NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

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PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

IN THIS ISSUE

COMMUNITIES OF QUALITY

HUD Proposes Rent Reforms, Work Requirements

On April 25, Department of Housing and Urban Development (HUD) Secretary Ben Carson released a legislative package to comprehensively reform rent structures in HUD's rental assistance programs. The proposal, which requires congressional approval, is titled the "Making Affordable Housing Work Act of 2018" and would affect all rental assistance programs, including Public Housing, Housing Choice Vouchers and Project-Based Rental Assistance programs.

In a press release, the HUD secretary said, "Currently, Congress requires HUD-assisted households to contribute 30 percent of their adjusted income toward rent while the government pays the difference, up to a maximum amount. This approach, with its complicated set of income certification requirements, imposes substantial administrative burdens on PHAs and owners and may suppress residents' earned income."

The administration's efforts to reform affordable housing rent structures began with the president's budget requests for fiscal years (FY) 2018 and 2019, which proposed rent reforms such as raising or establishing minimum rents, eliminating certain utility reimbursements and freezing certain management fees for one year. After congressional appropriators rebuffed the reforms as part of the FY 2018 appropriations process, HUD released the proposal in the form of administrative legislation linked to the FY 2019 budget request.

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Groups Sue HUD, Carson

SEVERAL NEWS ORGANIZATIONS have reported that fair-housing advocates filed a federal lawsuit in early May against the Department of Housing and Urban Development (HUD) and HUD Secretary Ben Carson for the January suspension of the Affirmatively Furthering Fair Housing (AFFH) rule until at least 2024.

According to *The New York Times*, a coalition of national and Texas-based housing groups argue Carson violated the 1968 Fair Housing Act by failing to ensure HUD had a plan to make sure the $28 billion allocated for Hurricane Harvey relief is distributed without discrimination.

The *Washington Post* said a draft of the lawsuit it obtained "alleges Carson unlawfully suspended the 2015 rule by not providing advance public notice or opportunity for comment."

According to Axios, a draft it obtained said the groups argue that suspending the rule is "effectively removing civil rights oversight of as much as $5.5 bil-

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QUERIES: Letters to the Editor and other queries should be sent to Jennifer Jones at the address above.

inside nahma

BY KRIS COOK, CAE

It's Never Too Late to Become COQ Certified

THE COMMUNITIES OF QUALITY (COQ) National Recognition Program is just one of the ways NAHMA and its members are changing the perception of affordable housing. By using a series of third-party inspections and reporting, communities certify that they meet stringent standards in physical maintenance, financial management, programs and services, employee credentials and other criteria. Even then, only the best of the best qualify to call themselves a COQ property. And, our new smart badge program, see page 26, makes it easier for properties to promote the achievement.

Property managers or owners of affordable multifamily rental housing in the U.S. can apply for COQ National Recognition at any time during the year. Applicants' properties receive scores for physical inspections, employee credentials, financial management, programs and services, endorsements and photographs and reports. Applicants must score a minimum of 225 points to receive COQ certification or 200 points for properties with 49 units or less. Properties that score more than 325 points are automatically eligible to compete in NAHMA's Communities of Quality Awards competition, see page 25 for more about this year's awards competition.

The program, originally funded through a Fannie Mae Foundation grant, sets national standards that take an objective look at what makes an excellent multifamily affordable housing community using such independent, verifiable benchmarks as Real Estate Assessment Center scores, Department of Housing and Urban Development reports, third-party inspections, employee development and resident enrichment services.

Earning COQ recognition has many benefits, not just to the management company responsible for the property, but for the staff and residents as well. The program also helps dispel the myths surrounding affordable housing for elected officials and the public.

Program recognition is a good marketing tool for companies, allowing them to show clients how much a management company cares about maintaining high standards, and by extension, how they will maintain their clients' property. Additionally, it illustrates the hard work put in by the on-site personnel and volunteer boards while projecting professionalism.

The program helps residents feel more secure and even proud to be living in a community that has earned the COQ designation. Some properties hold resident celebrations, put up banners and affix the COQ logo to correspondence and other communications tools as a way to bolster that sense of pride-of-place year round. The COQ certification helps attract top-notch staff. Moreover, the recognition also creates some bragging rights.

Another benefit of the recognition program, and one of the impetuses for its creation, was to establish creditability, especially when lobbying elected officials on the importance of funding affordable housing programs. By assigning verifiable quantitative value to what makes up a quality community, NAHMA can provide affordable housing data by state, county, congressional district and ZIP code through its NAHMA Maps feature on its website. Additionally, NAHMA maintains a database of COQ properties on its site. **NN**

Kris Cook, CAE, is executive director of NAHMA.

To read a *NAHMAnalysis* on the plan, visit the Members Only section of nahma.org.

RENT STRUCTURES AND VERIFICATIONS

According to HUD's press release, the department is proposing a simplified structure of "core rents" that could be designed by the secretary or by the public housing authorities (PHAs) and owners themselves, as long as they serve the same number of people and provide hardship exemptions. Examples of alternative rent structures include tiered rents, where rents are determined within income bands with the intent to relieve administrative burden and to remove disincentives to increase earnings within each band; stepped rents, where rents are increased gradually on a predetermined schedule to incentivize self-sufficiency over time; and timed escrows, where rent increases due to change in income levels are placed into an escrow account made available to the family upon program exit.

Additionally, annual income verifications would be reduced to every three years; interim income verifications that result in higher rents would be prohibited, and the threshold for triggering interim verifications resulting in lower rents would be greater—harder to achieve, therefore less frequent. The reduced verification frequency aims to minimize administrative burden, incentivize increased income earning and reporting, and reduce the disincentive to two-parent households in which both adults have earned income.

RENT CALCULATIONS

In addition to the efforts at reducing burden and incentivizing earnings, the proposal also increases a number of requirements on HUD-assisted residents. Minimum rents for non-elderly or non-disabled households would be increased to approximately $150 per month or higher, which is three times the current level, while minimum rents for elderly or disabled households would be set at $50 per month. The bill also gives the secretary the authority to raise the minimum rent through regulation.

Resident contributions to the rent would also be increased to 35 percent—or 30 percent for new elderly and disabled households—of gross income, which represents a 5 percent increase that is magnified by removing significant deductions from the calculation, such as for medical expenses. In the absence of a hold harmless provision, currently assisted elderly and disabled households would not be exempt from rent increases; however, the increases would be phased in over a number of years, as opposed to immediately following enactment, should it be approved.

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Groups Sue HUD, Carson, *continued from page 1*

lion per year until 2024 or later for almost 1,000 jurisdictions." The draft also said, "Under HUD's pre-2015 process, jurisdictions throughout the country routinely ignored problems of segregation and discrimination while continuing to collect HUD funds."

On July 16, 2015, HUD issued the final rule on AFFH. The final rule came on the heels of a proposed rule that received more than 1,000 public comments when it was issued on July 19, 2013. At that time, the proposed rule described the new assessment of fair housing (AFH) process that replaces the Analysis of Impediments performed by states and local jurisdictions and extended the requirement to complete an AFH to public housing authorities (PHAs). The final rule requires PHAs, states and local jurisdictions to complete an AFH once every five years.

As described in the final rule, the purpose of AFFH is to provide program participants with an effective planning approach to aid in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice and foster inclusive communities that are free from discrimination.

The rule states, "a program participant's strategies and actions must affirmatively further fair housing and may include various activities, such as developing affordable housing, and removing barriers to the development of such housing, in areas of high opportunity; strategically enhancing access to opportunity, including through: Targeted investment in neighborhood revitalization or stabilization; preservation or rehabilitation of existing affordable housing; promoting greater housing choice within or outside of areas of concentrated poverty and greater access to areas of high opportunity; and improving community assets such as quality schools, employment, and transportation."

According to the *Post*, Carson suspended the rule in January, which allowed local and state governments to continue receiving HUD funds without compliance with the full requirements of the Fair Housing Act. The *Post* article reported that HUD stated its decision to suspend the rule was because one-third of the 49 plans already received were rejected as incomplete or inconsistent with fair housing and civil rights requirements. Most of those plans were later accepted after HUD officials helped revise the plans. The agency went on to say the process was burdensome and required too much of HUD resources to help revise the plans.

Carson, in an opinion piece written for *The Washington Times* said of the rule, "These government-engineered attempts to legislate racial equality create consequences that often make matters worse. There are reasonable ways to use housing policy to enhance the opportunities available to lower-income citizens, but based on the history of failed socialist experiments in this country, entrusting the government to get it right can prove downright dangerous."

National Affordable Housing Insurance

The **National Affordable Housing Program (NAHP)** is an innovative insurance program that was designed specifically to meet the needs of the affordable housing market.

Our competitively priced package policy offers comprehensive property and casualty coverages to **public housing authorities (PHA), rural housing, low-income housing tax credit properties,** and **not-for-profit** affordable housing properties. We can accomodate small to large property schedules and most types of building construction.

NAHP can furnish customized coverage and is available through local independent insurance agents. We have the ability to tailor an insurance plan to best fit any local, state, or national situation.

Property – available on a variety of forms, including: Blanket Limits and Agreed Value.

Inland Marine – protects mobile equipment and miscellaneous tools.

Crime – includes theft, money and securities, employee dishonesty and more.

General Liability – provides a limit of \$1,000,000 per occurrence/\$2,000,000 annual aggregate (higher limit options are available).

Auto – can include various endorsements to meet your specific needs.

Equipment Breakdown – satisfies various inspection requirements and provides limits to meet your total insurable values.

Public Officials Liability – available to PHA's to cover board members and to satisfy various HUD requirements.

For more information on **the National Affordable Housing Program** or our other products call **1-877-843-1222** or visit us at **www.brokersrisk.com/nahp**

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HUD PROPOSES RENT REFORMS, WORK REQUIREMENTS, *continued from page 4*

WORK REQUIREMENTS

The proposal allows PHAs and owners to impose work requirements on families and individuals receiving rental assistance, except for disabled or elderly households—every adult in the household must be disabled or over 65 to be exempt. Under the proposal, the secretary can designate through regulation other types of households that would qualify for exemptions, as well as maximum hourly requirements and qualifying activity types. PHAs and owners who impose work requirements would be exempt from community service and self-sufficiency requirements.

According to a recent article published by American Enterprise Institute, “helping people on Medicaid, SNAP, and housing assistance get to work is the best way to help them attain incomes above the poverty level. It will also help such people improve their health and gain a sense of dignity, ultimately making their communities stronger.”

