of continuing education and NAHMA's certification courses and credentialing programs. SAHMA also actively supports NAHMA's Communities of Quality® National Recognition Program and currently has 314 properties accepted into this program. SAHMA provides a diverse and extensive catalog of member services, including publications, participation in the AHMA Drug Free poster art contest (in 2011 SAHMA had nearly 1,000 participants), E-learning opportunities offered through partnerships with Rocky AHMA, the Fair Housing Institute, Grace Hill and Hestir Environmental. SAHMA bestows its Ed Sisson Leadership Award to an outstanding property management professional each year, which includes a trophy and $1,000 prize. Its Excellence in Management and Maintenance programs are gaining interest, and they recognize Manager of the Year and Maintenance Person of the Year professionals at their regional conferences. SAHMA also supports and promotes the NAHMA Education Foundation scholarship program. SAHMA maintains an 88.7 percent membership retention rate, and its 2011 training and education programs included 23 events that trained more than 900 students.

JAHMA (Medium)—JAHMA has experienced success in membership recruitment and retention, the number of courses it offers and the number of attendees and the number of Nationally Recognized Communities of Quality® properties. Its financial growth increased 76 percent over the last three years. In addition to its annual Spring Management Event, JAHMA held 12 trainings and three membership breakfast meetings with speakers on topics of current interest to its members. 2011 marked the 10th anniversary of the JAHMA Educational Foundation's scholarship program. The 25 scholarships and total of $34,500 awarded this year bring the totals over the life of the program to 172 different residents receiving $435,000 in scholarship funds. The JAHMA Foundation's IN TIME OF NEED Furniture Program (winner of the 2006 NAHMA Innovative Program of the Year Award) continues its good work on behalf of residents in need across New Jersey. Since its inception in May of 2006, the program has made 25 furniture installations on behalf of residents at 19 different apartment communities operated by 14 different management companies. JAHMA's services to its members include publications, an annual membership directory and newly redesigned newsletter. JAHMA counts among its greatest accomplishments its close working relationships with New Jersey Housing and Mortgage Finance Agency (NJHMFA) as well as HUD. In 2010 JAHMA, along with the Department of Community Affairs and NJHMFA, co-sponsored the 2011 Governor's Conference on Housing and Community Development in Atlantic City. JAHMA recently contributed $5,000 to the New Jersey Apartment Association's study on the "Economic Impact of the N.J. Apartment Industry."

PennDel AHMA (Small)—PennDel AHMA, although only seven years old, continues to excel in its accomplishments. It began in 2011 with a strategic planning meeting and created two new board committees. It created an incentive program to attract new members and increased membership in all categories. Its educational program offered more training events and it hosts an annual fall conference, which this year was attended by 280 individuals plus 44 exhibitors. PennDel AHMA actively promotes NAHMA's credentialing and recognition programs and it increased donations to the NAHMA Educational Foundation. In 2010 one of its members won a Community of Quality® Award for Exemplary Family Development.

AHMA MEMBERSHIP RECRUITMENT AWARD

This award is presented to an organization that consistently achieves outstanding member recruitment levels in relation to its size and history.

MAHMA (Large)—MAHMA aggressively identifies potential member companies. It markets all education programs to both member and non-member companies and follows up with non-member companies that send employees to a MAHMA training. It has partnered with NAA affiliates in Michigan to host education, allowing it to reach a new audience. MAHMA partnered with Indiana Quadel for its annual Agent Owner Update Conference and provided membership incentives. In 2011 MAHMA hosted its first Midwest Affordable Housing Summit in Chicago, which led to the addition of six new primary members and three new associate members. In addition, MAHMA sent a representative to the annual WHEDA conference in Madison, Wisconsin, to solicit new members providing membership incentives for attendees. MAHMA has a large service area, covering six states, but the majority of membership has historically been concentrated in Ohio, with Michigan and Illinois being the next highest membership states. However, this year with increased concentration in Indiana, MAHMA has seen an increase in membership in that state. In 2011, MAHMA achieved a 91 percent retention rate. In early 2010 MAHMA began to emphasize communication with the creation of a MAHMA Facebook page and a MAHMA LinkedIn group. In 2011 those efforts continued, with more than 90 members in the LinkedIn group and following MAHMA on Facebook. MAHMA will continue to push these new communications efforts with contests and incentives, believing that communication and participation among members is vital to its success.

NEAHMA (Medium)—At the time of its application, NEAHMA had 128 regular members, 61 full associate members and 17 new associate vendor members. It has maintained a very high retention rate of nearly 97 percent. It continues to identify ways to increase its membership, particularly through its training program and its partnerships with HUD administrators. It offers incentives to potential members (NEAHMA Bucks) so that a person can come to a training for free and experience what NEAHMA is about first hand. Its successful Annual Conference & Tradeshow helps recruit more vendor members to the organization.

AHMA INNOVATION AWARD

These organizations are recognized for innovative approaches to challenges at their sites and/or in their communities.

PAHMA and NEAHMA (Co-winners for Medium)

PAHMA (The Professional Affordable Housing Management Association in Western Pennsylvania) shares this award for its innovative 25th anniversary fall conference and celebration, which included two days of education and training, a ceremony honoring communities receiving high REAC scores, and the awarding of PAHMA Platinum Awards for Communities of Excellence. The conference included a vendor trade show that raised more than $10,000 in vendor fees.

