

# NAHP Update

## Rule on 2530 Regulations Becomes Final

BY JENNIFER JONES

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In October, the Department of Housing and Urban Development (HUD) issued final regulations for reviewing the previous participation in federal programs of certain participants seeking to take part in multifamily housing and health care programs administered by HUD's Office of Housing. The rule became effective Nov. 14. In addition, the agency offered training on the rule and its accompanying Processing Guide on Nov. 7 via a webcast that will be archived for later viewing.

According to HUD, by targeting more closely the individuals and actions that would be subject to previous participation review, HUD brings greater certainty and clarity to the process. HUD also provides program participants, and the agency, with flexibility in the necessary previous participation review for entities and individuals that is not possible in a one-size fits all approach. Through the rule, HUD replaces the current previous



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



participation regulations in their entirety. In August 2015, HUD published a proposed rule that revised regulations for reviewing 2530s in an effort to clarify and simplify the review process. In its 2015 comments, NAHMA applauded HUD's efforts to

in the preamble, including minimizing burdens for HUD and its program participants and reducing the number of respondents who must file as participants. However, NAHMA stated, the text of the rule rather than the preamble will control how HUD

Overall, most of NAHMA's comments focused on the need for more information on various parts of the proposed rule. For a complete overview of NAHMA's comments, see the November/December 2015 edition of *NAHMA News*, available in the Members Only section of the website, [www.nahma.org](http://www.nahma.org).

After reviewing the comments submitted by NAHMA and other stakeholder groups, the final rule issued in October seeks to formally clarify and simplify the 2530 process.

Together with an accompanying Processing Guide, the final rule clarifies which

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revise and streamline the so-called 2530 regulations and noted that there are a number of positive concepts set forth

actually regulates the policy, and there were disconnects between assertions made in the preamble and the proposed regulations.



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individuals and entities will undergo review, HUD's purpose in conducting such review, and the review to be undertaken.

The final rule and the accompanying guide can be found on the NAHMA website in the HUD Issues section of the Agencies tab.

## THE CHANGES

According to HUD, some of the changes made to the proposed rule include:

- Reorganizing information relating to the evaluation of risk into a separate definition of risk.
- Clarifying that Covered Projects include projects subject to continuing HUD requirements only if those requirements are made in connection with a program administered by HUD's Office of Housing.
- Revising terminology to clarify that Controlling Participants include both Specified Capacities and the individuals and entities that control the Specified Capacities.
- Including construction managers as Controlling Participants in hospital projects

insured under section 242 of the National Housing Act.

- Specifying that individuals or entities with the ability to direct the day-to-day operations of a Specified Capacity or a Covered Project are Controlling Participants.
- Specifying that board members of a nonprofit that do not otherwise control the day-to-day operations of the nonprofit are not Controlling Participants.
- Clarifying that a change in Controlling Participants is a Triggering Event if HUD consent is required for such change.
- Providing more detail on when a Controlling Participant may be disapproved

from participation in a Triggering Event on the basis of being restricted from doing business with other government agencies.

- Specifying that the same individual who rendered the initial review shall not render reconsideration decisions.
- Specifying that Controlling Participants shall receive at least seven business days advance notice of a reconsideration.
- Eliminating the bid to purchase a Covered Project or mortgage note held by the Commissioner from the list of Triggering Events. **NU**

*Jennifer Jones is manager of communications and public relations for NAHMA.*

# HUD Seeking to Make Benchmarking a Requirement

**T**he Department of Housing and Urban Development (HUD)'s Office of Multifamily Housing is encouraging owners to incorporate utility benchmarking as part of their asset management by tracking, analyzing and reporting energy consumption and the costs associated with property management.

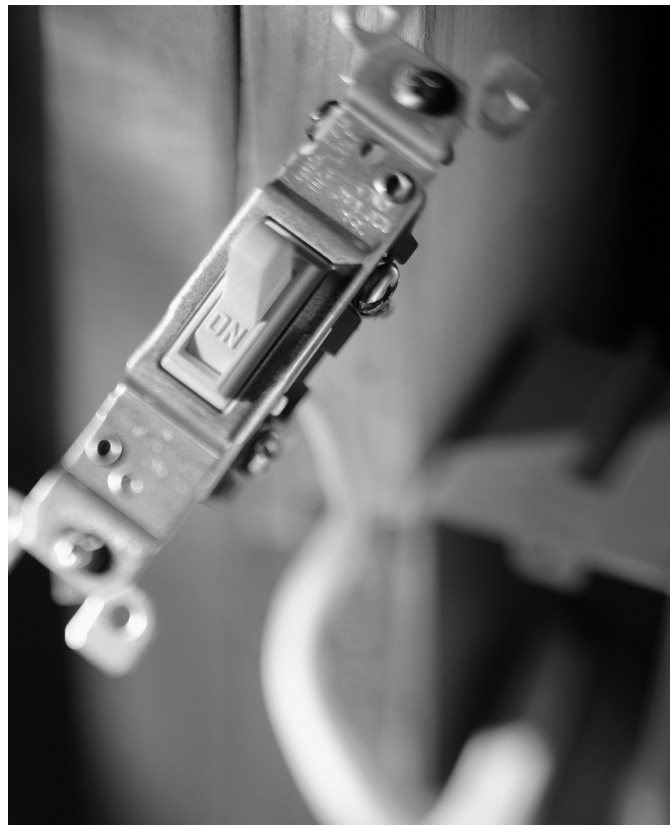
In addition, on Oct. 4, HUD published notices seeking public comments on requiring energy benchmarking reporting for properties with Project Rental Assistance Contracts, Housing Assistance Payment contracts and multifamily properties that are already or about to be FHA insured. The comment period ended Dec. 5.