However, there is debate over how best to help HUD-assisted households access the labor market. The Center for Budget and Policy Priorities (CBPP) recently published an article in response to HUD’s work requirement proposals, saying that “most rental assistance recipients who can work do, but low-wage workers often have unpredictable hours, ranging from 40 hours in some weeks to just a fraction of that amount in others.”

The CBPP article goes on to say that “many rental assistance recipients seeking work would not have access to training to prepare them for available jobs, transportation to job sites, or subsidies to help care for children or for family members who are ill or have disabilities … [instead], policymakers who want to help rental assistance recipients succeed should focus on strengthening two HUD initiatives (Jobs Plus and Family Self-Sufficiency) that use service coordination and incentives to support work and have shown promising results without the risks of punitive work requirements.”

According to a recent article published by American Enterprise Institute, “helping people on Medicaid, SNAP, and housing assistance get to work is the best way to help them attain incomes above the poverty level.

OTHER CONSIDERATIONS

Because there is no hold harmless provision for newly assisted elderly and disabled households, property managers would need to maintain parallel rent rules for similar households depending on when they began receiving assistance.

In addition, for rent setting and work requirement purposes, the proposal changes the definitions of “elderly” and “disabled” households. In order to be exempt from work requirements, or in order to qualify for the lower minimum rents and contribution levels allotted to seniors and disabled families, every member of the household would need to be at least 65 years of age or disabled, excluding caregivers or live-in aides. The definition change is only for rent calculation, interim income examinations and work requirement purposes, not for program eligibility.

NAHMA will continue to keep members up-to-date as the legislative proposal makes its way through Congress. **NN**

BY LARRY KEYS JR.

Providing Strategies On Mobility from Poverty

RECENTLY, I RAN ACROSS A PAPER "Restoring the American Dream: What Would It Take to Dramatically Increase Mobility from Poverty?" David Ellwood and Nisha Patel, who lead the U.S. Partnership on Mobility from Poverty, wrote the paper. According to their website, "… the U.S. Partnership on Mobility from Poverty consists of 24 leading voices representing academia, practice, the faith community, philanthropy and the private sector. The partnership's collective ambition is that all people achieve a reasonable standard of living with the dignity that comes from having power over their lives and being engaged in and valued by their community."

From their paper, the partnership highlighted five strategies: change the narrative; create access to good jobs; ensure ZIP code is not destiny; provide support that empowers; transform data use. These strategies can be implemented at the national and local level. In an effort to share insights and evidence-backed strategies, I encourage NAHMA members to read the full paper, which can be found on the U.S. Partnership on Mobility website, https://www.mobilitypartnership.org/. Below are highlights of the partnership's strategies on increasing mobility from poverty, as provided by Ellwood and Patel.

1. Change the narrative. Narratives are the stories we tell ourselves and others to help us make sense of the world around us and to help us understand cause and effect. The partnership identified three prominent and damaging narratives about poverty and mobility: people in poverty have no one to blame but themselves; people in poverty are helpless victims; and the rare, spectacular "rags-to-riches" stories that prove the American dream is still achievable. The partnership determined three elements critical to effectively recasting narratives around poverty and mobility: humanize people living in poverty, expose the structural forces that shape poverty and partner with allies who can help reshape the narrative.

2. Create access to good jobs. Today's workers are much less likely to work for one long-term employer, belong to unions or have jobs that provide good wages, benefits and protections. To restore the American dream, everyone willing to work hard and learn new skills must have a pathway to a good job. The partnership identified two underemphasized approaches that could make a real difference: improve pathways to good jobs, including education and skills training; and transform jobs with low wages, erratic work hours, and/or limited or no benefits into good ones.

3. Ensure ZIP code is not destiny. Many low-income families live in communities suffering from disinvestment and distress. The partnership identified four approaches that respond to the challenge: increase access to opportunity communities through efforts that combine revitalization, affordable housing and moves to higher opportunity areas; reform the justice system to better address the needs of people living in communities of concentrated poverty; improve access to the financial services necessary to pursue vital economic opportunities; and increase availability of safe, stable, affordable housing in high opportunity communities for families with young children.

4. Provide support that empowers. Too often services are delivered in ways that stigmatize and isolate, depriving people of autonomy and responsibility. Brain scientists are also learning how pernicious the stress of deprivation and the challenge of coping with competing demands can be over different life stages. Service delivery systems should take the "whole person" and "whole family" approaches, recognizing the strengths and needs people have during different phases of human development by investing in solutions for young children, adolescents and adults—including expansion of income support that reinforces work and autonomy (e.g., earned income tax credit and the child tax credit).

5. Transform data use. Invaluable data exist in federal, state and local governments, nonprofits and the private sector. But in many communities, data are mostly unused and inaccessible to low-income families, program executives or researchers. The partnership proposes an initiative to engage a small group of willing and committed communities to generate initial highly visible reforms and successes. The initiative would provide proven templates and metadata standards, as well as effective privacy and access protections. The value of such a core infrastructure would be championed by credible "data shepherds" to help build out to additional communities and data sources.

The debate on poverty has been going on for decades. I hope our leaders seriously consider the opportunity to make needed reforms and provide meaningful solution to combat poverty. It is encouraging to see the work of the U.S. Partnership on Mobility from Poverty. **NN**

Larry Keys Jr. is director of government affairs for NAHMA.

BY FREDDIE MAC

New Analysis Highlights Benefits of Rent-Restricted Properties

A NEW ANALYSIS BY FREDDIE MAC (OTCQB: FMCC) has concluded that over the last five years, individuals living in apartments with rents restricted through the Low-Income Housing Tax Credit (LIHTC) program have saved thousands of dollars annually compared to similar, market-rate properties.

Authored by Freddie Mac Multifamily's Research and Modeling team, the new research looks at nine representative counties across the United States and concludes that in those areas, the average LIHTC restricted rent was 38 percent lower than the average market rate rent in 2017. The paper goes on to point out that, averaged across the surveyed markets, a renter in a market-rate, two-bedroom unit spent $7,500 more per year than a renter in a similar LIHTC property. In higher cost areas, this difference totaled more than $22,000.

"Our analysis shows that in a given year, renters living in LIHTC and other rent-restricted properties can save thousands—even tens of thousands—of dollars in rent," said Steve Guggenmos, vice president of Research and Modeling for Freddie Mac Multifamily. "Our research shows that while rent growth in restricted properties has been measured and predictable, market-rate rents have grown quickly and unevenly, because rental housing demand exceeds supply. It also illustrates the hardship faced by families who qualify for rent-restricted properties but cannot find a unit due to lack of supply—a reality that can cost an already-struggling family substantial sums of money."

The paper compares average market-rate rents against restricted rents for two-bedroom units in nine counties across the country (see below), looking at four in-depth. It concludes that between 2012 and 2017, market rent increases ranged from 1.6 percent to 7.9 percent annually. This averaged 5 percent annually. Annual rent spikes of more than 7 percent took place in seven of the markets.

During the same period, restricted rents saw stable and measured growth. Changes ranged from -0.7 percent to 3.2 percent annually, and averaged 0.9 percent per year. The greatest annual rent spike was less than 5.5 percent. This means that in 2017, a tenant in a market-rate unit spent anywhere from $7,500 to $22,000 more per year than a tenant in a similar, LIHTC-restricted rent unit. While restricted rentals will continue to be much more affordable, the paper does predict that formulas determining restricted rents suggest increases in the coming two years.

According to the paper: "Renters in units with restricted rents enjoy significant benefits over their counterparts in market-rate housing, many of whom qualify for restricted rents but due to the lack of available supply are unable to benefit...For those households that qualified for, but were unable to move into rent-restricted housing, the substantial market-rate rent increases since 2012 are causing serious financial hardship." **NN**

Annualized County Rent Growth Rate Comparison, 2012-2017

COUNTY	METRO AREA	RENT CALCULATION	RESTRICTED RENTS	MARKET-RATE RENTS
Bernalillo County, NM	Albuquerque, NM	60% AMI	0.0%	2.2%
Davidson County, TN	Nashville, TN	60% AMI	0.5%	7.9%
Hennepin County, MN	Minneapolis, MN	60% AMI	1.5%	5.9%
Hudson County, NJ	New York, NY	40% FMR	3.2%	1.6%
Los Angeles County, CA	Los Angeles, CA	40% FMR	1.3%	5.7%
Orange County, FL	Orlando, FL	60% AMI	0.1%	5.5%
Riverside County, CA	Los Angeles, CA	40% FMR	-0.7%	4.9%
Salt Lake County, UT	Salt Lake City, UT	60% AMI	1.1%	5.6%
Travis County, TX	Austin, TX	60% AMI	1.4%	6.2%
9 County Average:			**0.9%**	**5.0%**

SOURCES: *Freddie Mac, Yardi Matrix, Axiometrics, and Novogradac & Co.*

The paper can be viewed at https://mf.freddiemac.com/research/insight/20181603-restricted-rents.html.

Freddie Mac Multifamily is the nation's multifamily housing finance leader. Historically, nearly 90 percent of the eligible rental homes we fund are affordable to families with low to moderate incomes.

RAD Program Receives Financial and GAO Attention

The fiscal year (FY) 2018 omnibus funding bill extended the Rental Assistance Demonstration (RAD) program through 2024, doubled the cap on RAD conversions and allowed the Section 202 Project Rental Assistance Contracts to convert through RAD, a program called RAD for PRAC.

However, despite bipartisan congressional support for the program, RAD has also received scrutiny from the Government Accountability Office (GAO). In February 2018, the GAO released a report on RAD, "Rental Assistance Demonstration: HUD Needs to Take Action to Improve Metrics and Ongoing Oversight."

According to the report, the "GAO was asked to review public housing conversions under RAD and any impact on residents…. GAO analyzed data on RAD conversions through fiscal year 2017; reviewed a sample of randomly selected, nongeneralizable RAD property files; and interviewed HUD officials, PHAs, developers, academics and affected residents." To read a *NAHMAnalysis* examining key findings of the GAO report and its recommendations to improve the RAD program, visit the Members Only section of nahma.org.

The GAO made recommendations to HUD "to improve leveraging metrics, monitoring of the use and enforcement of resident safeguards, and compliance with RAD requirements." One positive is that HUD agreed to GAO's recommendations to improve metrics and build on existing oversight.

RAD FUNDING

In FY 2012, the RAD program was authorized for the Department of Housing and Urban Development (HUD) to address an estimated $25 billion in unmet capital needs in the public housing stock. The purpose of RAD is for public housing authorities (PHAs) to convert properties in the public housing program to Section 8 rental assistance programs—project-based vouchers or project-based rental assistance—and retain property ownership or transfer it to other entities. The goal of this conversion enables PHAs to leverage additional funding through private capital generally not available for public housing properties.

HUD's FY 2018 appropriation made significant positive changes to RAD, which include:

1. More than doubling the cap of public housing units that can convert under RAD to 455,000 units, an increase of 240,000 units over the previous cap, and extending the application date to Sept. 30, 2024. The unit cap increase will allow HUD to offer awards to the 92,000 units that are on the waiting list and create room for nearly 150,000 additional units to apply. It will also create more flexibility for complex transactions that require more time to proceed through RAD. HUD will issue a *Federal Register* notice that will describe specifics related to rent setting, application deadlines and converting letters of interest into applications for these new RAD units.

2. Adding a new class of properties—Section 202 Project Rental Assistance Contracts (PRACs)—to be eligible for conversion under RAD. Section 202 PRACs cover over 120,000 units across 2,800 properties serving the very low-income elderly Americans. Through RAD, these properties will now be able to convert to long-term Section 8 Housing Assistance Payments Contracts that will better facilitate access to debt and Low-Income Housing Tax Credit (LIHTC) financing sources to support recapitalization of these units. The appropriations also gives HUD the authority to subordinate or restructure documentation of the original capital advance as necessary to facilitate the conversion of assistance, as long as the property retains its affordability period and its designation of the property as serving elderly residents. HUD expects to release guidance later in the year on how this program will operate, at which point it will be able to begin processing these conversions. In the meantime, owners can begin thinking and planning for their conversions and talking with residents about the program.

3. Makes a number of smaller fixes to RAD, including:

- Ensuring current households in Second Component conversions (i.e., Rent Supplement, Rental Assistance Payment (RAP), Moderate Rehabilitation, Moderate Rehabilitation Single Room Occupancy and now PRAC) can remain at the converted property without any screening, income eligibility or income targeting requirements;
- For the remaining properties assisted under Rent Supplement and RAP contracts that are located in high-cost areas, allowing initial rents to be set at comparable market rents; and

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- Aligning the ownership and control requirements that would apply to public housing conversions in the event of foreclosure or bankruptcy to the requirements that apply at conversion.

4. Increasing the availability of LIHTCs and adopting an Income Averaging Rule. In addition to increasing the LIHTC allocation authority by 12.5 percent in FY 2018 through 2021, the Appropriations Act adopts an important income averaging rule for LIHTC properties, which would permit residents with incomes up to 80 percent of area median income (AMI) to qualify under the LIHTC program, as long as the average of all resident incomes at the property is at or below 60 percent AMI. This rule is particularly helpful in RAD conversions where the property assists some residents who have incomes between 60 percent and 80 percent of AMI.

REPORT FINDINGS

In its report, the GAO provided an analysis of HUD construction data on RAD conversions through Sept. 30, 2017. The GAO found that financing for these RAD conversions usually involved public and private sources, but LIHTC played a key role. The financing was largely used to cover construction costs, followed by building and land acquisition costs, and developer fees. On average, the GAO found construction costs per closed conversion were more than $6 million and nearly $60,000 per unit converted to RAD. However, it is important to note that the GAO did challenge HUD's calculation of RAD's success in leveraging private financing.

The GAO stated, "HUD's methodology does not account for all financial data collected by HUD and includes 'other' funding sources erroneously considered as leveraged funds. Thus, we manually adjusted RAD funding source data and found that nearly $1.2 billion were erroneously considered leveraged funds because they are not private funds."

Based on HUD provided data, the GAO replicated HUD's methodology and recategorized financial sources that corrected errors in the data. The GAO found that the RAD leverage ratio was less than half of HUD's reported leverage ratio (19:1), and was instead approximately 7.44:1. The GAO also recalculated alternative leverage ratios, and stated that regardless of which ratio is used, the important takeaway is that the ratio is different from the data that HUD had provided as rationale for RAD's expansion, according to the report.

The GAO stated, "HUD's methodology does not account for all financial data collected by HUD and includes 'other' funding sources erroneously considered as leveraged funds."

Similar to financing for conversions, impact on current residents is a key pillar of the RAD program. The GAO made some critical findings when it comes to RAD's impact on residents and stated that this is an area HUD must address for the program to succeed. Specifically, the GAO stated, "HUD has not yet developed procedures to monitor RAD projects for risks to long-term affordability of units, including default or foreclosure …. HUD officials told the GAO that the agency does not systematically track or analyze household-level data on residents in RAD converted units across existing program databases (HUD maintains household data for the public housing and Section 8 rental assistance programs in two databases). In particular, HUD does not track changes in household characteristics before and after conversion, such as changes in rent, as well as relocations or displacement of individual households."

GAO RECOMMENDATIONS

The GAO made recommendations to HUD "to improve leveraging metrics, monitoring of the use and enforcement of resident safeguards, and compliance with RAD requirements." One positive is that HUD agreed to GAO's recommendations to improve metrics and build on existing oversight. The GAO report recommendations include:

- HUD's assistant secretary for housing should include provisions in its post-closing monitoring procedures to collect comprehensive high-quality data on financial outcomes upon completion of construction, which could include requiring third-party certification of and collecting supporting documentation for all financing sources and costs.
- HUD's assistant secretary for housing should improve the accuracy of RAD leverage metrics—such as better selecting inputs to the leverage ratio calculation and clearly identifying what the leverage ratio measures—and calculate a private-sector leverage ratio.
- HUD's assistant secretary for housing should prioritize the development and implementation of monitoring procedures to ensure that resident safeguards are implemented.
- HUD's assistant secretary for housing should determine how it can use available programwide data from public housing and Section 8 databases, in addition to resident logs, for analysis of the use and enforcement of RAD resident protections.
- HUD's assistant secretary for housing should prioritize the development and implementation of procedures to assess risks to the preservation of unit affordability. **NN**

2018 NAHMA AFFORDABLE 100

How many housing units receive at least one form of federal subsidy in the United States today? The annual NAHMA Affordable 100 list provides this important data!

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

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

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

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

RANK / MANAGEMENT COMPANY (2017 rank shown in parentheses)		HEADQUARTERS	TOTAL NUMBER OF UNITS	
			SUBSIDIZED[1]	RESIDENTIAL[2]
1	**WinnCompanies* (1)**	**Boston, MA**	**50,120**	**100,020**
2	**FPI Management, Inc. (3)**	**Folsom, CA**	**43,172**	**109,843**
3	**The Michaels Organization* (5)**	**Marlton, NJ**	**35,118**	**54,818**
4	**Pinnacle Property Management Services (2)**	**Addison, TX**	**31,682**	**146,897**
5	**LEDIC Realty Company* (4)**	**Memphis, TN**	**30,615**	**35,549**
6	**McCormack Baron Management, Inc. (7)**	**Saint Louis, MO**	**27,665**	**32,620**
7	**The John Stewart Company (6)**	**San Francisco, CA**	**27,517**	**30,479**
8	Related Management* (16)	New York, NY	26,634	30,328
9	**Edgewood Management Corporation* (8)**	**Gaithersburg, MD**	**25,927**	**31,655**
10	**Millennia Housing Management, Ltd. (15)**	**Cleveland, OH**	**23,827**	**27,099**
11	Dominium (10)	Plymouth, MN	22,743	27,000
12	**Mercy Housing* (11)**	**Denver, CO**	**22,338**	**22,976**
13	**National Church Residences* (12)**	**Columbus, OH**	**22,259**	**23,059**
14	KMG Prestige (13)	Mt. Pleasant, MI	20,123	24,950
15	**Capstone Real Estate Services, Inc. (9)**	**Austin, TX**	**20,015**	**37,407**
16	**Alpha-Barnes Real Estate Services (19)**	**Dallas, TX**	**19,540**	**22,646**
17	**Volunteers of America* (14)**	**Alexandria, VA**	**19,307**	**19,307**
18	**ConAm Management Corporation (17)**	**San Diego, CA**	**19,287**	**52,129**
19	**Royal American Management (18)**	**Panama City, FL**	**17,832**	**19,184**
20	**Multifamily Management Services, LLC* (23)**	**Suffern, NY**	**17,569**	**35,905**
21	U.S. Residential Group, LLC (21)	Dallas, TX	15,452	40,000
22	Richman Property Services, Inc. (20)	Tampa, FL	14,615	18,391
23	Grenadier Realty Group Corporation (22)	Brooklyn, NY	14,581	17,523
24	**Retirement Housing Foundation (26)**	**Long Beach, CA**	**13,946**	**17,855**
25	**Conifer Realty (29)**	**Rochester, NY**	**13,539**	**15,053**
26	The Cornerstone Group (25)	Hollywood, FL	13,500	13,693
27	**Allied Orion Group, LLC (99)**	**Houston, TX**	**13,493**	**22,493**
28	Pedcor Management Corporation (27)	Carmel, IN	13,275	16,745
29	The NRP Group, LLC (28)	Cleveland, OH	13,244	16,000
30	Beacon Communities (47)	Boston, MA	13,064	16,788
31	**Reliant Realty Services, LLC* (30)**	**New York, NY**	**13,002**	**13,002**
32	**Cambridge Management, Inc. (34)**	**Tacoma, WA**	**12,897**	**13,366**
33	**Boyd Management (31)**	**Columbia, SC**	**12,633**	**13,057**
34	**Capital Realty Group, Inc. (59)**	**Spring Valley, NY**	**12,403**	**12,403**
35	Wilhoit Properties	Springfield, MO	12,146	12,930
36	Good Harbor Management, LLC	Denver, CO	12,117	12,117
37	**Gene B. Glick Co., Inc.* (35)**	**Indianapolis, IN**	**12,056**	**19,259**
38	**Maco Management Co., Inc. (32)**	**Clarkton, MO**	**12,051**	**12,143**
39	Independent Management Services	Fenton, MI	11,758	11,758
40	**Herman & Kittle Properties, Inc. (44)**	**Indianapolis, IN**	**11,705**	**13,885**
41	**UAH-Mayfair Management Group (24)**	**Dallas, TX**	**11,635**	**18,135**
42	Aimco* (70)	Denver, CO	11,619	42,599
43	Lincoln Property Company (33)	Dallas, TX	11,500	184,167
44	NDC Real Estate (58)	Pittsburgh, PA	11,345	11,457
45	**SPM, LLC* (39)**	**Birmingham, AL**	**11,138**	**18,238**
46	USA Properties Fund, Inc. (36)	Roseville, CA	11,026	12,000
47	**The Habitat Company (45)**	**Chicago, IL**	**10,935**	**23,076**
48	Wallick Communities* (38)	Reynoldsburg, OH	10,919	13,000
49	**TM Associates Management, Inc.* (42)**	**Rockville, MD**	**10,827**	**10,875**
50	**Woda Cooper Companies, Inc. (41)**	**Westerville, OH**	**10,816**	**11,066**
51	**Partnership Property Management* (40)**	**Greensboro, NC**	**10,346**	**10,450**

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

2018 NAHMA AFFORDABLE 100

RANK / MANAGEMENT COMPANY (2017 rank shown in parentheses)	HEADQUARTERS	TOTAL NUMBER OF UNITS SUBSIDIZED[1]	RESIDENTIAL[2]
52 Gateway Management Company, LLC (43)	**Birmingham, AL**	**10,330**	**11,872**
53 The Hallmark Companies, Inc. (37)	**Atlanta, GA**	**10,151**	**12,164**
54 Barker Management (57)	Anaheim, CA	10,000	10,000
55 United Core Management, Inc.	San Antonio, TX	9,771	28,081
56 Continental Management	Bingham Farms, MI	9,306	9,798
57 Professional Property Management, LLC (68)	Rockford, IL	9,300	9,300
58 Picerne Management	**Altamonte Springs, FL**	**9,205**	**14,476**
59 Peabody Properties* (55)	Braintree, MA	9,184	11,630
60 Yarco Company, Inc. (53)	**Kansas City, MO**	**9,178**	**10,312**
61 Wingate Management	Newton, MA	8,989	14,500
62 Pennrose (67)	**Philadelphia, PA**	**8,965**	**9,488**
63 Preservation Management, Inc.* (46)	**South Portland, ME**	**8,950**	**9,041**
64 Maloney Properties, Inc.* (51)	**Wellesley, MA**	**8,942**	**9,022**
65 Preservation of Affordable Housing (POAH) (50)	Boston, MA	8,870	9,000
66 Eden Housing, Inc. (60)	**Hayward, CA**	**8,775**	**8,876**
67 Ambling* (64)	**Greenville, SC**	**8,759**	**10,113**
68 Fairway Management, Inc.	Columbia, MO	8,670	9,333
69 The Community Builders, Inc.* (52)	**Boston, MA**	**8,664**	**9,628**
70 Community Management Corporation (63)	**Winston-Salem, NC**	**8,661**	**8,661**
71 Elmington Property Management	Nashville, TN	8,493	15,126
72 J & A Inc. (62)	Corinth, MS	8,390	8,390
73 EAH Housing (49)	**San Rafael, CA**	**8,340**	**8,340**
74 National Community Renaissance* (77)	Rancho Cucamonga, CA	8,292	8,292
75 TRG Management Company, LLC	Weston, FL	8,259	11,262
76 American Apartment Management Co., Inc.* (54)	**Knoxville, TN**	**8,128**	**8,396**
77 Solari Enterprises, Inc.* (66)	**Orange, CA**	**8,102**	**8,102**
78 WRH Realty Services, Inc.* (65)	Jacksonville, FL	8,008	15,000
79 SHP Management (71)	Cumberland Foreside, ME	7,922	7,997
80 Rose Community Management, LLC	Independence, OH	7,902	9,206
81 RLJ Management Co., Inc. (61)	Columbus, OH	7,800	7,800
82 Seldin Company* (48)	**Omaha, NE**	**7,773**	**15,648**
83 Community Realty Management* (73)	**Pleasantville, NJ**	**7,505**	**8,300**
84 Winterwood, Inc.* (78)	Lexington, KY	7,438	8,187
85 BSR Trust, LLC (72)	Little Rock, AR	7,400	9,600
86 Evergreen Real Estate Services, LLC	Chicago, IL	7,334	7,716
87 Columbia Residential (106)	Atlanta, GA	7,326	7,326
88 MidPen Property Management Corporation (83)	Foster City, CA	7,207	7,207
89 Greystar (56)	Charleston, SC	7,191	426,378
90 LHP Management, LLC* (74)	**Knoxville, TN**	**7,013**	**7,013**
91 Triumph Housing Management	Cumming, GA	6,940	8,868
92 AWI Management Corporation (85)	**Auburn, CA**	**6,937**	**6,938**
93 Housing Management Resources* (76)	North Quincy, MA	6,886	8,000
94 Vesta Corporation* (79)	**Weatogue, CT**	**6,832**	**7,479**
95 Residential One, LLC* (80)	Columbia, MD	6,808	7,480
96 Intermark Management	**Columbia, SC**	**6,777**	**9,062**
97 Alco Management, Inc.* (84)	**Memphis, TN**	**6,767**	**7,460**
98 RY Management Company, LLC (82)	New York, NY	6,750	9,000
99 Steadfast Companies (87)	**Irvine, CA**	**6,749**	**36,614**
100 Peak Living, LLC	**Provo, UT**	**6,481**	**15,925**

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

* A NAHMA Communities of Quality National Recognition Program Participant

[1] and [2] All unit data represent only units directly managed (not owned) that were rented or available to rent on Dec. 1, 2017. Down units, abated units, units under construction or rehabbing units not available for rent are not included.

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

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

NAHMA would like to extend its sincere thanks to the NAHMA Affordable 100 Task Force, without whose hard work and support this survey would not be possible. In particular, sincere appreciation goes to task force chair Rue Fox, ResMan Software and vice chair Julie Reynolds, Navigate Affordable Housing Partners; Evelyn Arias, RealPage Inc.; Boone Atkins, Yardi Systems; Mike Coco, Choice Property Resources Inc.; Janel Ganim, Entrata; David Layfield, ApartmentSmart.com; Gustavo Sapiurka, RealPage Inc.; Bill Sullivan, IPM Software; John Yang, RentalHousingDeals.com Inc.; and Sarah Upchurch, RealPage Inc.

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

Congress Back to Work With Slate of Hearings

Both chambers of Congress have been diving headlong into a slate of hearings of late. Here is a wrapup of the hearings that are of interest to the affordable housing industry.

HOUSE SUBCOMMITTEE: RENT REFORM

On April 25, the House Financial Services Committee, Housing and Insurance Subcommittee, held a hearing, "HUD's Role in Rental Assistance: An Oversight and Review of Legislative Proposals on Rent Reform." The hearing was to discuss draft legislation, "Promoting Resident Opportunity through Rent Reform Act," sponsored by Rep. Dennis Ross (R-FL). The draft legislation provides public housing authorities (PHAs) the ability to select and establish alternative rent models including tiered rents, design their own rent model and make other rent reforms to reduce burden in the Department of Housing and Urban Development (HUD) rental assistance programs.

NAHMA's takeaway from the hearing is that PHAs are generally supportive of rent reforms, specifically rent simplification and reducing administrative burden. The draft legislation from Ross provides options for PHAs; however, it was unclear how HUD would regulate or provide oversight of more than 4,000 PHAs. It is also unclear how these alternative rent models impact current and future residents, particularly the elderly and disabled residents on fixed incomes.

The hearing can be viewed at https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=403333.

HOUSE APPROPRIATION SUBCOMMITTEE: FY 2019 HUD REQUEST

On April 25, the House Appropriations Subcommittee on Transportation, Housing, and Urban Development (THUD) held a hearing on HUD's fiscal year (FY) 2019 budget request for the Office of Housing. The witness was Dana Wade, general deputy assistant secretary for the Office of Housing and acting director of the Federal Housing Administration (FHA).

The hearing largely focused on FHA programs; however, some rental assistance programs were discussed. During the questioning, Wade thanked the subcommittee for including language in the FY 2018 omnibus funding bill that would allow Section 202 Project Rental Assistance Contracts (PRACs) to convert under the Rental Assistance Demonstration (RAD) program and new construction funding for Section 202 and 811 programs. In response to questions on HUD's rent reform proposal, Wade told the subcommittee that HUD's rental reform proposal would not harm elderly and disabled households currently served by HUD. However, new residents would be subject to the rent reforms.

NAHMA expects HUD to release the RAD for PRAC notice in the fall and Notice of Funding Availability for Section 202/811 later this year. Lawmakers seem to be satisfied with the increased funding for the programs. The hearing can be viewed by visiting https://appropriations.house.gov/calendararchive/eventsingle.aspx?EventID=395254.

SENATE APPROPRIATIONS SUBCOMMITTEE: HUD FY 2019 REQUEST

On April 18, the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies (THUD) held a hearing on HUD's FY 2019 budget request, including testimony from HUD Secretary Ben Carson.

> Subcommittee Chairman Susan Collins (R-ME) expressed support for the new budget caps in FY 2018. She said, "Funding will provide increases to the Community Development Block Grant (CDBG) program, and rental assistance for low-income families and the elderly."

In her opening remarks, Subcommittee Chairman Susan Collins (R-ME) expressed support for the new budget caps in FY 2018. She said, "Funding will provide increases to the Community Development Block Grant (CDBG) program, and rental assistance for low-income families and the elderly." Collins also said the administration's FY 2019 request, "includes several proposals that were rejected as part of the FY 2018 deliberations and I anticipate that many of those same program eliminations will once again be rejected."

She expressed concern that the FY 2019 budget request proposal includes the elimination of the CDBG program

continued on page 20

and the HOME Investment Partnerships Program, which have been successful for state and local housing development and improvement projects. She highlighted the proposed funding cuts for the Housing Choice Voucher Program (Section 8) by $900 million and that it provides no new funding for Veterans Affairs Supportive Housing vouchers. She said some FY 2019 reductions to rental assistance would require withholding inflationary rent increases to property owners. She said HUD and the committee share goals of reducing lead paint exposure, reducing regulatory burdens on public housing authorities, supporting RAD, supporting self-sufficiency in addressing generational poverty, and strengthening public-private partnerships.

In his opening remarks, Subcommittee Ranking Member Jack Reed (D-RI) expressed support for FY 2018 funding increases. Reed expressed concern that HUD's FY 2019 proposed budget does not provide enough funding to achieve increased affordability in public housing. He argued the FY 2019 cuts "do not appear to be arbitrary and targets vulnerable populations … the budget fails to adequately protect safe and affordable housing for those currently using HUD rental assistance programs."

He said the budget request indicates that HUD intends to pull back from its role in assisting communities with affordable housing and raised concerns about shifting costs to residents and property owners.

In his testimony, Carson testified that the administration's FY 2019 budget request for HUD is sufficient to provide assistance to families and the most vulnerable populations. The secretary's comments observed that Section 8 vouchers will continue to serve the same number of households, highlighted $145 million is included to ensure homes are free from lead paint exposure, emphasized fiscal responsibility in requesting and spending public funds, and pointed to HUD's role in supporting self-sufficiency in housing.

He said that he has directed HUD's chief financial officer to design and implement a transformation plan and lead an internal task force to combat waste, fraud and abuse. He also said that he is calling for a new approach to giving local PHAs the flexibility to use their operating funds to support their capital needs, and to convert distressed housing units to a Section 8 financing model through RAD.

Carson noted how HUD is supporting long-term recovery efforts resulting from natural disasters with over $300 billion appropriated through the CDBG Disaster Recovery Program.

NAHMA believes that HUD's FY 2019 budget request will be rejected by Congress, as well as the proposed cuts to housing programs. The entire hearing can be viewed by visiting https://www.appropriations.senate.gov/hearings/hearing-to-review-the-fy2019-budget-request-for-the-us-dept-of-housing-and-urban-development.

Carson also testified before the House Appropriations Committee in late March. That hearing can be seen by visiting https://appropriations.house.gov/calendar/eventsingle.aspx?EventID=395132.

The Housing Choice Voucher Mobility Demonstration Act of 2018 would authorize the secretary of HUD to carry out a housing choice voucher mobility demonstration to encourage families receiving such voucher assistance to move to lower poverty areas and expand access to opportunity areas.

HOUSE APPROPRIATIONS THUD SUBCOMMITTEE: FY 2019 PIH REQUEST

On April 19, the House Appropriations THUD Subcommittee held a hearing on the FY 2019 budget request for HUD's Office of Public and Indian Housing (PIH), with PIH Acting Assistant Secretary Dominique Blom as witness. Opposition to funding cuts to the Public Housing and Housing Choice Voucher (HCV) programs was expressed by representatives. The PIH hearing is available by visiting https://appropriations.house.gov/calendararchive/eventsingle.aspx?EventID=395225.

The same week, Agriculture Secretary Sonny Perdue also testified on the Department of Agricultural (USDA)'s FY 2019 budget request, however rural housing was not covered in the hearings.

HOUSE FINANCIAL SERVICES SUBCOMMITTEE: PROPOSED HCV LEGISLATION

On April 17, the House Financial Services Subcommittee on Housing and

Insurance held an oversight hearing on HUD's HCV program. The hearing reviewed legislative proposals to modify the HCV program, to address mobility, foster youth and those impacted by the opioid epidemic. Under the legislative proposals:

- The Housing Choice Voucher Mobility Demonstration Act of 2018 would authorize the secretary of HUD to carry out a housing choice voucher mobility demonstration to encourage families receiving such voucher assistance to move to lower poverty areas and expand access to opportunity areas.
- The Transitional Housing for Opioid Recovery Demonstration Program Act of 2018 would amend the United States Housing Act of 1937 to establish a demonstration program to set aside Section 8 housing vouchers for supportive housing for individuals recovering from opioid addiction.
- The Fostering Stable Housing Opportunities Act of 2018 would amend the United States Housing Act of 1937 to include within the definition of "families" a child who is in foster care and has attained an age such that the provision of foster care for such child will end because of the age of the child within six months.

The witnesses largely focused on the need for more funding for housing and the important role that housing can play in addressing social challenges. NAHMA will continue to monitor these legislative proposals and will update members, once they are formally introduced. The hearing is available for viewing at https://www.youtube.com/watch?v=i_sab5dnshg.

SENATE APPROPRIATIONS COMMITTEE: USDA FY 2019 REQUEST

On April 11, USDA Secretary Sonny Perdue testified before the Senate Appropriations Committee on the president's fiscal year 2019 budget request, which proposes steep cuts to housing and other programs.

In a hearing dominated by agricultural trade and changes to the Supplemental Nutrition Assistance Program, the secretary faced tough questions about the impacts on struggling families in rural areas. Perdue highlighted the budget request's goal to "stimulate public-private partnerships needed to build rural infrastructure including broadband, community facilities, safe and affordable housing, health services and facilities, and provide capacity-building to help underserved communities become thriving communities."

The secretary also updated the Senate committee on the Interagency Task Force on Agriculture and Rural Prosperity, which recently released its findings and recommendations. "We have a strong plan in place to ensure we continue to improve our service to rural America …. The recommendations centered on five areas: e-connectivity, quality of life, rural workforce, technology, and economic development. To ensure that the findings of this report have a meaningful impact on rural America, we are moving forward to implement the initial recommendations and to expand stakeholder participation," he said.

To watch the hearing, visit https://www.appropriations.senate.gov/hearings/hearing-to-review-the-fy2019-usda-budget-request. **NN**

Congress Introduces Legislation To Preserve Rural Housing

Sens. Jeanne Shaheen (D-NH), Tina Smith (D-MN) and Reps. Annie Kuster (D-NH), Carol Shea-Porter (D-NH), and Rick Nolan (D-MN) introduced legislation in the Senate and the House in March to ensure that thousands of low-income residents are able to maintain access to safe and affordable housing. The Rural Housing Preservation Act (S.2574/H.R.5352) will protect access to affordable housing for families that are primarily elderly, disabled and living in rural areas, and who are at risk of losing rental assistance through the Department of Agriculture (USDA) Rural Housing Service, according to a press release issued by Shaheen.

According to Shaheen's release, "the bill will maintain rental assistance by providing rural housing vouchers to residents in prepaid or maturing properties, who are at risk of losing theirs.

According to Shaheen's release, "the bill will maintain rental assistance by providing rural housing vouchers to residents in prepaid or maturing properties, who are at risk of losing theirs. The bill also permanently authorizes the Multi-Family Preservation and Revitalization Restructuring Program to operate in the future and creates a new tool for communities to maintain affordable housing by allowing USDA to continue rental assistance to residents even if there is no longer a USDA loan on the property."

Additionally, according to the release, the Rural Housing Preservation Act will take steps to maintain rental assistance for residents that depend on low interest, direct loans from the Section 515 Rural Rental Housing Loans Program. It will provide vouchers to residents who receive rental assistance and live in properties with prepaid or maturing loans, while ensuring the values of housing vouchers are flexible so they can assist beneficiaries in higher cost areas. The legislation will also decouple rental assistance from the term of a mortgage, allowing USDA to renew rental assistance for a property regardless of the length of the mortgage, and it will make it easier for nonprofit entities to acquire Section 515 properties.

The House bill has been referred to the House Committee on Financial Services. On the Senate side, the bill has been referred to the Senate Committee on Banking, Housing, and Urban Affairs.

IN OTHER RHS NEWS

- The USDA released an unnumbered letter providing updated clarification and guidance on the Rural Development Capital Needs Assessment (CNA) process.

A Capital Needs Assessment provides a repair schedule for the property in its present condition, indicating repairs and replacements necessary for a property to function properly and efficiently over a span of 20 years. USDA's recent letter includes general instructions used in completing CNA reports, specific instructions on how to use the expected useful life tables, and a set of applicable forms.

To read the letter online, visit https://www.nahma.org/wp-content/uploads/2014/04/RD-Capital-Needs-Assessment-Process-Guidance.pdf.

- Secretary Sonny Perdue provided a report from the Task Force on Agriculture and Rural Prosperity to President Donald Trump.

Under the Quality of Life section, affordable housing is included as a factor. The report states, "Ensuring rural Americans can achieve a high quality of life is the foundation of prosperity. Quality of life is a measure of human well-being that can be identified through economic and social indicators. Modern utilities, affordable housing, efficient transportation and reliable employment are economic indicators that must be integrated with social indicators like access to medical services, public safety, education, and community resilience to empower rural communities to thrive. Focusing and delivering key federal reforms will enable rural Americans to flourish and prosper in 21st Century communities."

Under Innovate Options for Rural Housing, the report recommends broad goals, including developing a set of shared best practices for increasing homeownership, reducing homelessness in rural communities, and building robust community infrastructure. Such practices should include recommendations for federal, state, tribal and local action to strengthen investments in rural housing and provide technical assistance. The task force recommends options such as the departments of Housing & Urban Development, Veterans Affairs, Agriculture, Labor and Education jointly evaluating federal rural housing policies and programs, and targeting existing resources to best support sustainable housing in rural communities. To optimize rural housing options for the workforce needed in the current and future economies, private sector organizations' resource deployment to rural areas can also be incentivized.

For more information visit https://www.nahma.org/wp-content/uploads/2014/04/Rural-Prosperity-Report.pdf.

- USDA issued an unnumbered letter, Multi-Family Housing Financial Reporting Requirements for Fiscal Year 2017. The final rule for the Multi-Family Housing (MFH) Sections 515/514 new financial reporting requirements was published in the *Federal Register* and became effective Nov. 24, 2017.

The final rule updates Rural Development's MFH financial reporting requirements to establish risk thresholds, align requirements with HUD, and reduce program operating costs to Rural Development and its borrowers. Because of these changes, USDA believes small-portfolio borrowers will realize cost savings in property operating expenses and a consequent reduction in the amount of rent subsidy (Rental Assistance and HUD Section 8).

According to USDA, the final rule changes will not affect fiscal year (FY) 2017 reporting requirements, except that the agency is allowing for the elimination of the Agreed Upon Procedures if requested by the borrower. The reporting change will be optional in FY 2018, as proposed budgets have already been submitted, but will be mandatory starting in FY 2019, which begins Oct. 1, 2018. USDA-Rural Development will be issuing additional guidance for FY 2018 year-end reporting requirements, which will include revisions to HB-2-3560, Chapter 4.

To read the letter clarifying the Multi-Family Housing Financial Reporting Requirements for FY 2017 online, visit https://www.nahma.org/wp-content/uploads/2014/04/MFH-Financial-Reporting-Requirements-for-Fiscal-Year-2017.pdf. **NN**

NAHMA-ENDORSED INSURANCE PROGRAM SPECIAL FEATURE

Comprehensive Risk Management Is Year-Round

BY ED GOESEL

With spring in full bloom and summer just around the corner, the weather perils of the last 12 months are still fresh on the minds of affordable housing property management companies throughout the U.S. The country experienced unprecedented damages stemming from the frequent barrage of natural disasters. The devastation spanned the country and included wildfires in California, tornados in the Midwest, and a ferocious hurricane season that produced "HIM"—Harvey, Irma and Maria. Damage estimates for 2017 natural disasters top $306 billion (source: https://www.ncdc.noaa.gov/billions/), marking the highest single year natural disaster costs in history.

So, what does this mean for the affordable housing industry? We have already seen a shift in the marketplace. The wood frame construction segment has been hit hard, while concrete and masonry have not been as heavily impacted. It is predicted that 2018 will result in the highest rate increases seen over the last several years. A driving factor is the recent property loss history experienced in several states. Claims arising from loss of property due to wildfires, hail strikes and other weather-related claims play a significant role in the rate increases.

It is important for property management firms to maintain comprehensive insurance coverage to protect against varied and unpredictable risks. This ranges from adequate property replacement coverage and reasonable deductibles to protection against losses resulting from the missteps of contractors, vendors and third parties as they conduct on-site repairs or services. A well-rounded risk management program includes protection for a wide range of loss categories.

It is important for property management firms to maintain comprehensive insurance coverage to protect against varied and unpredictable risks. This ranges from adequate property replacement coverage and reasonable deductibles to protection against losses.

USI Insurance Services National Inc. (USI), formerly Wells Fargo Insurance Services, is exclusively endorsed by the National Affordable Housing Management Association (NAHMA). It is also exclusively endorsed by the national Council for Affordable & Rural Housing (CARH). With a dedicated National Habitational Team of 10 associates with over 200 years of combined experience, USI is heavily invested and committed to the affordable housing market.

Through unrivaled access to insurance carriers and volume, USI's National Habitational Team negotiates coverages and rates that are not within reach of other brokers. The team leverages long-standing carrier relationships and serves as a major broker across the county. In coastal states, USI writes flood and high winds coverages with reasonably priced deductible options.

Last year, a long-term USI client was hit hard by Hurricane Marie, leading to a $1 million claim. Earlier in the year, the team recognized the client's high deductible and proactively reduced it from $750,000 to $300,000. A buy down to $50,000 was also recommended in a prior proposal but not accepted. If the client adopted the suggested buy down, there would have been another $250,000 in deductible savings. Ongoing account review and understanding the client's business allows USI to put forth solid coverage options and recommendations.

Additionally, USI's habitational experts developed specialized coverage to protect against financial losses that could be experienced from a property management company losing the Low-Income Housing Tax Credit (LIHTC). Noncompliance or reporting errors can easily lead to a loss or reduction in the credit that most clients are unable to absorb.

Maintaining awareness of the issues that impact clients in the affordable housing industry is key to offering solutions to fit client needs. Reviewing and making recommendations about vendor contracts, such as pesticide companies and security firms, is a vital resource USI habitational experts provide to help clients appropriately establish the risk owner before a claim is ever filed.

USI's National Habitational Team values ongoing education. Associates regularly attend seminars focused on fire safety and other preventative measures to educate clients on ways to mitigate risks. The firm hosts an Affordable Housing Symposium in Chicago each fall for clients to discuss their issues and share best practices.

Coverage for natural disasters and other calamities is key to the affordable housing industry. It is vital to assess risk management programs on an ongoing basis with the assistance of industry experts who know and understand the business and associated issues. **NN**

Ed Goesel is senior vice president of the National Habitational Practice of USI Insurance Services. Based in Chicago, he has 40 years of habitational industry experience and leads a dedicated team of 10 experts who specialize in affordable housing. USI is endorsed by two national affordable housing associations—NAHMA and CARH.

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Have What It Takes to Be a NAHMA Community of Quality?

Before summer vacations and back-to-school events start dominating the schedule, plan to enter the NAHMA 2018 Communities of Quality (COQ) Awards competition. The submission deadline to NAHMA is Nov. 2.

To enter the awards competition, a property must first apply for and achieve national recognition as a NAHMA Community of Quality with a minimum score of 325 points on its National Recognition application. The deadline for submitting an application to a local AHMA for consideration in the national program is Sept. 7.

"The Communities of Quality Awards honor the achievements of affordable housing providers who make an unprecedented contribution to developing outstanding properties for families of modest means. NAHMA believes it is essential that outstanding affordable properties and the individuals who establish them to be publicly recognized for providing quality housing that offers a safe, healthy environment," Michael Johnson, SHCM, NAHP-e, NAHMA president, said. "They are communities supplying essential programs and services for their residents. These awards bring valuable well-deserved attention to the important work we are all doing."

An overview of the COQ program, the national recognition program and the awards' detailed application information and submission materials are available at the NAHMA website at http://www.nahma.org/awards-contests/communities-of-quality/.

The awards competition has five categories:

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

Award winners will be notified in early January 2019 and will receive their awards in a special ceremony at the NAHMA 2019 winter meeting, March 3-5, in Washington, D.C.

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

An overview of the COQ program, along with the awards' detailed application information and submission materials are available at the NAHMA website at http://www.nahma.org/awards-contests/communities-of-quality/.

The AHMAs will also be honoring their local NAHMA Communities of Quality program participants. Please check your local AHMA's program details; a directory of the AHMAs is available on the NAHMA website, at http://www.nahma.org/membership/ahma-directory/.

For more information about the COQ program and awards, contact Paulette Washington at 703-683-8630, ext. 110 or pwashington@nahma.org.

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

About the COQ Awards Sponsors

HD SUPPLY MULTIFAMILY SOLUTIONS: With 50,000-plus items and free, next-day delivery on most items to most areas, HD Supply Multifamily Solutions is your source for maintenance supplies, fabrication, installation, and renovation services. Our 700-plus account representatives serve more than 130 markets, providing personalized service backed by the strength of a national company. To order call 1-800-431-3000 or at hdsupplysolutions.com.

NAVIGATE AFFORDABLE HOUSING PARTNERS: Based in Birmingham, Ala., Navigate Affordable Housing Partners is HUD's Section 8 PBCA for Alabama, Mississippi, Virginia and Connecticut. With a strong reputation for customer service and training, Navigate oversees a portfolio of more than 70,000 units. Navigate has a history of developing, owning and managing HUD assisted properties in Alabama and has recently begun providing consulting and development services to public housing authorities. For further information, visit www.navigatehousing.com.

Nurturing Hope

Judging for the 2018 AHMA art and poster contest has wrapped and the winners are being notified they will appear in the 2019 NAHMA Drug-Free Kids calendar. The underlying message for the annual contest is always a drug-free theme but the association wanted to open the door for more avenues of expression, so a subtheme is incorporated into the poster contest. The subtheme for 2018 is Hope Is in Bloom: Nurturing Our Community.

Entries were due to NAHMA June 1, after first being submitted to a local AHMA for consideration. The winning artwork will appear in NAHMA's ever-popular annual calendar, which has sold out the last four years.

The trendy poster and art contest invites children, seniors and adults with special needs living in affordable multifamily housing to create artwork and compete for prizes.

Typically, the contest draws more than 5,000 participants nationwide. Through the annual fall auction of the winning poster entries, the contest generates significant contributions to the NAHMA Educational Foundation's scholarship program and is a key source of support for NAHMA foundation scholars.

"This is one of the most popular contests NAHMA holds each year," Kris Cook, NAHMA executive director, said. "Everyone looks forward to seeing the fantastic artwork produced by the talented residents. The auction is always a fun time and supports a great program."

The poster contest is open to children and elderly residents 55 years or older who live in a community of a NAHMA or a local AHMA member company, as well as residents with special needs who live in a permanent supportive housing community or Section 811 community of a NAHMA or a local AHMA member company.

The poster contest is open to children and elderly residents 55 years or older who live in a community of a NAHMA or a local AHMA member company, as well as residents with special needs who live in a permanent supportive housing community or Section 811 community of a NAHMA or a local AHMA member company.

For each grade category for children, as well as the elderly and special needs levels, local AHMAs selected up to three

NAHMA Expands COQ Smart Badges Program

NOWADAYS IT IS HARD TO KNOW WHAT can be trusted on the internet. When it comes to the Communities of Quality (COQ) program, the association does not want there to be any doubt. Therefore, NAHMA is proud to announce it is implementing digital smart badges for its COQ nationally recognized properties.

The badges are images created by HTML code to be incorporated into a COQ recognized property's website. If a visitor clicks on the badge, a validation webpage pops up ensuring NAHMA has verified the property as a Nationally Recognized Community of Quality. If for any reason, the COQ designation is rescinded by NAHMA or allowed to lapse by the management company or property, the association can invalidate the smart badge. The association is working with Yoshki Ltd., an online brand protection and image management company, to implement and maintain the smart badge program.

"The smart badges are a way to promote COQ success stories and promote the achievement of our COQ recognized properties," Kris Cook, CAE, NAHMA executive director, said. "The badges can't be copied and have to be verified by us, so people can be sure the property is adhering to the strict standards set by the COQ program."

One of the goals of the COQ National Recognition program is to identify the best multifamily affordable housing communities across the country, for excellence in the physical, financial and social condition of the property. Sites are also honored based on the quality of life they offer to residents, the level of resident involvement in community life and the nature of collaborations with other organizations and agencies that contribute to the lives of residents and the larger community.

NAHMA has more than 1,600 nationally recognized COQ

winning posters, photographs, websites, computer art or other media, such as tile, macramé, needlework, etc., which must be submitted as a photograph.

The five grade categories for children are based on the grade the contestants have completed by June 2018: kindergarten-first grade, second-third grade, fourth-sixth grade, seventh-ninth grade and 10th-12th grade.

All AHMA winning submissions were then forwarded to NAHMA, where a distinguished panel of judges selected the 13 winning entries that will appear inside the pages of the 2019 calendar. One special entry is selected as the grand prizewinner, which will appear on the calendar cover. Only children are eligible for the top prize.

The winners of each local contest receive various prizes from their AHMA.

The national contest's grand prizewinner, in addition to appearing on the cover of the 2019 calendar, receives a $2,500 educational scholarship and a trip to Washington, D.C., where the artist will be honored at the NAHMA fall meeting Oct. 21-23.

Each national winner of the NAHMA contest—regardless of entry category—receives a $1,000 educational scholarship from the NAHMA Educational Foundation. All winners are also featured in the 2019 calendar.

Furthermore, participants in the annual art contests held by the local AHMAs are eligible to be selected as Regional AHMA Art Contest Honorable Mentions. Those selected for this distinction are featured in a special section of the NAHMA 2019 Drug-Free Kids calendar and receive a $100 scholarship check.

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

For complete rules or to see a list of past winners, visit http://www.nahma.org/awards-contests/calendar-contest/.

The NAHMA 2019 Drug-Free Kids calendar will go on sale in September. **NN**

properties. A directory for the COQ properties is available on the NAHMA website, www.nahma.org, by clicking on Awards & Contests, and then scrolling through the Communities of Quality dropdown tab.

Additionally, through the COQ Corporate Partners designation, NAHMA recognizes the management companies that are committed to upholding the COQ standards by having at least 50 percent of their property portfolios accepted into the national recognition program. To date, there are 22 companies that qualify as COQ Corporate Partners including three—Housing Management Resources Inc., PRD Management and Wesley Housing Corporation of Memphis Inc.—that have achieved COQ recognition status for 100 percent of their portfolios.

The digital smart badges are a way to increase the trust factor of certified COQ participants' websites since the badges prevent unauthorized use of the COQ logo. Additionally, the badges are technology responsive, so they can be viewed regardless of what digital device is used to access the website. NN

A Proud Scholarship Legacy Continues

AS THE NAHMA SCHOLARSHIP PROGRAM enters its 12th consecutive year of awarding scholarships, the NAHMA Educational Foundation has again received a strong response from applicants. Student/residents from more than 27 states, Washington, D.C., and the U.S. Virgin Islands have filed their online applications. Fourteen different AHMAs are represented in that total. From its inaugural year of 2007 when 22 scholarships totaling $22,000 were awarded, the foundation has consistently increased the program's giving to the point where last year 130 scholarships worth a total of $325,000 were awarded.

"The foundation is extremely proud of the continuing legacy of providing financial assistance to worthy student/residents that was established in 2007. Everyone is aware of the ever-escalating cost of higher education. The foundation board members and officers believe that the $2,500 scholarships presented to our NAHMA scholars can help ease the financial burden as they pursue their academic goals. It will continue to be the foundation's goal to further the noble legacy that has been established, with the steadfast and unwavering help of our many generous donors, going forward. We are looking forward to crossing the one-million-dollar threshold of awards this year," NAHMA Educational Foundation Chairperson Melissa Fish-Crane said during a recent board meeting.

This year's applicant pool will be evaluated early in June to select the 2018 NAHMA scholars. Having already awarded a total of slightly more than $929,000 since the start of the program, the goal of more than $1 million awarded in just 12 years seems attainable. NAHMA scholars have attended a wide variety of community colleges, colleges, universities and trade/technical schools. They represent a very broad demographic group from various ethnic and religious backgrounds and range in age from high school seniors to senior citizens.

The 2018 class of NAHMA scholars will be announced in late June. A complete list of 2018 recipients will be presented in an upcoming edition of the *NAHMA News*. Be sure to watch this space for what is sure to again be a very remarkable list of students! NN

REGULATORY WRAP-UP

ADMINISTRATION NEWS

IN APRIL, THE PRESIDENT SIGNED AN EXECUTIVE ORDER TITLED, REDUCING POVERTY IN AMERICA by Promoting Opportunity and Economic Mobility, which aims to promote "economic mobility, strong social networks, and accountability to the American taxpayers" by strengthening work requirements for housing and welfare recipients and evaluating the success of public assistance programs in moving participants out of poverty. The order states that the federal government should enforce and strengthen "requirements that promote obtaining and maintaining employment," and calls for an investment in effective workforce development programs. Specifically, the executive order calls on the departments of Housing and Urban Development (HUD), Agriculture (USDA) and other federal agencies to submit recommendations for regulatory and policy reforms in order to empower people through the "Principles of Economic Mobility." More information is available by visiting https://www.whitehouse.gov/presidential-actions/executive-order-reducing-poverty-america-promoting-opportunity-economic-mobility/.

HUD NEWS

IN APRIL, HUD CELEBRATED 50 YEARS since the enactment of the Fair Housing Act in 1968. NAHMA participated in a ceremony at HUD headquarters with Secretary Ben Carson and Assistant Secretary for Fair Housing and Equal Opportunity Anna Maria Farias. In a White House proclamation of April as National Fair Housing Month, the president declared, "During April, America reaffirms its commitment to ending housing discrimination by celebrating National Fair Housing Month …. My administration has continued to fight for the American people and for equal access to opportunity in America. That is why we are exploring and developing evidence-based reforms to enhance the development of affordable housing options, free from discrimination, that can alleviate poverty and promote opportunity. My administration intends to deliver on the promise outlined by the Fair Housing Act, by ending prejudice and unlawful discriminatory practices in the sale, lease, and financing of housing, expanding the availability of affordable housing, promoting sustainable homeownership opportunities, encouraging economic mobility, and creating more vibrant communities." For more information on HUD's celebration of the Fair Housing Act 50th anniversary, visit https://www.hud.gov/fairhousingis50.

THE OFFICE OF MULTIFAMILY HOUSING PUBLISHED A NOTICE IN MARCH REGARDING THE REFINANCING of Pre-1974 Section 202 Direct Loans and Subsequent Issuance of Tenant Protection Vouchers (TPVs) or Senior Preservation Rental Assistance Contracts (SPRACs). The purpose of the notice is to provide owners with pre-1974 Section 202 Direct Loans options to preserve and extend the affordability of their properties to the low-income elderly occupants for the duration of their loan terms, which will mature over the next five years. The notice is available at https://www.hud.gov/sites/dfiles/OCHCO/documents/18-02hsgn.pdf.

IN MARCH, HUD RELEASED UPDATES ON FISCAL YEAR (FY) 2018 INCOME LIMITS and fiscal year 2017 Tenant Protection Voucher Awards. The FY 2018 Income Limits for the Public Housing and Section 8 programs can be found at https://www.huduser.gov/portal/data-

REPORT HIGHLIGHTS AFFORDABLE RENTAL HOUSING SHORTAGE

THE NATIONAL LOW INCOME HOUSING COALITION (NLIHC) released its annual report, The Gap: A Shortage of Affordable Homes, available at http://nlihc.org/gap. According to the study, there are 11.2 million extremely low-income (ELI) renter households in the United States, defined as households with incomes at or below the Department of Health and Human Services' poverty guideline or 30 percent of area median income, whichever is higher. The 11.2 million ELI households are nearly 26 percent of all renter households and almost 10 percent of all households. NLIHC found that for every 100 ELI renter households, there are only 35 affordable and available rental units, meaning there is a shortage of approximately 7.2 million units for ELI renters.

The study attributes the growing availability problems to a decline in federal funding for the Department of Housing and Urban Development (HUD) programs. According to the report, funding for key HUD programs such as Section 811, HOME and Housing Choice Vouchers has declined 9.3 percent, adjusted for inflation, from fiscal year (FY) 2010 to FY 2017. The report also estimates that if the administration's proposed FY 2019 budget were adopted, more than 200,000 families would lose federal rental assistance.

NLIHC's report said that the expansion of the Housing Trust Fund, the improvement of the Low-Income Housing Tax Credit program through legislation such as The Affordable Housing Credit Improvement Act (S.548/H.R.1661), and significant increases in investment toward the rehabilitation and preservation of existing public housing would all be effective ways to address the housing problems the most vulnerable renters in the country are facing.

sets/il.html#2018_query. The national median income for FY 2018 is $71,000, an increase of 5.7 percent compared with FY 2017. HUD will continue to cap increases at 11.5 percent (twice the national median income). Information for Tenant Protection Voucher funding awards for FY17 for the Housing Voucher Program is available at https://www.nahma.org/wp-content/uploads/2014/04/Announcement-of-Tenant-Protection-Voucher-Funding-Awards-for-FY17-HCV.pdf. Announcements of awards provided under the NOFA process for Mainstream, Designated Housing, Family Unification (FUP), and Veterans Assistance Supportive Housing (VASH) programs will be published in a separate *Federal Register* notice.

IN APRIL, HUD RELEASED NOTICES OF FUNDING AVAILABLE FOR VETERANS HOUSING REHABILITATION AND MODIFICATION PILOT PROGRAM (https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps/fy18vetshsngprog?_cldee=bGtleXNAbmFobWEub3Jn&recipientid=contact-b40b11447af1e61181013863bb35fd80-0fd0d39351aa4489bd45c998c50bdfd6&utm_source=ClickDimensions&utm_medium=email&utm_campaign=2018%20HAC%20News&esid=0215d508-8d49-e811-a953-000d3a1998fb), Mainstream (Section 811) Vouchers (https://www.hud.gov/program_offices/public_indian_housing/programs/hcv?_cldee=bGtleXNAbmFobWEub3Jn&recipientid=contact-b40b11447af1e61181013863bb35fd80-0fd0d39351aa4489bd45c998c50bdfd6&utm_source=ClickDimensions&utm_medium=email&utm_campaign=2018%20HAC%20News&esid=0215d508-8d49-e811-a953-000d3a1998fb) and Family Unification Program Vouchers (https://www.hud.gov/program_offices/public_indian_housing/programs/hcv?_cldee=bGtleXNAbmFobWEub3Jn&recipientid=contact-b40b11447af1e61181013863bb35fd80-0fd0d39351aa4489bd45c998c50bdfd6&utm_source=ClickDimensions&utm_medium=email&utm_campaign=2018%20HAC%20News&esid=0215d508-8d49-e811-a953-000d3a1998fb).

IN APRIL, HUD AWARDED NEARLY $28 BILLION TO SUPPORT LONG-TERM DISASTER RECOVERY through the Community Development Block Grant—Disaster Recovery (CDBG-DR) program. The grants include more than $12 billion to address unmet housing needs from major disasters that occurred in 2017, as well as funds to repair and upgrade the electrical grid in Puerto Rico and the U.S. Virgin Islands. The grants also include $16 billion to support mitigation activities in areas that experienced disasters since 2015, including actions to protect communities from damage predicted from future events. To view the grantees and amounts, visit https://www.hud.gov/press/press_releases_media_advisories/HUD_No_18_028.

HUD AND THE DEPARTMENT OF JUSTICE (DOJ) ANNOUNCED THE NATIONWIDE ROLLOUT of an initiative aimed at increasing awareness and reporting of sexual harassment in housing. The joint nationwide initiative builds on the Justice Department's announcement from October 2017 of pilot initiatives in Washington, D.C., and the Western District of Virginia, which generated an upswing in housing harassment reporting to the department. During the pilots, the DOJ developed and tested ways to better connect with victims of sexual harassment in housing and with those organizations that victims may turn to for assistance. For more information, visit https://www.hud.gov/press/press_releases_media_advisories/HUD_No_18_029.

USDA NEWS

USDA ANNOUNCED THE SELECTION OF JOEL BAXLEY as Rural Housing Service Administrator. Baxley comes to USDA with 23 years of real estate finance experience and most recently served as a real estate technical consultant.

USDA ISSUED AN UNNUMBERED LETTER (UL) to announce Rural Development's availability of funds to assist existing Multifamily Housing projects with repairs from damage caused by Hurricanes Harvey, Irma and Maria. In early February, Congress appropriated funds for the cost of direct loans to rehabilitate Section 515 rental housing in disaster-impacted areas where owners were not required to carry National Flood Insurance. Funding will also be available to projects that opted to carry flood insurance, but where the insurance proceeds did not cover all costs to repair the damage. The deadline for application submission is May 31, 2019. To read the UL, visit https://www.rd.usda.gov/files/RDUL-hurricane.pdf.

IRS NEWS

On May 3, the IRS published the 2018 Calendar Year Resident Population Figures, which are used by state and local housing credit agencies that allocate Low-Income Housing Tax Credits and housing bonds to calculate population-based credit ceilings, volume caps, and volume limits. For Calendar Year 2018, the amount for calculating the credit ceiling is the greater of $2.70 multiplied by the state population, or $3,105,000. The amount for calculating the volume cap calendar year 2018 is the greater of $105 multiplied by the state population, or $310,710,000. To find the population figures, visit https://www.nahma.org/wp-content/uploads/2014/04/Notice-2018-45-2018-Calendar-Year-Resident-Population-Figures.pdf. **NN**

EDUCATION CALENDAR

For information on specific classes, contact the AHMA or organization directly. All dates and locations are subject to change. For the most up-to-date listings, visit the NAHMA Education & Event Calendar at http://www.nahma.org/education/education-event-calendar/.

JULY

TBD
Maintenance Training
NEAHMA
781-380-4344
www.neahma.org

Kids Day
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

10
Make Ready & Preventative Maintenance
Fresno, CA
AHMA-NCH
510-452-2462
http://ahma-nch.org

11
MOR Top 5 Findings Series: Application Process
Webinar
SAHMA
800-745-4088
www.sahma.org

Intermediate LIHTC Compliance
Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
www.mid-atlanticahma.org

De-Escalating Ourselves
Oakland, CA
AHMA-NCH
510-452-2462
http://ahma-nch.org

12
Maintenance
California
AHMA-PSW
866-698-2462
www.ahma-psw.org

17
REAC
Connecticut
NEAHMA
781-380-4344
www.neahma.org

17
Intermediate LIHTC Compliance
Wytheville, VA
Mid-Atlantic AHMA
804-673-4128
www.mid-atlanticahma.org

18
Basic HVAC Troubleshooting 101
City of Industry, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

Free RD Workshop for Owners, Agents and Upper Management Staff
Salem, OR
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

The Student Rules: Keeping Them Straight
Webinar
SAHMA
800-745-4088
www.sahma.org

19
EIV 101
Rhode Island
NEAHMA
781-380-4344
www.neahma.org

Income & Assets Verification & Calculation
Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
www.mid-atlanticahma.org

20
Medical Expenses & Calculations
Webinar
AHMA-PSW/AHMA-NCH
866-698-2462
www.ahma-psw.org

Tax Credit Compliance & Common Error
Webinar
AHMA-PSW/AHMA-NCH
866-698-2462
www.ahma-psw.org

25
Management of Section 8 Properties
Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
www.mid-atlanticahma.org

26
Income & Assets Verification & Calculation
Wytheville, VA
Mid-Atlantic AHMA
804-673-4128
www.mid-atlanticahma.org

Property Managers as Asset Managers
Oakland, CA
AHMA-NCH
510-452-2462
http://ahma-nch.org

31
NAHMA Presents Key People Skills for Property Management Staffers: Developing a Top-Performing Team
Webinar
Register through your local AHMA
https://www.nahma.org/membership/ahma-directory/

AUGUST

2
EIV 201
Rhode Island
NEAHMA
781-380-4344
www.neahma.org

6
TRACS
Long Beach, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

7
REAC
Maine
NEAHMA
781-380-4344
www.neahma.org

8
Maintenance Training
TBD
NEAHMA
781-380-4344
www.neahma.org

9
Maintenance Training
TBD
NEAHMA
781-380-4344
www.neahma.org

10
Special Claims
Webinar
AHMA-PSW
866-698-2462
www.ahma-psw.org

14
Conquering Compliance with Multiple Housing Programs
Salem, OR
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

The ABCs of Tax Credit
Sacramento, CA
AHMA-NCH
510-452-2462
http://ahma-nch.org

15
Fair Housing for Managers
Riverside, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

Fair Housing for Maintenance
Riverside, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

16
Conquering Compliance with Multiple Housing Programs
Lincoln City, OR
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

17
Managing a Wait List
Webinar
AHMA-PSW/AHMA-NCH
866-698-2462
www.ahma-psw.org

What Are Assets?
Webinar
AHMA-PSW/AHMA-NCH
866-698-2462
www.ahma-psw.org

20
Nevada 8th Seminar
Las Vegas, NV
AHMA-PSW
866-698-2462
www.ahma-psw.org

21
Half-Day Fair Housing for VA DPOR Certification
Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
www.mid-atlanticahma.org

Preparing for Physical Inspections
Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
www.mid-atlanticahma.org

22
HOME Workshop
Grant Pass, OR
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

23
Advanced LIHTC Compliance
Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
www.mid-atlanticahma.org

REAC
Rhode Island
NEAHMA
781-380-4344
www.neahma.org

WITH MONICA PAURO
BY JENNIFER JONES

Fitting the Pieces Together

MONICA PAURO'S GRANDMOTHER owned a dance studio. Her mother works at a dance studio. Pauro also began teaching dance lessons at 17 years old and worked at the same studio as her mother. However, she never wanted to be a professional dancer, so she earned her bachelor of arts in dance with a concentration in dance studio operations from Stockton College in New Jersey. Now she is the executive director of JAHMA and PennDel AHMA.

She made the jump from the performing arts to affordable housing after meeting Sandy Cipollone, the president of JAHMA.

"She was taking lessons from my mom and I was managing the dance studio," Pauro said. "Sandy said, you can do this. This wasn't even on my radar, but I was looking for a change. I just wasn't sure where to go."

Pauro was originally hired a year and half ago as the assistant director of PennDel AHMA as then executive director Gerry Aman was preparing to retire. The plan being Aman would train Pauro to take over. Then JAHMA executive director JoAnn McKay sold her company—which was providing management services to both AHMAs—to Alta Management Services, allowing Pauro to take on JAHMA's executive director position as well. McKay's two daughters, as well as another employee, assist Pauro with the administrative work.

"We offer some joint training, which allows for greater volume of students," Pauro said of the two AHMAs. "But they are different entities. They run differently. Their board members are different."

Since taking over, she has set a couple of goals for herself. Pauro wants to take some classes for association executives. Additionally, she wants to attend the AHMA trainings to get up to speed on the industry terminology. "I really would like to feel more comfortable in my knowledge of affordable housing," she said. Pauro also wants to increase membership and find the sweet spot between moving the AHMAs forward while acknowledging their roots.

"One of the biggest challenges is bridging the gap between the tradition and being innovative," she said. "A lot of people in the industry are nearing retirement. We have to find ways to get new people involved and wanting to give of their time. We need to get the new generation enthusiastic about the industry."

Pauro feels she is up to the task and looks forward to finding the right solutions.

"I like getting my hands on things and putting all the puzzle pieces together," she said.

In fact, working with her hands helps Pauro to relax. Besides hanging out with her girlfriend, Kristen, and playing with, and chasing after Kristen's 6-year-old son Ashton, the New Jersey native likes to do interior painting on the side.

"It's like a Zen thing for me. I like that I have a schedule. I can see the work in progress and I can see the end of the project," she said.

In addition to her painting skills, Pauro is also a certified massage therapist. **NN**

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

NAHMANews
National Affordable Housing Management Association
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www.NAHMA.org

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PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

thelastword

A Continuing Commitment

OVER THE MANY YEARS, I HAVE been in affordable housing, I have engaged with various AHMAs and with NAHMA. When I, as NAHMA president, began traveling around the country with Kris Cook, NAHMA's executive director, I noticed the innovative ideas and the many educational offerings the various AHMAs are presenting.

They all have one thing in common, though: a fierce commitment to the industry and to their member organizations getting the very best they can for their employees and their residents.

We have seen what the AHMAs bring to the table when it comes to educating us about what is happening in the field. We hope that they have also seen the value NAHMA brings to their work, especially as their representatives in Washington, D.C.

The feedback we get about our work is instructive as we seek to improve our services to our members. The programs we offer that you read about in *NAHMA News* and see on our website have been carefully researched and crafted so that they fill a particular need among our members. In addition, there are so many more good ideas out there! The one thing that is constant, no matter where we visited, is change—that regulations change, the economy changes, local and national government leaders change, all leading us to work hard to keep up.

And, keep up we will. That is our commitment to you. We want you to know you can count on us to bring you the latest and most meaningful news to you about what is happening on Capitol Hill and in the halls of HUD, Treasury, the IRS and other agencies. You can also count on us to provide opportunities for your own professional development and education, so that you can be ever more productive and confident about what you do.

We need you, not just to keep doing what you are doing wherever you are, but to stay engaged with NAHMA so that we know what keeps you awake at night. We also need you to help us continue to grow. The more members we have, the more strength we have in making our positions matter to those in power. You are not just NAHMA members; you are voters, and you have not only your own voice but also our collective voice.

As you can read in this and every issue of *NAHMA News*, we face constant challenges to the way things are going, even when they are going really well. The fiscal year 2019 debates are already underway and they have important ramifications to all of our funding programs. Be sure to let your colleagues in the industry who are not NAHMA members know why it is important that they join now. **NN**

Michael Johnson, SHCM, NAHP-e, is executive vice president and chief administrative officer of Alco Management Inc. and president of NAHMA.