NEAHMA received the Innovation Award for two programs. The first was for expanding its services into areas of New England further afield than its traditional focus, which resulted in its participation in Vermont, Maine and New Hampshire's Tri-State Conference. NEAHMA formed critical partnerships in these states, including one with the Maine Housing Authority that resulted in NEAHMA holding an EIV training in the state that was attended by more than 140 people. It will continue reaching out to the three northern states including through online training programs. The second innovation is the TEAM NEAHMA charity program and its relationship with the Elizabeth Stone House. This is a shelter for battered women and children. The Elizabeth Stone House awarded NEAHMA its "You Matter" award in 2011 for the many contributions made by NEAHMA members. NEAHMA also had 68 people from various management and vendor companies on its team for the Susan G. Komen for the Cure walk, which earned them an award from that charity.

PennDel AHMA (Small)—In order to increase its contribution to the NAHMA Educational Foundation, PennDel AHMA created a Fall Conference Commemorative Journal for its annual conference and raised $8,125 by selling ads, an amount later complemented by its board to raise the amount to $15,000.

AHMA COMMUNITIES OF QUALITY® AWARD

NAHMA is pleased to acknowledge those organizations with the highest number of COQ properties based on AHMA size.

SAHMA (Large)—In 2010, SAHMA had a banner year for participation in the COQ Award Program, and since then another 68 properties have become Nationally Recognized Communities of Quality®, for a total of 314 properties. During SAHMA's many state meetings, all attendees receive COQ program information, there is prominent signage to recognize the properties that participate at each state meeting, specially designed ribbons identify COQ participants and SAHMA's president proudly mentions the value of the program in every presentation.

NEAHMA (Medium)—NEAHMA received this award for having the most member properties submit applications to the COQ awards program, with more than 90 applications submitted. The majority of COQ applications that were submitted came from Peabody Properties, Inc. and The Community Builders, Inc. Both of these companies submitted a significant number of new applications each in 2011 in an effort to get most of their properties on board with the designation program and to become corporate COQ partners by having 50 percent of their properties COQ-qualified.

PennDel AHMA (Small)—PennDel AHMA continues to grow and now has 50 Communities of Quality® members. Three management company members of PennDel AHMA are COQ Corporate Partners, a distinction held by only 15 companies across the nation.

KUDOS TO NAHMA'S 2011 INDUSTRY AWARD WINNERS

NAHMA MEMBERSHIP RECRUITMENT

This award goes annually to a NAHMA member who leads in new member recruitment for the previous 12-month period (based on data maintained by NAHMA staff).

Co-winners were:

Jim McGrath, President, PRD Management, Inc., Pennsauken, N.J.
Jim is a founding board member and past president of NAHMA and a founding board member of both JAHMA and PennDel AHMA. He recruits management agents by conveying to them the tremendous value he sees in belonging to NAHMA and in forming relationships with contemporaries. In recruiting new members he shares the work NAHMA does to help shape HUD policies and regulations when necessary and invites them to come to a NAHMA meeting so they can get a sense of the true value of the organization.

Karen Newsome, Vice President, Administration, WinnResidential, Boston
Karen Newsome has served NAHMA in numerous capacities since joining the organization. Recognizing that new members are the life-blood of an organization, Karen first joined the membership and marketing committee and then became its chair. Along the way, fresh ideas and a desire to make a difference have resulted in an increased rate of incoming members. Each perspective member now has a mentor to introduce them to the organization and make them feel at home. Karen continues her commitment to the organization in this way as she is always seeking potential members and continues to bring in new members.

NAHMA COMMUNITIES OF QUALITY® AWARDS (TIE)

This annual award is given to the NAHMA members with outstanding participation in the NAHMA National Recognition Program COQ Registry (based on data maintained by NAHMA staff).

Most New in 2011:
PK Management, headquartered in Greenville, S.C.
Peabody Properties, headquartered in Braintree, Mass.
The Community Builders, headquartered in Boston, Mass.

Most Total:
AIMCO, headquartered in Denver, CO

AIMCO

PK MANAGEMENT

PEABODY PROPERTIES

THE COMMUNITY BUILDERS

NAHMA Presents Regulatory Priorities to HUD

Concerned with recent budget and regulatory direction-setting by HUD, NAHMA outlined its top 2012 regulatory priorities and issues—ranging from housing assistance payment (HAP) contract payments to Reserves for Replacement (R4R)—directly with HUD senior staff in late February.

Three NAHMA members joined NAHMA staff at the meeting. They are: Tim Zaleski, President, McCormack Baron Ragan Management Services (NAHMA Regulatory Affairs Committee Chair); Nancy Evans, General Manager, CSI Support & Development Services (NAHMA TRACS and Contract Administration Committee Chair); and Eric Strong, CEO, Jefferson County Assisted Housing Corporation (NAHMA TRACS and Contract Administration PBCA Subcommittee Chair).

NAHMA focused on seven areas that it believes are the most critical steps to overcoming the major challenges to managing and preserving quality affordable multifamily housing.

1. Full Funding and Timely Payment of HAP Contracts

As noted in the article beginning on page 1, HUD recommends a nearly $640 million cut below the 2012 appropriations level for Project-based Section 8. Fully funding 12-month contracts at time of renewals would require another $1.1 billion—a shortfall that could increase to $1.5 billion if the $400 million HUD expects in program savings does not materialize.

To close the budget gap, HUD plans to reverse its policy of full funding for 12-month contracts and offer owners incremental, partially funded contracts. The proposal's risk to day-to-day operations from late subsidy payments to owners and "incremental" or partial funding of HAP subsidy payments is unwise, NAHMA pointed out.

NAHMA recommends that HUD:

- Immediately withdraw its proposal to cut funding for the Project-based Section 8 program; and
- Request the necessary appropriations to fully fund the 12-month HAP contracts at the time of renewal.

2. HUD's Section 8 Cost-Savings Proposals

HUD's FY 2013 budget proposes savings in Section 8 Project-based Rental Assistance outlays through a variety of methods, including use of residual receipts to offset HAPs; appraisers' justification of market rents exceeding 110 percent of Small Area Fair Market Rent; and caps of budget-based rent increases at OCAF.

NAHMA recommends that HUD:

- Ensure that sweeping the residual receipts from new regulation properties does not deplete the accounts and leave the properties without contingency funds for unforeseen events;
- Withdraw its proposal to offset HAP payments with old regulation residual receipts;
- Allow flexibility in the policy to cap budget-based rent increases at OCAF levels for properties that could not operate under that limitation;
- Withdraw its Small Area Fair Market Rents' "benchmarking" proposal; and
- Provide a hardship exemption for the increase in the medical expense deduction.

3. Reserve for Replacement Policies

One area that has drawn much attention in the affordable housing industry, and particularly for NAHMA owners and agents (O/As), was HUD's direction in use of Reserve for Replacement (R4R) accounts. In objecting to the HUD policy that owners of Mark-to-Market (M2M) restructured properties are required to use the R4R account as the primary source for capitalized expenses, NAHMA also pointed out concerns about vague terminology, conflicts with other HUD policies and the impact of the policy described on the M2M properties. (See HUD Notice H 2011-30 "Use of Reserve for Replacement Accounts in Restructured Mark-to-Market (M2M) Properties.")

NAHMA believes that HUD's policy misses the goal of achieving *long-term sustainability* of the M2M properties in mind, noting that the "goals of repayment on Mortgage Restructuring Notes (MRNs) and viability of the restructured properties are not mutually exclusive."

From the perspective of O/As, HUD is implementing policies in Notice H 2011-30 that have far-reaching consequences for the financial health of the M2M portfolio before those policies have been thoroughly explained.

NAHMA recommends that:

- Rather than continue the current practice in which OAHP's reviewers make after-the-fact decisions as to which expenses should have been paid from reserves, HUD should simply defer to Chapter 4 of the 4350.1 Handbook (making any necessary updates, such as bed bug eradication);
- HUD should utilize the knowledge, judgment and competence of property owners and agents to develop coherent, consistent and reasonable R4R policies;
- Such R4R policies must also account for the financial challenges properties are facing; and
- R4R policies must recognize that except for rent increases, which are

capped at OCAF, O/As have limited means of increasing a property's cash flow.

4. Finding a Pragmatic, Balanced Approach to Bed Bugs

NAHMA was pleased to receive HUD's January 17 announcement that updated bed bug guidance would be issued within 60 days. HUD said the revision would provide greater alignment with current guidance on infestations and with state and local laws.

5. Preserving Affordable Rental Housing

In 2009 NAHMA eagerly anticipated policy changes in preservation policies (specifically in the *Section 8 Renewal Guide* and the *4350.1 Asset Management Handbook*).

NAHMA now fears that the currently proposed budget policies will negate the benefits of the proposed policy changes. Among these benefits would be promoting long-term Project-based Section 8 contracts; permitting the use of residual receipts and replacement reserves for preservation or rehabilitation; and allowing greater access to distributions to nonprofit owners.

NAHMA recommends that HUD:

- Strongly reconsider implementing budget proposals which will work against preservation;
- Provide a meaningful comment period for the Senior Preservation Rental Assistance Contracts (SPRAC) and Rental Assistance Demonstration (RAD) proposed rules;
- Continue to pursue regulatory streamlining of housing policies across federal agencies through the Rental Policy Working Group; and
- In general, support preservation policies which allow owners to achieve economies of scale; ensure properties' long-term physical and financial sustainability; and simplify the regulatory framework to focus on results rather than processes. An important step is to gather additional data from stakeholders on the potential impact of changes to programs before pursuing major statutory or regulatory changes.

Among the goals for the new subcommittee is to provide member PBCAs with a forum for discussion, information sharing, problem solving and an avenue to communicate formally with HUD as well as related industry groups.

6. Obtaining Clarity and Consistency in HUD's Previous Participation Certification Process

Intended as a "risk-assessment" tool for HUD, the Previous Participation Certifications record a multifamily housing program participant's history in meeting financial, legal and administration obligations. However, late approvals of the certifications can preclude applicants from taking on new HUD-related property ownership or management opportunities.

Chief problems with the process as reported by NAHMA members include:

- Lack of transparency in policy and procedures;
- Inconsistency among field offices on flag placement, flag removal and certification; processing; and
- Inaccurate information in HUD databases.

NAHMA recommends that HUD:

- Place a high priority on publishing workable, updated previous participation regulations which could eliminate many inconsistencies among field offices in processing certifications and removing flags; and
- Meet regularly with NAHMA and other industry stakeholders to identify technical difficulties, as well as areas of possible improvement to make the APPS system more user-friendly.

7. Improving the PBCA Program

NAHMA members remain concerned about the impact performance-based contract administration (PBCA) changes will have on their properties. NAHMA's recommendations to HUD centered on the opportunities for improvement and an orderly process as HUD prepares to re-compete PBCA contracts. (See related article on page 12 for details on the recently released PBCA NOFA.)

NAHMA focused its recommendations to HUD on three key areas: Management Occupancy Reviews (MORs); preparations for the PBCA transitions; and the NOFA and PBCA selection process.

NAHMA continues to be an active partner and strong voice in working with HUD to improve the PBCA program. For example, NAHMA's board of directors recently formed a PBCA Subcommittee within the TRACS and Contract Administration Committee.

Among the goals for the new subcommittee is to provide member PBCAs with a forum for discussion, information sharing, problem solving and an avenue to communicate formally with HUD as well as related industry groups.

See NAHMA's "Affordable Housing HUD Regulatory Policy Priorities 2012" white paper at www.nahma.org for additional details about its regulatory priorities. **NN**

NAHMA Comments on Changes Proposed for HOME

In December 2011, HUD published a proposed rule entitled "HOME Investment Partnerships Program: Improving Performance and Accountability; and Updating Property Standards" in the *Federal Register*. HUD invited public comment on the proposed rule, and after consulting with its members, NAHMA responded in a February 14, 2012 letter to HUD's Regulations Division in its Office of General Counsel.

HUD's HOME Investment Partnerships Program (HOME) provides formula grants to states and units of local government to fund a wide range of activities aimed at producing or maintaining affordable housing, both homes and rental housing. The proposed changes to the HOME program are in response to calls from members of Congress to improve oversight of the program after the *Washington Post* ran a number of investigative articles on alleged mismanagement of HUD's HOME funds last May.

The proposed rule would amend the HOME regulations to address many of the operational challenges facing participating jurisdictions, particularly challenges related to recent housing market conditions and the alignment of federal housing programs. The proposed rule would also clarify certain existing regulatory requirements and establish new requirements designed to enhance accountability by states and units of local government in the use of HOME funds, strengthen performance standards and require more timely housing production. The proposed rule would also update property standards applicable to housing assisted by HOME funds.

SUPPORT AND A FEW CONCERNS

In its letter, NAHMA noted that it supports the accountability and oversight goals of the proposed rule but would like clarification of some of the proposed regulatory language in order to prevent negative unintended consequences.

NAHMA credited the HOME program as being "a vital source of gap financing, which allows affordable properties to leverage additional capital, like the Low-Income Housing Tax Credit, to develop new or rehabilitate existing affordable housing for low-income households. In fact, many NAHMA members use funding from the HOME program in their affordable property rehabilitations."

NAHMA is specifically interested in the proposed rule's regulatory changes that would affect the management and operation of affordable multifamily housing properties. "We are intrigued by the change in the definition of 'low-income families' in Section 92.2," the letter noted.

NAHMA strongly supports a single student occupancy rule across all federal housing assistance programs and noted that the proposed definition change would help bring the HOME program's eligibility requirements in line with the statutory requirements of the Section 8 program regarding student occupancy. "We believe the change is also in line with the White House Rental Policy Working Group's goal to streamline income definitions across federally subsidized housing programs," NAHMA said.

NAHMA does have some concerns about the proposed rule's regulatory language for rehabilitation standards in Section 92.251(b)(2). The first sentence of this provision states, "Participating jurisdiction[s] must establish rehabilitation standards for all HOME-assisted housing rehabilitation activities." NAHMA recognizes that this language is intentionally broad to ensure that participating jurisdiction have the necessary flexibility to incorporate state and local building codes into their rehabilitation standards. However, NAHMA worries that this language may result in a large variation of rehabilitation standards between participating jurisdictions.

"We are particularly concerned that the resulting [rehabilitation] standards could conflict with other federal housing subsidy requirements, making it difficult for mixed-subsidy properties to use HOME grants in their rehabilitation efforts."

Furthermore, it is not certain that all of the participating jurisdictions have the necessary resources—including staff and knowledge of federal housing programs and local codes—to draft realistic rehabilitation standards. "We are particularly concerned that the resulting [rehabilitation] standards could conflict with other federal housing subsidy requirements, making it difficult for mixed-subsidy properties to use HOME grants in their rehabilitation efforts," NAHMA said. It recommended that HUD take the lead in drafting a model or recommending a minimum set of standards in order to avoid conflicting requirements with other federal, state and local programs.

CODE AND SYSTEM REQUIREMENTS COULD BE BURDENSOME

NAHMA is also concerned about the

proposed rule's requirement in Section 92.251(b)(2) that, upon project completion, a project assisted with HOME funds must "have no observed deficiencies." Based on the rule's proposed standards-setting mechanism, observed deficiencies could vary widely between participating jurisdictions, depending on the rehabilitation standards set and the inspection protocol used by the jurisdiction. As a result, NAHMA suggested that the language be reworded to state that, upon project completion, a property assisted with HOME funds "will have no major code violations." NAHMA believes this language would provide fair and consistent housing quality standards for properties assisted with HOME funds, while allowing participating jurisdictions the flexibility to meet state and local building codes.

Finally, NAHMA said it believes that the major system requirements in Section 92.251(b)(2)(iii) could result in unnecessary costs to properties during rehabilitation. The proposed standard would require all major systems to have a minimum of 15 years of remaining useful life in multifamily rental housing projects. However, NAHMA members are concerned that these standards could force owners to replace a number of the regulation-specified major systems—particularly HVACs—during rehabilitation even if the systems still have a significant amount of useful life left.

NAHMA will continue to follow and keep its members apprised of progress regarding this proposed rule. A copy of the proposed rule, which appeared in the December 16, 2011 *Federal Register*, may be found at www.gpo.gov/fdsys/pkg/FR-2011-12-16/pdf/2011-31778.pdf. **NN**

NAHMA Scholarship Deadline Coming Up!

There has been a strong response since the release of the 2012 NAHMA Scholarship application several months ago, and interested residents still have time to file a completed application before the deadline of 10:00 PM EST on May 18, 2012.

The application can be accessed by going to www.nahma.org then clicking on the NAHMA Educational Foundation icon and following the prompt on the page that comes up. All applications must be filed online. A comprehensive information section and timeline can be found with the application. Over its five-year history, the program has awarded 179 scholarships worth $179,500 to worthy students living in affordable apartment communities representing 15 different AHMAs.

"We know that there are many high-functioning students living in AHMA-affiliated properties across the country who could surely benefit from financial assistance to help pay their tuition," said NAHMA Educational Foundation Chair Wayne Fox. "The NAHMA Scholarship program has a well established track record of helping good students with their tuition costs. As a result, we want to encourage all of our member management companies and apartment community site personnel to promote this program to their residents."

In 2011, the Foundation made 30 awards worth $34,500. This year, the goal is to receive applications from residents of all 50 states and the U.S. territories. Why not assist your residents by making them aware of this program that could help to defray their education costs? There is still time to apply. Notify your residents now! NN

New Technologies Can Increase Occupancy and NOI

BY JASON SCUTT

Phone and Cable Companies Are Important Partners

Mike, the new resident, arrives at the scheduled time—Monday at 9:30 a.m.—to pick up the key to his new apartment. It's the first time he's actually been to the property and the first time he's met the leasing staff. Mike found out about the community through a Daily Deal, researched the property through his smart phone, completed the lease process via the apartment community's website and is now doing the walk-through process on a wireless tablet—pool-side.

Before he moves in, Mike confirms his rent payment option—mobile payment on the first of each month—selects the provider for Internet, cellular service and TV, sets up his utilities, and receives a 'community app' for security access to the gym, garage, community web portal and WiFi (wireless internet) service.

Several days after move-in, Mike utilizes community-wide tech support to fix his computer and TV. Later he uses his community app to submit a work order for a broken garbage disposal and purchases a pizza with a community Daily Deal coupon. Mike is moved in, comfortable and happy and has referred the property to his friends and peers via Facebook. Equally important, the owner has created new efficiencies and new revenue streams.

AN INCREASINGLY COMMON SCENARIO

This scenario would have sounded strangely futuristic in the not-so-distant past, but it's all very common today. However, the probability that all of these required individual systems have been properly put into place per property and across a portfolio of properties is very low. WiFi, cellular coverage, security, property management software, community web portals, concierge home services, MRO (maintenance, repair and overhaul) software and mobile apps are just part of a community's "techno-system."

Bringing all of these technologies together creates operational efficiencies, improves net operating income (NOI) and captures new revenues. To do this, though, you need a plan, and every month that goes by is lost opportunity and lost revenues.

A STEP-BY-STEP SOLUTION

Step 1—Backbone

The common thread of each service is telecommunications—primarily data—and the process begins with the phone and cable companies. Discussions go beyond picking a preferred vendor for marketing and access rights, which is complicated enough across a portfolio, to dealing with expiration terms, revenue shares, provider choices, etc. In today's environment, a master plan is critical and an important step when beginning negotiations with each provider.

The first step is to understand what agreements are already in place and what rights are available for negotiation. Most properties do not have these readily available, and it will require some digging to locate and/or you can use a third-party specialist to do so for you. Once complete, you then need to determine all of the viable providers per location.

Although every location typically has a phone company and cable company, they may not necessarily offer voice, video and data services to each location. For instance, Verizon Fios and AT&T's Uverse products are only available in certain markets. In addition to the national phone and cable companies, private cable operators and dish/DirectTV resellers may also offer competitive services to the property. Companies like Spot On and One Economy offer community-wide WiFi. This can be combined with Direct TV and dish providers to offer additional opportunities, not the least of which is to remove dishes off balconies in favor of a building-based solution.

The key is to map your goals to the provider's offerings, while considering a long-term vision. Keep in mind that the provider's goals are to sign up subscribers. How can you help the providers facilitate this goal while ensuring your residents' satisfaction while achieving your own goals?

When properly negotiated, telecom agreements should include complimentary services for the office and common areas, revenue shares and additional payments for subscriber acquisition. The owner will have a complete understanding of these valuable assets.

Step 2—Layering

Once you have determined the provider(s) for the property, look at all aspects of your business that would benefit from connectivity—maintenance, leasing agents, local businesses, tech support, billing, metering for utilities, referrals via social media and more.

All of the major phone and cable companies offer significantly enhanced products and services beyond voice, video and data. For example, Verizon and Comcast offer tech support, cellular services, home monitoring, WiFi and more. Look to the providers as a cornerstone to help implement some of these initiatives.

For instance,

Metering, Utilities and Community Portals: The largest challenge to accomplishing wireless metering is connectivity. A community-wide WiFi network would enable this functionality. Further, a WiFi platform enables your community website and portals to be the default landing page for each authorized user, which can be utilized for community

Jason Scutt

centric messaging (i.e., ensuring the power is in the resident's name) and helping the resident sign up for voice video and data services. This will improve any revenue share programs that may exist with the providers, incorporating bill paying, coupons, social networks and more.

Maintenance and Repair Ordering Software: As mentioned previously, a ubiquitous and useful community website or portal could also be utilized by the staff and residents to communicate work requests, process orders, complete walk throughs and more. Further, all of this information could be incorporated into the property management software and utilized on easily carried iPads or other tablets.

Remote Tech Support: A connected community relies on the devices that enable the technology, yet it's typically the weakest link in the chain. Companies like AT&T, Time Warner and MyServicesNow offer remote access tech support for computers, cell phones, Xboxes and more. It's a powerful amenity for this generation.

Cellular Coverage and Distributed Antenae Systems (DAS): Although the smart phone has become a powerful tool, anyone who has tried to use a cell phone in remote locations or in a parking garage or elevator can attest to coverage being spotty. To further compound the challenge, the FCC is considering legislation to require buildings and properties to have 100 percent coverage for emergency communications and first responders. Buildings will not be granted a certificate of occupancy without the coverage. Further, residents may not rent at a property without coverage. As before, the backbone of these services is data provided by the same telecommunication providers offering service to the residents.

SUMMARY OF BENEFITS

Creating and implementing a master plan to bring together all of these services can create efficiencies and amenities for residents, efficiencies for staff and revenue opportunities. It can get positive word of mouth out to many others quickly, renters can pay for these services faster, services can be set up faster, more revenue can be generated, better information (rather than a 30 day late list) can be available for providers, resident sentiment can be monitored, referral fees can be calculated, and daily deals and specials can be offered. Positive resident experience equals increased satisfaction which equals greater occupancy. Efficiency equals more revenue to the bottom line.

Everything revolves around connectivity. Take these steps to make it happen. **NN**

Jason Scutt is a principal of Converged Services, Inc., an independent consulting firm that represents the interests of property owners, homeowner associations, REITs and developers on current or upcoming bulk or non-bulk (Right of Entry Agreements) cable television, Internet and technology service contracts. CSI has served more than 1,000,000 residential units across the country for more than 14 years, and currently represents more than 150,000 residential units. CSI's Smart Community Master Plan delivers a holistic view of all technologies and services throughout the entire property. For more information, visit www.convergedservicesinc.com or call 954-261-2829.

HUD Launches Tax Credit Pilot

HUD RECENTLY ANNOUNCED THE LAUNCH OF THE MULTI-FAMILY Low Income Housing Tax Credit (LIHTC) Pilot Program in Notice H 2012-1.

The pilot was mandated by Public Law 110-289, the Housing and Economic Recovery Act of 2008, to streamline FHA mortgage insurance applications for projects with equity from the LIHTC program. The Tax Credit Pilot creates a distinct application platform and a separate processing track under the Section 223(f) program.

The Notice describes the features of the Tax Credit Pilot, including underwriting criteria, eligibility requirements, application exhibits and the process for HUD application review. The notice also extends the three-year rule waiver for one year beyond its current February 2012 expiration date for tax credit projects that participate in the pilot program.

The first phase of the pilot will be limited to certain HUD offices with tax credit experience. The pilot is available for permanent financing for recently constructed projects, preservation and moderate rehab for Section 8 properties, and re-syndication projects. The key features of the pilot include:

- Up to $40,000 per unit in hard construction costs
- The possibility of not being subject to Davis-Bacon wage rates
- Construction with residents in place or no more than two weeks temporary relocation
- MAP Guide underwriting
- Replacement of existing multi-year Section 8 HAP contracts with new 20-year contracts
- Maximum loans of $25 million and
- Targets of firm commitment issuance within 60–90 days of application submission and a closing within 90–120 days.

A copy of the notice can be found at http://portal.hud.gov/hudportal/documents/huddoc?id=12-01hsgn.pdf. **NN**

HUD NEWS

ON FEBRUARY 6, USDA-RD PUBLISHED ITS FY 2012 NOFA for loan guarantees under the Section 538 Guaranteed Rural Rental Housing Program. It contains information about funding distribution and application instructions. A copy may be found at www.gpo.gov/fdsys/pkg/FR-2012-02-06/pdf/2012-2539.pdf.

ON FEBRUARY 16, HUD POSTED NOTICE PIH 2012-10, "VERIFICATION OF SOCIAL SECURITY NUMBERS (SSNs), Social Security (SS) and Supplemental Security Income (SSI) Benefits; and Effective Use of the Enterprise Income Verification (EIV) System's Identity Verification Report." The notice explains the procedures PHAs are required to verify information at the time of application and during mandatory reexamination of household income, as well as the procedures for effective use of EIV's Identity Verification Report, Public Housing, Mod-Rehab, Project-Based Certificate, Project-Based Voucher and Housing Choice Voucher programs. The notice also provides additional guidance for implementation of the HUD Final Rule "Refinement of Income and Rent Determination in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments" (December 29, 2009). A copy of the notice may be found at http://portal.hud.gov/huddoc/12-10pihn.doc.

ON FEBRUARY 13, HUD PUBLISHED NOTICE H 2012-02, "COLLECTION PROCEDURES for Excess Income Receivables and Form HUD-93104, Monthly Report of Excess Income." The notice describes processes for delinquent Excess Income Receivables and missing reports for Section 236 properties and ensure that all required monthly reports are filed and required payment made. A copy of the notice may be found at http://portal.hud.gov/hudportal/documents/huddoc?id=12-02hsgn.pdf. **NN**

Entrepreneur's Entrepreneur Eager to Give Back

ROBERT WILLIS, FOUNDER AND president of AVR Resource Group, Inc., is a new member of NAHMA, attracted to the organization because of his interest in the NAHMA Educational Foundation. "I really care about helping those less fortunate—by supporting educational aspirations as well as by improving their quality of life," he said.

By quality of life, Willis means helping affordable housing communities better manage their trash, so that waste management is more cost effective and properties are better kept. AVR also does business as TrashPro, whose unofficial motto is "We talk trash but don't touch it." That's because TrashPro doesn't specialize in hauling waste. It specializes in analyzing client portfolios, hauling fees and state regulations to reveal numerous ways to cut costs, increase quality service, and consolidate contracts.

Founded in 2001, TrashPro now handles more than 800 properties with more than 125,000 multifamily units. TrashPro also advises municipalities and counsels lawmakers and courts on the specifics of the waste management business. What started as a local business with one client has grown into a professional team operating in 37 states, the District of Columbia and the Caribbean.

Part of what drives Willis is his desire to help people feel good about where they live...and to save money that can be better used to satisfy other quality-of-life issues.

LAST IN A LONG LINE OF BUSINESSES

At 73, and still working 10 hours a day, TrashPro is likely to be Willis's last start-up.

This will be quite a change for somebody who has begun 27 companies over the course of his 47 years in business. He's worked in industries as diverse as personnel leasing, child care, senior care and international pharmaceutical sales.

What led him to found TrashPro was a news article he read in 2001 about the high cost of waste management in the multifamily housing industry. The article revealed the financial inefficiency of the business as well as the burden it was taking on owners, residents, haulers and the environment.

"I asked a friend who was a veteran of property management if he had ever had the idea of auditing his trash management," Willis said. "He said he'd been approached for everything else, but not for that." This caused Willis to sense a need nobody was satisfying. As an efficiency expert with 25 years of experience streamlining businesses, Robb knew he could make an impact.

He began by reaching out to his friends in both the multifamily housing community and the trash hauling business. As he conducted contract and industry research, he began assembling a team of trash professionals that collectively knew all the finer points of waste management. A careful analysis of client portfolios, hauling fees and state regulations revealed numerous ways to cut costs, increase quality service and consolidate contracts.

To learn more about the affordable housing industry, Willis first became a member of the Institute for Real Estate Management (IREM). "At one of their trade shows I had a booth with a sign that said 'There's cash in your trash,'" he said, and six months later he had his first account, with Interstate Realty. "Because it was an affordable housing company, it was natural that we grew in that area," he said.

Although he promised his wife of 49 years that he would focus on one area, his business has expanded to include work with numerous municipalities. On the other side of the table, Willis has helped property owners settle lawsuits against states and townships for proper reimbursement of their trash and recycling fees. Most recently, he's become interested in getting property managers and even residents to see the 'green' benefits of recycling.

Part of what drives Willis is his desire to help people feel good about where they live—to make sure it's easy for residents and property managers to keep the grounds neat and to save money that can be better used to satisfy other quality-of-life issues.

ASIDE FROM BUSINESS...

When not working, what interests Willis most is his family. He and his wife have three daughters and 10 grandchildren, and they enjoy taking them boating at the Jersey shore and in Florida.

And he hopes to get further involved in the NAHMA Educational Foundation, so that his philanthropic efforts can be done—well, efficiently. **NN**

EDUCATION CALENDAR

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

APRIL

19
Spring Conference (Maintenance Focus)
PA
Chuck Scalise
(814) 453-3333

Risk Management
Houston, TX
Michael Alexander
(281) 635-4499

ME/NH/VT Agency Breakfast Meeting
TBD
Julie Kelliher
(781) 380-4344

25
MA Quarterly Meeting
MA
Julie Kelliher
(781) 380-4344

FHC
PA
Chuck Scalise
(814) 453-3333

26
CT Quarterly Meeting
CT
Julie Kelliher
(781) 380-4344

MAY

8-10
NC State Meeting
NC
Betsy Eddy
(404) 691-3337

9
Gillette One Day Extensive Training
MA
Julie Kelliher
(781) 380-4344

10
How to Deal w/Multiple Subsidies
RI
Julie Kelliher
(781) 380-4344

15-17
Multifamily Housing Conference
KY
Betsy Eddy
(404) 691-3337

16
NAHMA Drug Free Posters Due to NEAHMA
N/A
Julie Kelliher
(781) 380-4344

Basic Tax Credit Training
MA
Julie Kelliher
(781) 380-4344

17
CT Agency Breakfast Meeting
CT
Julie Kelliher
(781) 380-4344

20-22
AHMA 35th Annual Seminar
Los Angeles, CA
Debbie Hawkins
(805) 557-1088

23
Understanding REAC
MA
Julie Kelliher
(781) 380-4344

23-25
TN State Meeting
TN
Betsy Eddy
(404) 691-3337

24
Fair Housing On-Site Practices ½ Day
RI
Julie Kelliher
(781) 380-4344

Allowances & Deductions 101/201
CT
Julie Kelliher
(781) 380-4344

24
LIHTC Basics
PA
Chuck Scalise
(814) 453-3333

25
LIHTC Advanced
PA
Chuck Scalise
(814) 453-3333

JUNE

4-6
Puerto Rico Conference
TBD
Betsy Eddy
(404) 691-3337

5
LIHTC Determining Income
Worcester, MA
Julie Kelliher
(781) 380-4344

6
MA Agency Breakfast Meeting
MA
Julie Kelliher
(781) 380-4344

7
Understanding REAC
CT
Julie Kelliher
(781) 380-4344

12
FHC
RI
Julie Kelliher
(781) 380-4344

14
Fair Housing On-Site Practices ½ Day
Springfield, MA
Julie Kelliher
(781) 380-4344

19
RI Quarterly Meeting
RI
Julie Kelliher
(781) 380-4344

19-20
SHCM 1½ Day Prep Course/Exam
Boston, MA
Julie Kelliher
(781) 380-4344

21
CT Quarterly Meeting
CT
Julie Kelliher
(781) 380-4344

27
NAHMA Summer Meeting
Boston, MA
Elizabeth Tucker
(703)-683-8630, ext 12

JULY

11
Basic Occupancy
MA
Julie Kelliher
(781) 380-4344

18
Kids Day Event
TBD
Julie Kelliher
(781) 380-4344

25
NEAHMA/IREM Summer Meeting
TBD
Julie Kelliher
(781) 380-4344

AUGUST

7
LIHTC File Audit
RI
Julie Kelliher
(781) 380-4344

14-16
CPO
NH
Julie Kelliher
(781) 380-4344

16
Understanding REAC
CT
Julie Kelliher
(781) 380-4344

A Community-Minded and Mission-Driven Career

WHEN JASMINE BORREGO WAS still a stay-at-home mom of three kids, she helped develop a small park on an empty lot in her neighborhood. Little did she know that this would lead her to launch a career she would love that would last a lifetime.