The notices can be found on the NAHMA website in the HUD Issues section.

The notice aligns with both the President's Climate Action Plan as well as HUD's efforts to improve the energy and water-efficiency of affordable housing. According to HUD, the benchmarking initiative will allow property owners to make data-driven decisions, possibly resulting in reduced operating costs and improved performance over time.



To learn more about energy benchmarking, visit <https://www.hudexchange.info/programs/utility-benchmarking>



Covered properties for this reporting requirement include:

- Section 202 Project Rental Assistance Contracts (PRAC)
- Section 811 PRAC and Project Rental Assistance contracts
- Section 202/162 Project Assistance Contracts
- Section 202 Senior Preservation Rental Assistance Contracts
- Section 8 Housing Assistance Payment contracts
- Multifamily Housing properties insured under Sections 223(a)(7), 223(f), 221(d)(3) 221(d)(4), 220, 231, 236, and 241(a).

Owners of covered proper-

ties are encouraged to voluntarily submit water and energy benchmarking data to HUD on an annual basis. HUD will require that owners submit benchmarking information on the following schedule, subject to revision:

- For HUD-assisted properties with a utility allowance, at the time of a triennial utility allowance baseline calculation;
- For HUD-assisted properties where there is no utility allowance, every third year at the time of financial statement submission;
- Prior to issuance of new FHA mortgage insurance under Sections 223(a)(7), 223(f), and 241(a);
- With a Capital Needs

Assessment submission required by the Office of Asset Management and Portfolio Oversight in HUD's Office of Multifamily Housing Programs on a 10-year cycle; and

- With a Capital Needs Assessment submission required as part of any enforcement action.

The first scheduled submission date for a majority of assisted-housing respondents is estimated to occur in 2019. HUD has dedicated technical assistance resources to help owners collect, track and analyze the energy data. This includes building a website (<https://www.hudexchange.info/programs/utility-benchmarking>) with tools, case studies and links to federal resources.

To help owners with the greatest need for technical assistance in complying with the benchmarking requirement, HUD is partnering with the Environmental Defense Fund and TDA Consulting to create the Climate Corps for Affordable Housing Summer Fellowship program.

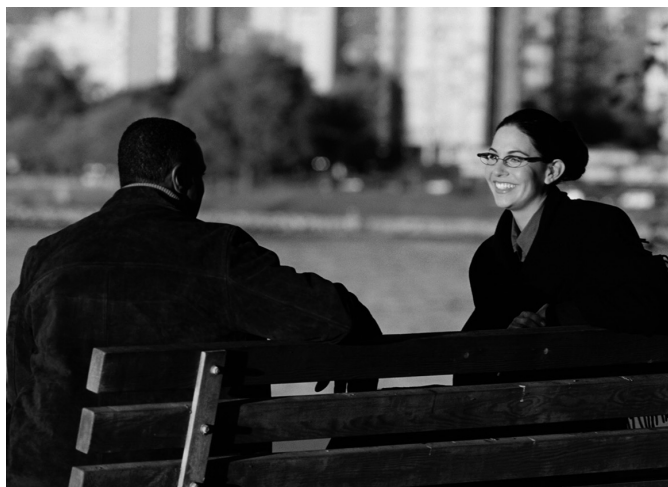
The program will embed 12 fellows with affordable housing organizations across the country for the summer of 2017 and will be offered at no cost to host institutions, which will be chosen based on need. This free, full-time technical assistance will allow affordable housing organizations to get ahead of the curve on this upcoming HUD requirement. **NU**

# Fighting the Winter Blues

**N**ow that winter is approaching and the days seem shorter, are you feeling the winter blues? Did you know that is actually a thing?

After daylight savings ends, there are people who experience a change in their mood and it has nothing to do with the stresses associated with the holidays. It is seasonal affective disorder, which is a type of depression usually brought on by the lack of natural sunlight during the fall and winter seasons. However, some people can experience the disorder during the spring and summer.