When Borrego got recognized for her role in creating the park, the Pico Union Neighborhood Council asked her to work on development in the community, which she did part time. "I quickly realized that development was, like, a six-year project, and I really didn't like that—but I did like the property management aspect of what they were doing," she said. The Council's portfolio included Sections 8, 236, 202, 221 and other subsidized housing. Over her two years there, she became involved in all aspects of management.

"I'm real old school," she said. "We did everything by hand. I learned by doing and just kept growing in every way."

GETTING STEEPED IN MANAGEMENT

When the nonprofit Council needed some outside management assistance, Borrego contacted SK Management and did some consulting with them so that they could understand the Council's neighborhood. After another year or so, she went to work for a new management company, HDSI, which became another training ground for her in the area of property management. She was there for about four years.

This led to a job with the Retirement Housing Foundation (RHF), one of the largest nonprofit senior housing companies in the country. Her region covered Southern California and Puerto Rico because she spoke Spanish, and it was during her six years there (from 1993 to1999) that she received top-level management experience, got grounded in regulations, really learned her craft in dealing with HUD and built a reputation for doing things the right way. As a regional property supervisor, she was overseeing 3,000 units of affordable, tax credit and market-rate housing and a staff of 60.

Then Borrego got a phone call from TELACU asking whether she'd be interested in talking to them about a position. She said she was pretty happy where she was, but they really wanted to meet her. She interviewed with the head of human resources for more than two hours, "and we just hit it off." She met with TELACU's CEO, Michael D. Lizarraga, and they hit it off as well.

"They were looking for somebody very well rounded, because they were doing both development and preparing for the management of those properties, and sometimes the right hand of development doesn't know what the left hand in property management is doing," Borrego said. "We wanted the buildings to have the best functionality they could for our seniors and disabled residents."

"I thought I could do this in my sleep," she said, which proved difficult with 15 projects and 1,123 units. In addition to development, other owners liked what TELACU was doing—"Our properties look like retirement communities," she said—and began asking them to manage their properties.

"I thought that if we entered into this slowly and did it better and better, it would fit our mission," she said. Today she is president of TELACU Residential Management and TELACU Property Management, which manages 32 facilities with more than 4,200 units. Borrego is especially proud to be partnering with very mission-driving organizations like Project New Hope, which serves HIV-infected, homeless and disabled people.

"Now we're doing something really exciting with HUD and the state, managing properties for the disabled so that their nonprofit owners can focus on what they do best, which is to provide services," she said.

"BLESSED" IN CAREER AND FAMILY

Borrego considers herself "very blessed" to be in an industry with so many unselfish people willing to be mentors to her throughout the years. She gives back through her involvement with AHMA Pacific Southwest, on which she currently serves as vice chair. She has also been the board's vice president of legislative and regulatory affairs, and of membership.

Borrego also feels blessed that those three children she stayed home with all those years ago are now grown, married and working at careers that enable them to stay close to their community-centered roots. Her husband Fred has worked for HUD in its L.A. office for more than 40 years. "He's on the development side, though, so I don't get to mingle with him on that end, though we do have some lively discussions," she said. **NN**

NAHMANews

National Affordable Housing Management Association

400 North Columbus Street, Suite 203

Alexandria, VA 22314

www.NAHMA.org

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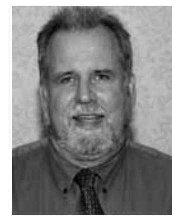
PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

thelastword

BY SCOTT REITHEL, NAHP-e



Strategic Planning Maps Our Future

IN LOOKING OVER THE FIRST quarter of 2012, it is amazing to me how busy NAHMA staff, committee members, board of directors and individual members have been at attending to the business of achieving NAHMA's mission. I feel that in no small part this was aided by NAHMA's having a five-year strategic plan in place that began in 2007.

After noting the unqualified success of the accomplishments of the 2007-2012 NAHMA Strategic Plan, NAHMA staff, board members and several committee chairpersons met this past February in Scottsdale, Arizona to develop the 2012-2016 Strategic Plan. With the facilitation of strategic planning consultant Bruce Butterfield, the attendees utilized the World Cafe strategic plan methodology designed to encourage discussion of significant topic questions.

The day-long session addressed the five elements of NAHMA's "preferred future," which are: has an effective grassroots advocacy program that attracts broad participation and raises understanding that affordable rental housing is essential to the nation's wellbeing; has created clear value for owners and other customers that entices them to provide financial support and influence; has formalized mechanisms to assist AHMAs in providing valued programs and federal and state advocacy; offers the preferred designations and certification recognized by multifamily housing stakeholders; and offers access to an educational curriculum that meets clearly defined customer needs and NAHMA's financial goals.

By strictly focusing on these five elements of NAHMA's preferred future, it was remarkable how the discussions materialized into a viable draft strategic plan.

The draft strategic plan was presented to the AHMAs and also to the members in attendance at the Executive Council meeting at NAHMA's March Winter meeting. NAHMA took feedback from the members, looked at the various objectives identified and set priorities for the future. We will finalize the plan and then roll it out to the full membership.

Some priorities identified for implementing the strategic plan include advocacy toolkits for both the AHMAs and individual members, evaluating NAHMA's credentialing program and coursework, and developing succession planning for NAHMA and the AHMAs.

I feel confident that the upcoming strategic plan will build upon NAHMA's already strong foundation.

During my career in the affordable housing industry, I, like many of my colleagues, are often asked why I stay in this industry while enduring its numerous regulations and sometimes unrealistic and demanding challenges. Reflecting on the strategic planning session and on my years of attendance at NAHMA meetings, I am thankful for the opportunities I have to spend time with NAHMA members and staff who are so genuinely passionate about the housing needs of lower-income Americans. **NN**

Scott Reithel is Vice President of Property Management for Community Housing Partners and President of NAHMA.