Symptoms can start out mild and become more severe as the season progresses, according to the Mayo Clinic. The cause of the disorder is



ness or helplessness

- Irritability, restlessness

- Loss of interest or pleasure in activities you used to enjoy

- Fatigue and decreased energy

- Difficulty concentrating, remembering details and making decisions

- Difficulty sleeping or oversleeping

improve your mood.

The Mayo Clinic suggests seeing a doctor if you feel “down” for days and just cannot get motivated to do activates you normally enjoy. This is especially important if your sleep patterns and appetite have changed or if you feel hopeless, think about

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unknown, but changes in serotonin levels, melatonin levels or in your biological clock, also known as circadian rhythm, may play a part, according to the Mayo Clinic.

According to the Department of Health and Human Services (HHS), symptoms can include:

- Sad, anxious or “empty” feelings

- Feelings of hopelessness and/or pessimism

- Feelings of guilt, worthlessness

- Changes in weight

- Thoughts of death or suicide

Outside of moving to a tropical island, there are things you can do to fight off the winter blues. You can make your work and home environment brighter by opening blinds or sitting closer to a window. Make sure you get outside for lunch or a long walk and soak up some natural light, even on cold or cloudy days. Finally, regular exercise or other physical activity can help reduce stress and

suicide or turn to alcohol for comfort or relaxation, according to the Mayo Clinic.

A doctor can recommend treatment such as light therapy, also known as phototherapy, which is exposure to artificial light that mimics natural outdoor light. However, HHS cautions that not everybody responds to this type of therapy alone and may need to incorporate antidepressants or consult with a professional therapist. **NU**

## Welcome New Certificants!

### NAHP

- >> Lakilya Nichelle Brown  
WinnCompanies  
Cambridge, MA
- >> Gary Salmon  
Alco Management Inc.  
Elkton, KY

### NAHP-e

- >> Jason Tucker  
Maloney Properties Inc.  
Wellesley, MA
- >> Carl Zack  
Jewish Community Housing  
for the Elderly Services  
Inc.  
Brighton, MA

### NAHMS

- >> Willie Andrews  
Maloney Properties Inc.  
Dorchester, MA
- >> Mohahir Balgobin  
Maloney Properties Inc.  
Dorchester, MA
- >> Drew Dabney  
Community Realty  
Management  
Pleasantville, NJ
- >> Lee (Chuck) Miles  
Corcoran Management  
Braintree, MA
- >> Bonthoeun (Andy) Men  
Maloney Properties Inc.  
Boston, MA
- >> Alfred Nune  
Maloney Properties Inc.  
Waltham, MA
- >> Zhou (James) Wong  
Maloney Properties Inc.  
Boston, MA

### NAHMT

- >> Jose Lopez  
Maloney Properties Inc.  
Worcester, MA
- >> Juan G. Rivera  
Corcoran Management  
Braintree, MA



# Service with a Personal Touch

**NAME:** D. Jo McNamara,  
NAHP-E, SHCM, FHC, CPM,  
CAPS, HCCP, COS

**MANAGEMENT COMPANY:**  
B & R Property Management

**POSITION:** Executive Vice  
President

When D. Jo McNamara and her husband, started B & R Property Management in Las Vegas in 1981, they had to learn about the affordable housing industry on the fly.

"We learned about Section 8 and tax credits on the job," McNamara said. "We started out doing tax credits in a state that didn't have compliance regulations."

The McNamaras previously worked in real estate mortgage

and loan processing for multi-family and commercial developments. After a client asked them to stay on and manage the property they had helped develop, a family business was born.

"We formed the company with one client then took on other properties," she said. "We wanted to focus on knowing all sides of the business. We were able to learn more and collect more clients."

Today, B & R has about 200 employees and manages more than 30 conventional and affordable apartment communities.

As executive vice president, McNamara is responsible for the operation of the management office and is administrator of all Section 8 and IRS Section 42 housing tax units. She also

moonlights as an interior decorator when a client asks for help.

"I did a model for a client. We hired a designer to do an office and we were disappointed with the results. So, I did it myself," she said. Owners appreciate the extra effort because they are not paying a design service. Instead, they can put that money into nicer things."

Taking on interior design is just part of the job, McNamara said. "We are a family business. We're very personal with what we do. It's an extension of what we do."

In addition, McNamara serves as the Nevada director of the AHMA-PSW board of directors. As a director, she acts as a liaison between housing professionals and the AHMA, assisting in setting the training

schedule offered by the AHMA as well as helping organize the annual Nevada seminar.

"I accepted the director position because it allows me a seat at the table," she said. "It's a great opportunity and a privilege to be surrounded by all these people with great history and knowledge."

Because of its size geographically, the AHMA customizes programs specific to state and local needs.

"We get to a lot of people that were underserved locally," she said. "We hold trainings and meetings for people who can't travel. That way, we can get more people involved."

When not working, McNamara spends time with her husband of 34 years, their two grown children and their beagle. **NU**

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS